

A Call to Action

Dear Members – As we are all well aware, there has been a recent flurry of negative press and media coverage regarding certain Placement Agents and “Finders”. Specifically, the issue focuses on how some private equity and hedge fund managers have been awarded mandates from large public pension plans. This coverage has lead several potential investors, in particular some of the large public funds, to consider passing legislation that will ban any manager it invests with from using the services of 3PMs.

This coverage has prompted many 3PM members to contact the Board to discuss their concerns and ask what, if anything, the Association can do to respond to the wide range of misconceptions that are being spread about the 3PM industry. After considerable discussion, the Board has decided that 3PM will take action and undertake a proactive campaign to address much of the one-sided, bad press that is currently appearing in major publications across the country.

To accomplish our goal, we need your help! 3PM is forming a special committee to coordinate this effort and help address the broad level of interest and concern expressed by our members. The committee will analyze the current situation and then work to come up with a carefully crafted public relations effort, coordinated by CMA’s public relations team, which will likely include press releases and position papers as well as targeted articles in several of the major industry publications. Our goal is to remind the industry that our members follow the codes of conduct and industry standards of best practices and professional conduct established by the Association.

It is imperative that we reiterate the fact that all 3PMs should not be painted with the same broad brush and that more often than not most 3PMs run their businesses in a highly ethical manner and are compliant with the regulatory rules and regulations.

We need all types of 3PMs to help us in this effort and want to be sure that our approach takes into account the distinct perspective of marketers working in both the traditional and alternative spaces. We also want it to address a variety of constituents that our members deal with from institutional investors to HNW individuals and RIA platforms.

We plan to hold our first conference call early next week. If you are interested in getting involved in this initiative, please email me at donna.dimaria@tesseractcapital.com and let me know so that I can send you the details for the call.

This is an extremely important issue that affects us all.

Please join us in this initiative.

Regards