



FINANCIAL ADVISOR REGISTRATION ACT & MIDDLE-MARKET PRIVATE EQUITY

- Middle-market Private Equity Firms would rather invest resources into Main Street business and grow jobs than adding compliance costs, overhead and administrative burdens.
- According to research conducted by the Investment Advisor Association, the average registered advisor spent \$231,026 to comply with the Investment Advisors Act (IAA) in 2005.
- Complying with IAA can cost firms thousands of hours in staff time and lost productivity.
- As contemplated by the Senate, the cost for compliance is the same for the smallest firm or a multi-billion firm. This means that the burden of compliance is disproportionately greater for a firm with a handful of employees versus that of a firm with hundreds or thousands of employees.
- Middle-market Private Equity helps strong and sustainable companies grow to the next level. It helps family-owned businesses realize a return on years of investment. And it focuses on providing the capital, structure and management support to grow a business not just into the next quarter, but into the next decade.
- Private Equity firms represent no systemic risk to the US economy and requiring middle-market firms to invest in registration and compliance reduces the amount of available resources to grow companies and jobs.

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