



July 24, 2015

Submitted Electronically to: e-ORI@dol.gov

Office of Regulations and Interpretations
Employee Benefits Security Administration
Attn: Conflict of Interest Rule Hearing
Room N-5655
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Re: Conflict of Interest Rule Hearing

Ladies and Gentlemen:

Franklin Square Holdings, L.P. (“Franklin Square”) submits this letter in response to the Department of Labor’s (the “Department”) open invitation to the public to testify at the hearing to be held August 10-12 and, if necessary, August 13 (the “Hearing”), regarding the Proposed Conflict of Interest Rule (the “Proposed Rule”).

Franklin Square commends the Department for its work on the Proposed Rule and respectfully requests permission to testify at the Hearing. If this request is granted, testimony will be provided by Michael F. Gerber on behalf of Franklin Square. Mr. Gerber is Executive Vice President for Administration, Corporate Development and Public Affairs at Franklin Square. If possible, Mr. Gerber would prefer to testify in the afternoon on August 11 or anytime on August 12.

If given the opportunity, Mr. Gerber’s testimony would expand on the comment letter Franklin Square submitted on July 21, 2015 regarding the Proposed Rule and the related proposed Best Interest Contract Exemption (the “Proposed Exemption”). Specifically, Mr. Gerber would address, inter alia, the following:

- I. Franklin Square’s general support for the Proposed Rule.
- II. Franklin Square’s mission to enhance mainstream investors’ portfolios by providing access to asset classes, strategies and asset managers that have historically been available only to wealthy individuals and institutional investors, including defined benefit pension plans, while striving to set industry standards for transparency, investor protections and education.

III. Background on business development companies (“BDCs”)

- A. Part of a well-diversified investment portfolio;
- B. The significant regulatory regime applied to BDCs is substantially similar to, and in some cases exceeds the regulatory regime applied to registered investment companies;
- C. Non-publicly traded BDCs are subject to even further regulation, including additional state regulatory oversight, to which publicly traded BDCs and registered investment companies are not.

IV. Suggested narrow technical amendment to the definition of “Asset” in the Proposed Exemption

- A. Would permit non-publicly traded BDCs to receive the same treatment as publicly traded BDCs and registered investment companies under the Proposed Rule;
- B. Is consistent with the objectives of the Proposed Rule because BDCs offer longer-term investment opportunities that meet the standards set forth in the Proposed Exemption.

Franklin Square appreciates your consideration of our request to testify. Please contact me at 202-350-9161 with any questions about this request.

Respectfully submitted,



Eric H. Edwards
Senior Vice President, Government Relations
Franklin Square Holdings, L.P.