SBIA
SMALL BUSINESS
INVESTOR ALLIANCE

VIA Electronic Submission

July 21, 2015

Karen E. Lloyd
Office of Exemption Determinations
Employee Benefits Security Administration (Attention D-11712)
U.S. Department of Labor
200 Constitution Avenue NW, Suite 400
Washington, D.C. 20210

Re: Proposed Best Interest Contract Exemption (ZRIN: 1210-ZA25)

Dear Ms. Lloyd:

On April 20, 2015, the Employee Benefits Security Administration of the U.S. Department of Labor ("DOL" or the "Department"), published in the Federal Register an updated re-proposal of its rule to expand the "investment advice fiduciary" definition under the Employee Retirement Income Security Act of 1974 ("ERISA") ("Fiduciary Rule").[1] This re-proposal was formulated after the vigorous response received to the DOL's prior October 2010 proposal.

Released on the same day as the Fiduciary Rule is the proposed *Best Interest Contract Exemption* ("BIC Exemption"), which provides for an exemption from certain ERISA-prohibited transactions provisions.[2] These provisions generally prohibit fiduciaries with respect to employee benefit plans and individual retirement accounts ("IRAs") from engaging in self-dealing and receiving compensation from third parties in connection with transactions involving employee benefit plans and IRAs. The BIC Exemption permits entities such as broker-dealers and insurance agents that are fiduciaries under the Fiduciary Rule to receive this type of compensation when plan participants and beneficiaries, IRA owners, and others purchase, hold or sell certain investment products in accordance with the advice of these fiduciaries. The BIC Exemption sets forth the specific types of investment products ("Assets") that may be sold by these fiduciaries, which is limited to those delineated in the exemption.[3]

Eligible Assets under the BIC Exemption include: "bank deposits, CDs, shares or interests in registered investment companies, bank collective funds, insurance company separate accounts, exchange-traded REITs, exchange-traded funds, corporate bonds offered pursuant to a registration statement under the Securities Act of 1933, agency debt securities as defined in FINRA Rule 6710(l) or its successor, U.S. Treasury securities as defined in FINRA Rule 6710(p)

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[1] Definition of the Term ''Fiduciary''; Conflict of Interest Rule—Retirement Investment Advice, 80 Fed. Reg. 21927-21960 (April 20, 2015).
[2] Proposed Best Interest Contract Exemption, 80 Fed. Reg. 21960 -21989 (April 20, 2015).
[3] *Id.* at 21967.

or its successor, insurance and annuity contracts (both securities and non-securities), guaranteed investment contracts, and equity securities within the meaning of 17 CFR 230.405 that are exchange traded securities within the meaning of 17 CFR 242.600. However, the definition does not encompass any equity security that is a security future or a put, call, straddle, or any other option or privilege of buying an equity security from or selling an equity security to another without being bound to do so."[4] Notably, the BIC Exemption does not include shares of non-traded Business Development Companies ("BDCs") in the Assets definition which is of significant concern to our membership.

The Small Business Investor Alliance ("SBIA") is the premier organization of investors in the lower middle market and middle market. SBIA represents and advocates on behalf of BDCs, Small Business Investment Companies ("SBICs"), traditional private equity funds, and investors in those funds. We currently are the largest trade association of BDCs, representing over 1/3 of the industry, including the largest number of non-traded BDCs.[5] SBIA advocates on behalf of these members in an effort to ensure a healthy market, balancing the need for investor protection and capital formation.

What is a non-traded BDC?

BDCs were created through amendments to the Investment Company Act of 1940 ("1940 Act") by the Small Business Investment Incentive Act of 1980.[6] At the time, there was clear recognition by Congress that reform was needed to stimulate investment in private American companies.[7] This need for reform led to the creation of BDCs, a new structure for capital formation, primarily in the form of loans to private businesses, accompanied by professional managerial expertise – both elements recognized as necessary for job creation. BDCs also provided an opportunity for individual investors to access activities typically only available to accredited investors. BDCs are operating companies that are heavily regulated by the Securities & Exchange Commission ("SEC") as well as the Internal Revenue Service ("IRS"). BDCs are regulated under the 1940 Act to at least the same degree as registered investment companies and, in some respects, more so. In order to sell securities to retail investors, BDCs must register their securities offerings with the SEC under the Securities Act of 1933 and file public reports under the Securities Exchange Act of 1934. The 1940 Act requires BDCs to invest at least 70% of their

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[4] *Id.*

[5] Our current non-traded BDC members include: Business Development Company of America and BDCA Venture; Carey Credit Income Fund; CION Investment Corporation; Corporate Capital Trust; Sierra Income Corporation; FS Investment Corporation II ("FSIC II"), FS Investment Corporation III ("FSIC III"), and FS Energy and Power Fund ("FSEP"); and HMS Income Fund.

[6] Small Business Investment Incentive Act of 1980, Public Law 96-477, October 21, 1980.

[7] ("The venture capital industry has consistently maintained that it cannot operate and function efficiently under the strictures imposed by the 1940 Act and the result has been the creation of few new publicly owned venture capital firms and the lack of growth of those venture capital firms already in existence."); Richard J. Tashjian, *The Small Business Investment Incentive Act of 1980 and Venture Capital Financing,* FORDHAM URBAN LAW JOURNAL, Vol. 9, Issue 4, p. 866, 1980, *available at:* http://ir.lawnet.fordham.edu/cgi/viewcontent.cgi?article=1515&context=ulj; *see also* Steven B. Boehm, Cynthia M. Krus and Harry S. Pangas, et. al., *Shedding New Light on Business Development Companies,* INVESTMENT LAWYER, Vol. 11, No. 10, October 2004, *available at:* http://www.sutherland.com/portalresource/lookup/poid/Z1tOl9NPluKPtDNIqLMRV56Pab6TfzcRXncKbDtRr9tObDdEv0JDp0!/fileUpload.name=/InvestmentLawyerOct04.pdf

assets in securities of private U.S. companies, unlisted public U.S. companies, or publicly traded U.S. companies whose total market capitalization is less than $250 million. Traded BDCs are sold in a one-time initial public offering ("IPO") and listed on a national securities exchange. In contrast, non-traded BDCs are sold to individual investors in an extended offering period, through registered broker-dealers and financial advisers to individual and institutional investors. This is done under the supervision of state securities regulators and the Financial Industry Regulatory Authority ("FINRA").

There are currently over 80 BDCs with over $70 billion in assets, of which, at least 70% is invested in small and mid-size American companies. BDCs make capital investments in middle market companies, which are valued between $10 million to $1 billion. This sector of the economy is responsible for one-third of private sector GDP and produces $10 billion in revenues annually. In the current capital void for small and mid-size businesses, BDCs provide vital funds for job creation and new investments in land, equipment, and factories that allow companies to grow.

I. The Contract in the BIC Exemption Already Protects Investors From Unsuitable Products, Eliminating the Need for a Prescriptive or "Legal List" of Eligible Assets

Under the proposed Fiduciary Rule, the DOL has included prohibited transaction provisions, which prevent financial advisers and other investment professionals from engaging in certain compensation arrangements, including receiving commissions, sales loads, 12b-1 fees, revenue sharing and "other payments from third parties that provide investment products."[8] Many of SBIA's non-traded BDC members' products are provided under similar compensation arrangements to individual investors, including IRAs. The Department has created the BIC Exemption to permit financial advisers and investment professionals to engage in these types of compensation arrangements in retirement plans and IRAs, provided they have complied with a comprehensive framework set forth in Section II of the BIC Exemption.[9] This requires the financial adviser and their broker-dealer to enter into a written contract with the individual investor prior to engaging in business with that individual (the "Contract").[10]

The Contract is extensive and considered by the DOL to be the "cornerstone" of the BIC Exemption.[11] It provides a mechanism through which individual investors are made aware of their adviser's and broker-dealer's obligations, and allows those rights to be enforced by the investor if the Contract is violated.[12] The Contract has multiple components. First, the adviser and the broker-dealer affirmatively acknowledge *fiduciary status*, providing certainty to individual investors that these individuals and entities must give advice that is in the best interest of the individual investor.[13] Second, the Contract must include specifically delineated "Impartial Conduct Standards" that apply to the adviser when providing investment advice to the investor, where the adviser must act with the "care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person would exercise based on the investment objectives, risk

[8] Proposed Best Interest Contract Exemption, 80 Fed. Reg. at 21964.
[9] *Id.*
[10] *Id.* at 21969.
[11] *Id.*
[12] *Id.*
[13] *Id.*

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tolerance, financial circumstances and the needs of the individual investor."[14] This requires the adviser to put the investor's interests ahead of their own; if they fail to do so, they lose the protection of the exemption.[15] The adviser must also apply the duties of prudence and loyalty in providing advice. Third, the Contract requires that the adviser and the broker-dealer agree that they will not recommend an investment product to the investor if the total amount of compensation received in connection with the purchase, sale, or holding of the product will exceed "reasonable compensation" in relation to the total services they provide to the investor.[16] The reasonableness of the compensation is based on the particular facts and circumstances of the transaction, which will likely cause significant uncertainty among financial advisers. Fourth, the adviser and broker-dealer must avoid misleading statements about investment products, and clearly explain conflicts of interest, fees and any other matters relevant to the investor's investment decisions. Fifth, the Contract must include warranties that would give investors an enforceable right of action if the adviser and broker-dealer fails to comply with federal and state laws regarding the rendering of investment advice, the purchase, sale or holding of the investment product, and the payment of compensation related to the purchase, sale, or holding of the product.[17]

The requirements set forth in the Contract are robust protections that make the need for a specified list of eligible assets in the "Asset" definition superfluous and unnecessary. As explained above, an adviser and their affiliated broker-dealer, must enter into a binding legal contract that requires them to give advice to the investor as a *fiduciary*, thereby putting the interests of the investor above all else. Moreover, the adviser and broker-dealer must choose the best product for the investor, ignore their own financial interests, and may only recommend products that provide "reasonable compensation." These parties may not make misleading statements about the products, and must give warranties that they are complying with the BIC Exemption. Finally, all of these obligations are combined with a tough enforcement mechanism through regulatory action and civil liability.

If the adviser or the broker-dealer violate the terms of the Contract, they are subject to potentially losing the BIC Exemption and resulting Department enforcement actions. They also are subject to a private right of action for breach of warranty from the investor in civil court. These enforcement mechanisms are considerable, and will ensure the protection of investors through deterrence without the need for a specified Asset list. Ultimately, the obligation to choose the best product for the investor along with the "reasonable compensation" requirements are the most effective assurance that investors will receive non-conflicted investment advice, along with the deterrent factor presented by the enforcement mechanisms.[18]

A prescriptive or "legal" list of Assets is problematic because it selects which investments are "appropriate" and "safe" based on current trends and beliefs, rendering it inflexible for future updates in investment products and strategies. Such an approach may exclude future investments

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[14] *Id.* at 21970.
[15] *Id.*
[16] *Id.*
[17] *Id.*
[18] For this reason, even if the Department modifies certain conditions of the BIC Exemption in light of commentary on the proposal, the core provisions of the exemption will continue to provide adequate protections for retirement investors without a "legal list" limitation.

that may be appropriate and valuable for retirement investors. At a time when self-directed retirement accounts are more important than ever, reducing potential returns, limiting options, and increasing risk through the lack of portfolio diversification is the wrong policy for retirement investors. Particularly in a "principles based" exemption, a "legal list" simply is the wrong approach to take.

One of the hallmarks of the Department's administration of ERISA has been its avoidance of "legal lists." As stated in the final regulations implementing Section 404 of ERISA, "the Department does not consider it appropriate to include in the regulation any list of investments, classes of investment, or investment techniques that might be permissive under the 'prudence' rule. No such list could be complete; moreover, the Department does not intend to create or suggest a 'legal list' of investments for plan fiduciaries."[19] Furthermore, the DOL states in the BIC Exemption that "the best interest standard is defined to effectively mirror the ERISA section 404 duties of prudence and loyalty, as applied in the context of fiduciary investment advice."[20] The establishment of a prescriptive or legal list of approved investments (Assets) appears to contradict the previous approach of the DOL in implementing ERISA, as well as the intended approach of the BIC Exemption itself. For all the reasons above, establishing a specified list of eligible Assets is not an effective method of protecting retirement investors, and should be eliminated from the BIC Exemption.

II. If The List of Eligible Assets Is Included in the BIC Exemption, Non-traded BDCs Should Be Included As They Are Very Similar To Certain Products Already on the List

If the DOL proceeds in the final rule with a prescriptive list of Assets under the BIC Exemption, non-traded BDCs should be included as an eligible asset. First, BDCs have been recognized to be effectively the same as registered investment companies by other regulatory agencies,[21] which are included as permitted Assets under the BIC Exemption.[22] Second, while non-traded BDCs are not as liquid as exchange-traded securities, illiquidity did not prevent other types of investments, such as certificates of deposit ("CDs") and variable annuities ("VAs"), from being included on the list of Assets.[23]

Non-traded BDCs are regulated in a substantially similar manner as registered investment companies, which are currently listed as permitted Assets in the BIC Exemption.[24] Non-traded BDCs are subject to essentially the same 1940 Act requirements as are registered investment companies, and in fact have many more regulatory obligations. Other federal regulators, including the Commodity Futures Trading Commission ("CFTC"), have recognized that BDCs should be treated the same as registered investment companies, due to the substantial similarity in

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[19] 44 Fed. Reg. 31639 (June 1, 1979), reprinted in CCH, Pension and Employee Benefits, Vol. 3, par. 24,038 (2015).
[20] Proposed Best Interest Contract Exemption, 80 Fed.Reg. at 21970.
[21] CFTC No-Action Letter 12-40, *No Action Relief from the Commodity Pool Operator Registration Requirement for Commodity Pool Operators of Certain Pooled Investment Vehicles Organized as Business Development Companies,* (December 4, 2012), *available at:* http://www.cftc.gov/ucm/groups/public/@lrlettergeneral/documents/letter/12-40.pdf
[22] Proposed Best Interest Contract Exemption, 80 Fed.Reg. at 21987.
[23] *Id.*
[24] *Id.*

regulatory oversight.[25] In December 2012, the CFTC provided no-action relief to BDCs from the Commodity Pool Operator ("CPO") registration requirement based on their similarity to registered investment companies. The letter highlighted that BDCs are "regulated like, and may employ swaps, futures contracts, or options on futures in substantially the same manner as registered investment companies… BDCs qualify as 'investment companies' [under the 1940 Act]…many BDCs have external advisers that [have to register with the SEC]…BDCs, like registered investment companies are subject to periodic examination by the SEC…"[26] Also, the CFTC agreed that BDCs, like registered investment companies, must comply with disclosure and other Securities Exchange Act of 1934 requirements, including filing annual and quarterly reports, among other things.[27] Due to non-traded BDCs and registered investment companies having the same regulatory obligations under the 1940 Act, the DOL should consider them the same as registered investment companies for the purposes of the asset list and specify this in the final rule.

In this respect, the limited liquidity of non-traded BDCs is not a disqualifying feature, and in fact is similar to that of CDs and VAs, both of which are included in the Asset list. Many CDs have limited liquidity with "limitations on early withdrawals and transfers, and the absence of a secondary market for [their] resale..."[28] Further, "CDs have a fixed maturity date, and the issuing depository institutions generally will not permit withdrawals prior to maturity. In addition, there are limitations on the transferability of CDs, and no assurance can be given that a secondary market will exist or be maintained for the resale of CDs. Thus, if you buy a CD you should be prepared to hold it to maturity."[29] VAs are also limited liquidity products, and will be permitted to be sold under the BIC Exemption Asset list. FINRA has recognized the illiquidity of these products, explaining in a recent investor alert that:

> Deferred variable annuities are long-term investments. Getting out early can mean taking a loss. Many variable annuities assess surrender charges for withdrawals within a specific period, which can be as long as six to eight years. Also, any withdrawals before an investor reaches the age of 59 ½ are generally subject to a 10 percent tax penalty in addition to any gain being taxed as ordinary income.[30]

The similarity of certain features of non-traded BDCs, including limited liquidity, should not be an impediment to being included on the DOL's Asset list under the BIC Exemption. Limited liquidity is not necessarily a negative feature for retirement investors, as retirement investors should be encouraged to hold investments for the long-term in order to save for retirement. Non-traded BDCs, due to not being traded on a national securities exchange, have limited liquidity

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[25] CFTC No-Action Letter 12-40, *No Action Relief from the Commodity Pool Operator Registration Requirement for Commodity Pool Operators of Certain Pooled Investment Vehicles Organized as Business Development Companies,* (December 4, 2012), *available at:* http://www.cftc.gov/ucm/groups/public/@lrlettergeneral/documents/letter/12-40.pdf

[26] *Id.* at 1-2.

[27] *Id.* at 2.

[28] Robert W. Baird & Co., Inc., *Important information about Certificates of Deposit,* p.1., *available at:* http://www.rwbaird.com/bolimages/media/pdf/help/cddisclosure.pdf

[29] *Id.* at 2.

[30] FINRA Investor Alert, *Variable Annuities: Beyond the Hard Sell,* p. 2, (August 31, 2009), *available at:* https://www.finra.org/sites/default/files/InvestorDocument/p125846.pdf

during the five to ten year holding period before they seek a "liquidity event." In an effort to provide more liquidity, some non-traded BDCs can be traded in informal secondary markets, or investors can take advantage of share redemption programs ("SRPs") offered by the non-traded BDC. While these SRPs are discretionary, they have proliferated in the industry to provide greater investor liquidity. Non-traded BDCs typically accommodate redemptions up to 10% of the number of shares outstanding per year. Shares repurchased pursuant to an SRP are typically redeemed at a stated discount to public offering price, which usually equates with the net asset value. In sum, the liquidity of non-traded BDCs is similar to that of CDs and VAs, both of which are included on the Asset list.

Given the similarity of non-traded BDCs to registered investment companies, and the fact that non-traded BDCs offer similar or greater liquidity to their investors than VAs and CDs, the Department should include non-traded BDCs as a permissible Asset under the BIC Exemption.

III. If the DOL Decides to Retain the Eligible Asset List, that List Should Include Non-traded BDCs because they are Beneficial Retirement Investments.

In addition to being similar to other included products on the list of eligible Assets, non-traded BDCs deserve inclusion because of their strong benefits for retirement investors. BDCs provide investment opportunities to individual investors, at low investment minimums, in the same types of privately-held companies that generally only large institutions, endowments and wealthy individuals have access to. Non-traded BDCs are particularly attractive to individual, retail investors because many BDCs generate current income and long-term capital appreciation, with price stability. For these reasons, retirement investors frequently opt to include non-traded BDCs in their portfolios. The DOL should continue to permit these investments to be held by including them on the Asset list in the BIC Exemption.

Non-Traded BDCs Reduce Risk in Retirement Investor Portfolios

Non-traded BDCs are strong investments for retirement investors because they reduce risk, provide tax benefits, and generate steady income in retirement portfolios. Sound retirement strategies require investing in products that carry varied risk profiles, expected returns, and susceptibility to market volatility. Diversification limits the impact of a drop in value of one investment on the entire portfolio, and non-traded funds, including non-traded BDCs, are commonly used to diversify a portfolio as they tend to exhibit low correlation to traditional investments such as exchange-traded stocks and bonds.[31] This allows non-traded BDCs to provide portfolios with different risk-allocations and become less susceptible to market swings, earn stable revenue, and help investors maintain savings during tough economic times. Moreover, BDCs are safer than many other investments because of the close relationship between the BDC and its portfolio companies as well as various statutory safeguards under the 1940 Act. BDCs must make managerial assistance available to the companies they invest in, and are limited in their leverage to finance their operations, which make them safer and more attractive for retirees' investments, while still providing healthy returns. This low risk and insulation from the market make non-traded BDCs an ideal investment for the diversification and strengthening of

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[31] *See* Franklin Square Capital Partners, *Education Center: Alternative Investments*, (2015), *available at:* http://www.franklinsquare.com/education-center/alternative-investments/why-invest

retirement portfolios. Additionally, non-traded BDCs have significant price stability, as they are not subject to the fluctuations in the marketplace present on public exchanges.

Non-Traded BDCs provide Superior Tax Benefits for Retirement Investors

In addition to their low risk profiles, non-traded BDCs are often included in retirement plans because they provide superior tax benefits compared to other investments within the tax structure of IRAs. One factor impacting "asset location" decision-making involves determining which assets an investor should hold in taxable accounts versus tax-sheltered accounts such as IRAs. To take advantage of the lower tax rate on capital gains, appreciating assets are usually placed in taxable accounts. On the other hand, income-generating assets, such as non-traded BDCs, are regularly held inside IRAs. BDCs are superior to many other investments placed in IRAs because most BDCs pay out substantially all of their income. Most BDCs qualify as regulated investment companies ("RICs") under Subchapter M of the Internal Revenue Code of 1986, as amended, and distribute 90% or more of their taxable income each year, thereby avoiding double corporate taxation. These tax savings equate to less earnings diverted to taxes and more money flowing directly into the individual's savings for retirement. If the DOL eliminates income-generating assets, such as non-traded BDCs, from tax advantaged accounts, such as IRAs, then income-focused investors such as retirees will be significantly harmed by the application of the ordinary income tax rate to the income allocation of their retirement portfolios. In fact, this outcome will particularly harm current retirees and retirement savers. In today's ultra-low interest rate environment, non-traded BDCs will remain popular with income-focused investors, whether or not they are included in the DOL's definition of Asset, because few other investments can offer stable income yields comparable to non-traded BDCs. As a result, income-focused retirement savers will continue to invest in non-traded BDCs, but will be forced to do so in non-tax-advantaged brokerage or advisory accounts, wherein they would have to pay brokerage or advisory fees on top of the taxation at the ordinary income rate. In this sense, the DOL's definition of Asset may have the unintended consequence of crowding retirement assets out of retirement accounts and into higher cost standard accounts. This outcome would harm the very investors the DOL is seeking to protect.

Non-Traded BDCs provide Steady Income & Growth in Retirement Portfolios

Non-traded BDCs are also necessary to retirement investors because they generate steady gains and fuel growth in a portfolio, resulting in long-term savings. Working Americans rely upon growing investments to provide for them in old age. The structure of BDCs typically requires a significant majority of their returns to be paid out in the form of a stable stream of dividend income that allows investors to pay their bills and sustain themselves in retirement. Moreover, non-traded BDCs perform extremely well as an income-producing asset, generating current income and, to a lesser extent, long-term capital appreciation.

For example, shareholders who invested in SBIA member Corporate Capital Trust in June 2011 with an initial investment of $10,000 have registered a total investment return of 31.2% (see first chart below).[32] The S&P/LSTA Leveraged Loan Index[33] and the Merrill Lynch US High Yield

[32] Corporate Capital Trust, Inc., Quarterly Report (Form 10-Q), at 67 (May 14, 2015).

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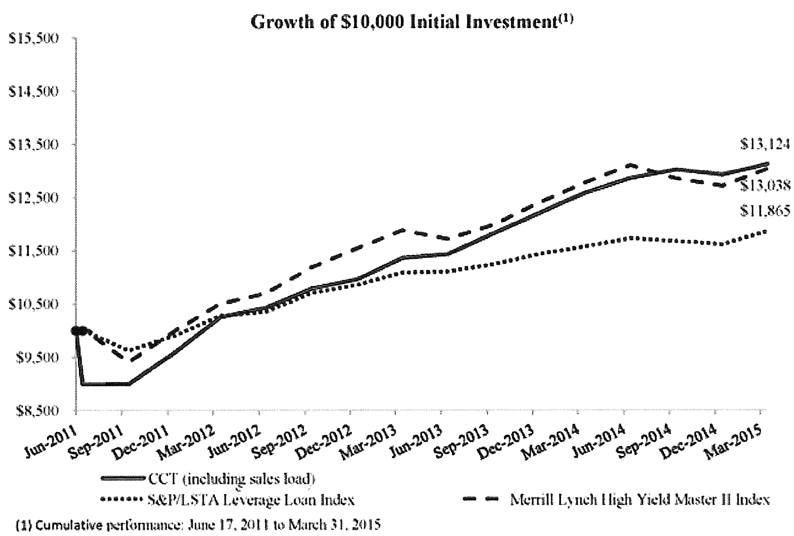
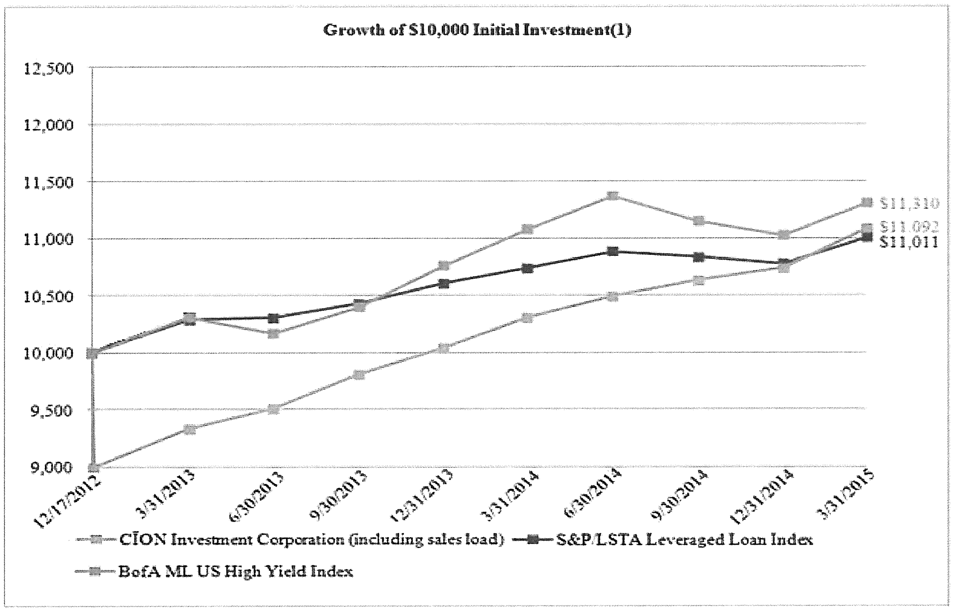
Master II Index[34] registered cumulative total returns of approximately 18.7% and 30.4%, respectively, in the period from June 17, 2011 to March 31, 2015.[35] As illustrated in the chart below, investors in Corporate Capital Trust received significant returns in the four years of holding the non-traded BDC in their portfolio, particularly as opposed to investing in funds tracking a similar index. This return includes the fees and other costs of operating the non-traded BDC, fees not taken into account in the indices.



Similarly to Corporate Capital Trust, a shareholder investing in SBIA member CION Investment Corporation's offering in December 2012, with an initial investment of $10,000 realized a cumulative total return of 10.92% (see chart below).[36]

[33] The S&P/LSTA Leveraged Loan Index is a primary measure of senior debt covering the U.S. leveraged loan market, which currently consists of approximately 1,000 credit facilities throughout numerous industries.
[34] The Bank of American Merrill Lynch US High Yield Index is a primary measure of subordinated debt consisting of approximately 2,000 high yield corporate bonds.
[35] Corporate Capital Trust, Inc., Quarterly Report (Form 10-Q), at 67 (May 14, 2015).
[36] CION Investment Corporation, Quarterly Report (Form 10-Q), at 49 (May 14, 2015).



(1) Cumulative performance: December 17, 2012 to March 31, 2015

Over the same time period the S&P/LSTA Leveraged Loan Index and the BofA Merrill Lynch US High Yield Index registered cumulative total returns of approximately 10.11% and 13.10%, respectively, during the period from December 17, 2012 to March 31, 2015.[37] The strong performance of both Corporate Capital Trust and CION Investment Corporation demonstrates the types of healthy returns a non-traded BDC can generate, at low risk, for retirement investors. Investors should have the option to earn these returns in their retirement portfolios.

Conclusion

In sum, non-traded BDCs are a common and necessary investment in retirement plans. Non-traded BDCs also provide significant value in terms of generating steady income, providing diversification, lowering risk, and providing tax benefits. Middle-class Americans should not be precluded from investing in them in their retirement accounts.

We look forward to working with the DOL to find a place for non-traded BDCs in the retirement investment landscape. If you have any questions regarding this letter, please contact Chris Hayes, SBIA's Legislative & Regulatory Counsel at chayes@sbia.org or (202) 628-5055.

Sincerely,

Brett Palmer
President
Small Business Investor Alliance (SBIA)

37 *Id.*

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