

# Pensions & Investments

## Placement agent group opposes California bill

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Third Party Marketers Association, the trade group representing placement agents, announced its opposition to a bill pending in the California Assembly that would require agents to register as lobbyists.

The group insists placement agents are not lobbyists and are involved in a host of services for their money manager clients. It specifically objects to a proposed ban on the acceptance of contingency fees, a ban tied to the lobbyist designation.

The bill will be discussed Wednesday at a hearing of the Assembly Public Employees Retirement and Social Security Committee in Sacramento.

Lisa Roth, CEO of Keystone Capital, who is scheduled to testify on behalf of the marketers association, said in an interview that the requirement would have a dramatic impact on agents.

"It would shut down the industry," said Ms. Roth, whose company has a placement agent division.

She said small money managers, who make up the bulk of business for many placement agents, do not have the resources to enter into retainer agreements.

Under the current system, placement agents don't get paid unless they are able to obtain their client work, she said.

Walter Hughes, a spokesman for the bill's sponsor, Assemblyman Ed Hernandez, could not be reached for comment.

The bill, which is being pushed by the \$205.8 billion California Public Employees' Retirement System, Sacramento, was sparked by disclosures in California of placement agents earning tens of millions of dollars in fees from money managers.

Ms. Roth said the group isn't opposed to tighter regulation of agents, including fee disclosures and limiting campaign contributions. "We want to end pay to play," she said.

If the committee approves the legislation, it would then proceed to the Assembly Appropriations Committee.

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