

May 10, 2007

Dear Securities Commission,

I truly wish that the Board would reconsider raising the minimum working capital for a fund managers (portfolio managers) to \$100,000. Raising the capital requirements as proposed, will not benefit the public. It will discourage qualified/talented new managers from entering the arena. The working capital term should be re-defined as 'capital reserve requirement' since the fund's capital cannot go below this threshold...these funds are not used to operate the business. What would be a prudent 'capital reserve requirement'? Since these funds would only be used in case of a wind up of the fund....I feel that 3 months of operating expenses plus audit fees would be a reasonable 'capital reserve requirement'. This proposal would not benefit anyone except the banks holding the funds.

I would also appreciate it if the board would review/reconsider the insurance -- financial institutional bond requirements for stand alone portfolio managers who are not in the money loop (do not accept/handle money)/ have no/few employees and outsource all of their back office requirements. I just paid Guarantee Company of North America \$2,300 for insurance that was not applicable to my operation....95% of the questions in their application did not apply to my business model. The Guaranteed Company insurance agent seemed confused as where to fit my company in their insurance model.

Thank you for considering my comments.

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