

# 7 Faison

Comments on Applying the Anti-Money Laundering Regulations to Independent Investment Advisers

Dear Sirs:

I am a small, SEC-registered investment adviser and wanted to express my concerns and objections to the proposed changes. I hope that you will consider some exemptions from these onerous rules for some managers based on asset size, numbers of accounts, numbers of employees, or some combination of those factors.

I am a one-man-shop managing less than \$50 million with less than 50 accounts. My business is based on long-term investing in US stocks and bonds. I have no remotely "foreign" or suspicious clients. No offshore accounts either. For someone like me, I hope that you will see that such rules are pretty ridiculous. If implemented, I will have to draft written procedures, to be approved by me, implemented by me and enforced by me (as compliance officer). I suppose that I will have to give myself training too. As for independent testing, I suppose that I would have to spend substantial money to have some consultant verify that I had written and executed an acceptable policy. I don't mind attesting to my knowledge of and familiarity with my clients, but I do resent having to spend my limited income on unneeded consultants. I also note that my clients are already subject to the existing rules because their accounts are custodied at major brokerages.

While I understand the need to prevent money-laundering, applying these rules to managers like me seems like a ludicrous waste of time and money. I think that I should spend my energy and capital trying to create wealth for my clients, not creating policies, filling out forms or hiring consultants. Please consider some limitations on applying these rules to small managers like me.

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