

MEDIA MENTIONS

Schulte partner William Barbera reacts to SEC's dealer designation rule

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In the Risk.net article, "Hedge funds find plenty to dislike in SEC's dealer-rule rewrite," Schulte Roth & Zabel partner William Barbera discussed the nuances and implications of the rule in practice.

When the Securities and Exchange Commission announced the final dealer-rule it appeared, at first read, that the lobbying efforts of the hedge fund industry made an impact. However, upon further review, the ambiguous language and broad definitions that frame the rule make it unclear on who will be designated as a broker-dealer.

William shared a note of caution when analyzing the rule, "My initial reaction when I watched the open meeting was that the SEC had scaled back [the rule] in a way that might be workable for the industry. After going through the adopting release, my view is that some things have been expanded," Barbera says.

A further issue has been raised as the rule may impact wider markets, hampering the investment strategies of managers for fear of being targeted by the new provisions.

"If firms see one enforcement matter regarding conduct at the margins, it may have a chilling effect on others who are close to the line on these tests." William added.

[Read the article here.](#)

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