

Press Coverage | August 30, 2023

Did the SEC Just Double Down on Accelerated Fees and Indemnities?

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Genna Garver

Genna Garver, a partner in Troutman Pepper's Corporate Practice Group, was quoted in the August 30, 2023 *Private Funds CFO* article, "[Did the SEC Just Double Down on Accelerated Fees and Indemnities?](#)."

"The restricted activity rules, they each have their own required process for disclosure or consent, like each activity requires a different adventure to satisfy the conditional permissibility," Troutman Pepper partner Genna Garver tells *Private Funds CFO*.

"It's unfortunate that it seems really complicated. It's a lot to keep straight, especially for non-registrants without a formal compliance program or a dedicated compliance officer."

...

It may mean that funds have to go back to their governing documents and partnership agreements to make sure their hedge clauses aren't written too broadly, Troutman's Garver says.

"Yes, the SEC will likely be scrutinizing your hedge clauses more closely," she says. "Do you have to carve out, expressly, breaches of the federal fiduciary duty and actions not compliant with the Advisers Act, or any rule, regulation, or order thereunder? It's unclear how this guidance will change market terms or what magic language must be included with respect to fiduciary duty and the Advisers Act."

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