



## **Hedge Fund Association “Speak Up” Gains Traction on Capitol Hill**

### ***Recent Proposed Legislation Increases Registration Requirement Assets Under Management from \$30 Million to \$150 Million***

Washington, DC – November 9, 2009 – The Hedge Fund Association, HFA, today announced progress on its “Speak Up” campaign, which seeks to ensure that regulation of the hedge fund industry meets government concerns without imposing over-reaching, broad measures that makes it costly for small funds to operate, and could impede industry growth and job creation.

HFA President, David Friedland, said that the HFA was not opposed to additional regulation and registration or reporting requirements. “The HFA is open to working with Congress to ensure that any regulation is cost effective and achieves objectives that both Congress and the industry need.” Mr. Friedland further noted that all hedge funds are already subject to certain rules and regulations, including SEC anti-fraud provisions.

Mr. Friedland said, however, that “proposals from Congress to regulate funds with assets under management of over \$30 million could result in smaller hedge funds, which form the vast majority of firms, to close their doors, causing a devastating impact on an industry already suffering from the effects of the financial downturn. This will result in a loss of jobs not only within those hedge fund firms, but also at the administrators, law firms, auditors, banks and brokers who rely so heavily on smaller/startup funds for much of their business.”

The Hedge Fund Association’s “Speak Up” campaign was launched with the aim of educating lawmakers and the media of the burden that new regulations would place on smaller hedge funds. “Some form of registration requirement and reporting requirement for firms with more than \$250 million would seem to make the most sense” Mr. Friedland stated. “Typically firms with more than \$250 million have a much larger internal staff than firms managing smaller funds. The larger firms can take on the burden of increased registration/reporting requirements and an internal compliance officer in a much more economical fashion.”

As a result of this campaign, recent legislation being proposed by Congress would raise the registration requirement from assets under management of \$30 million to \$150 million.

“It’s not as high as we would like, but we appreciate that lawmakers have listened to the concerns of the HFA and taken steps that would protect the small managers from the burden of excessive regulation.”

#### **About The Hedge Fund Association**

The Hedge Fund Association (“HFA”) is an international not-for-profit organization made up of hedge funds (both large and small), hedge fund investors (including funds of funds, family offices and high net worth individuals) and service providers (including law firms, administrators, brokers, accountants, marketers and technology firms). Unlike other trade organizations in the industry, our membership is not made up exclusively of the largest funds in the industry. We hold frequent educational and networking events, and focus on educating the public, media and lawmakers to dispel myths about the hedge fund industry. For more information please visit [www.thehfa.org](http://www.thehfa.org).

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