



## **ACG PRIVATE EQUITY REGULATORY TASK FORCE (PERT) GUIDELINES**

### **BACKGROUND:**

One of the primary tenets of ACG is “Private Capital Public Good.” This principle is grounded in the belief that private equity brings significant value to middle-market businesses, the entrepreneurs and employees of those businesses and the communities in which those businesses reside.

ACG aims to be the voice of the middle market in Washington D.C., supporting policies that incentivize capital formation and promote investment. For the past several years ACG has been actively engaged with legislators and regulators on issues relevant to the private equity industry.

ACG is concerned that overregulation of the private equity industry could have a profoundly negative impact on the flow of capital to middle-market businesses. In 2013, ACG created an SEC Task Force consisting of middle-market private equity compliance officers, financial officers and in-house counsel. The Task Force was formed to both advocate before federal regulators and help the industry work together to address compliance and other regulatory challenges.

In October of 2014, ACG determined that the ACG SEC Task Force should consider the aggregate issues faced by compliance and financial officers. At the request of members, ACG renamed the ACG SEC Task Force to **ACG Private Equity Regulatory Task Force (PERT)**. ACG views the Task Force as a vital component of its public policy agenda. ACG has contributed, and will continue to contribute, significant time and resources to ensure its success.

This document outlines the **PERT** operating guidelines.

### **MISSION STATEMENT:**

The mission of PERT is to be the FACE of middle-market private equity in Washington, DC. Including:

- **Facilitate** communication and coordination amongst fund professionals;
- **Advocate** before federal regulators and lawmakers on behalf of the private equity industry;
- **Create** a network of peers to share best practices; and
- **Educate** private equity professionals on regulatory issues that have a direct impact on them and their funds.

### **MEMBERSHIP STRUCTURE:**

Membership in the ACG PERT takes place at the firm level rather than the individual level, and is open to all private funds. Although the Task Force focuses on issues related to private equity funds, venture capital, hedge, mezzanine and other private funds are welcome to join. Service

providers and other non-private funds are not allowed to join the Task Force, although they may join the Advisory Council, to be described at a later time.

**MEMBERSHIP FEES & BENEFITS:**

The ACG PERT aims to provide significant benefits to its members that are narrowly tailored to middle-market private equity CCOs/CFOs. To help ACG Global support the mission, goals and costs associated with organizing, standing-up, administering and supporting the Task Force, ACG requests that member firms pay a membership fee based upon the size of their most recent fund. The implementation of a membership fee is necessary to keep the efforts of the ACG PERT functioning and meaningful to achieve desired results. ACG’s mission is to make remarkable progress – saving you time and opportunity costs. Your membership includes access to:

- Quarterly sixty-minute conference calls, which are efficient and narrowly tailored to key issues that impact private equity compliance and financial officers;
- A single monthly email that summarizes key regulatory, legislative and compliance developments relevant for private equity CFOs and CCOs;
- The creation of various sub-groups (discussed below) to help ACG PERT members focus on specific regulatory and policy areas they are most concerned with.

The suggested membership fees are:

<b>Size of Most Recent Fund</b>	<b>Annual Membership Fee</b>
Less than \$250 million	\$1,000
\$250 million to \$1 billion	\$2,500
Over \$1 billion	\$5,000

If any fund would like to discuss the membership fee in detail, please contact us directly.

**SUB-GROUPS:**

The following subgroups will allow members of ACG PERT to focus and engage on the issues most important to them. The following subgroups have been identified as of January 2015:

- Advertising/Marketing
- Broker Dealer
- Code of Conduct/Code of Ethics
- Co-Investments
- Fees/Expenses
- Valuations

*Please note: these issues categories are determined by ACG PERT members and can change based on consensus of the group.*

## **STEERING COMMITTEE & CO-CHAIRS:**

The ACG PERT will be led by a steering committee, comprised of ACG Global board members and several co-chairs, all of whom are fund professionals and familiar with the issues that the Task Force will be focusing on. Co-Chairs are encouraged to recruit and cultivate new members to the ACG PERT. In addition co-chairs will help to achieve membership and funding goals with the support of ACG staff to include fundraising communications and follow-up phone calls.

## **ADVISORY COUNCIL:**

Overtime, the ACG PERT will have an Advisory Council that shall be comprised of those advisors (legal, accounting, investment banking and others) who advise, or are otherwise engaged with middle-market private equity funds in connection with compliance, accounting or other matters relevant to private equity funds. Advisory Council membership will be prescribed through membership dues or sponsorship of specific Task Force activities. The Advisory Council shall:

- Interact with the ACG PERT periodically
- Provide counsel and advice with respect to regulatory issues and best practices for PE funds registered under the Investment Advisers Act

## **ACG STAFF SUPPORT:**

ACG recognizes just how busy private equity financial and compliance officers are. Therefore, ACG Global will provide staffing resources who will be responsible for managing the members who serve as liaisons and perform a variety of tasks, including:

- Providing orientation for each new committee member and chair about their responsibilities and work schedule. This may include a committee roster, minutes of previous committee meetings, background on recent committee activities, information about key people with whom the committee or co-chair is likely to interact.
- Developing and maintaining procedural information and activity reports for ACG PERT members.
- Working with the co-chairs to ensure that responsibilities are fulfilled and meeting agendas are set.
- Providing administrative assistance to the co-chair in setting up and conducting meetings.
- Facilitating communications between the ACG PERT and Global Board of Directors.