



May 12, 2008

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: File Number S7-06-08
Proposed Amendments to Regulation S-P

Dear Ms. Morris:

The Alternative Investments Compliance Association¹ ("AICA") is pleased to submit this letter in response to the solicitation by the Securities and Exchange Commission (the "Commission") of comments on proposed amendments to Regulation S-P (which implements certain provisions of the Gramm-Leach-Bliley Act and the Fair Credit Reporting Act), as contained in the Release (the "Proposing Release").

In brief, we respectfully request that the Commission revise its proposal to provide a greater degree of guidance; such revisions might include a set of "safe harbor" guidelines relating to the requirement that a registered adviser's information security program include a requirement that the adviser identify in writing all "reasonably foreseeable security risks that could result in the unauthorized disclosure, misuse, alteration, destruction or other compromise of personal information or personal information systems". We believe that such change should be made in an effort to provide a greater degree of certainty to registered advisers that will be using their best efforts (and likely significant resources) to comply with the requirements of an amended Regulation S-P.

¹ AICA is an association of compliance professionals focused on addressing legislative, compliance and regulatory developments and is dedicated to open communication among industry participants, as well as fostering the development and sharing of compliance best practices. AICA currently has 38 registered members and consists of chief compliance officers, mid-level compliance professionals, general counsels, hedge fund and fund of hedge fund managers, private equity firm managers, industry service providers and other senior executives within the alternative investments industries.

We would respectfully request that any degree of additional guidance be as specific and detailed as possible. Toward this end (and as suggested above), the Commission may wish to seriously consider providing a "safe harbor" set of guidelines that would provide needed comfort to advisers in their efforts to comply with any such amended requirements. We believe that registered advisers will need to spend a great deal of time and resources to comply with any such amended requirements under Regulation S-P and the Commission should do whatever it can to make compliance efforts more efficient and focused. Although not exhaustive, the following are suggested "safe harbor" guidelines for areas that could be reviewed by a registered adviser in complying with the proposed requirement that all "reasonably foreseeable security risks" are identified in writing:

- Unauthorized access to personal, non-public information about a client by an employee or former employee of the adviser;
- Compromised system security as a result of system access by an unauthorized person unaffiliated with the adviser (due to "hacking" or otherwise);
- Interception of data (containing personal, non-public information about clients) during transmission from the adviser's system to outside systems;
- Loss of data integrity as it relates to personal, non-public information about clients;
- Physical loss of data (as it relates to personal, non-public information about clients) in a disaster or other business interruption event;
- Errors introduced into the system;
- Corruption of data or systems;
- Unauthorized requests for personal, non-public information;
- Unauthorized access to hard copy files or reports containing personal information;
- Unauthorized transfer or release of personal, non-public information by third parties contracted by the adviser;
- Failure to properly supervise third part service providers which have access to personal, non-public information about an adviser's clients;
- Unauthorized disposal of personal information; and
- Unsecured disposal of a client's personal, non-public information

Each adviser would need to perform an in-depth review of how such risks are actually present in their business and how such risks are being addressed by the adviser in question.

In conclusion, we generally support the Commission's desire to expand the requirements and scope of Regulation S-P to address the realities and client concerns of today's technological environment (as it relates to the protection of personal, non-public information), however, we believe advisers will need to expend a great deal of time and resources to ensure compliance with an amended Regulation S-P. As such, we believe that the Commission should provide a greater degree of guidance as to what is a "reasonably foreseeable security risk" to assist registered investment advisers in these

efforts. This will allow such registered advisers to continue to devote sufficient time and resources in providing the valuable investment advisory services that clients have retained them to provide (as opposed to using such valuable time and resources inefficiently).

We appreciate the opportunity to comment on the Proposing Release and would respectfully urge the Commission to take this comment into account. We would be happy to discuss any questions the Commission or its staff may have with respect to our comments. Any such questions may be directed to William G. Mulligan at (212) 515-2800.

Very truly yours,

AICA

A handwritten signature in black ink, appearing to read 'W. G. Mulligan', written over a horizontal line.

By: William G. Mulligan
Chair and Member of the Board of Managers

VIA EMAIL AND REGULAR MAIL