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EXAMINATIONS

Practical Guide for Private Fund Managers Navigating SEC Exams in the Biden/Gensler Era (Part One of Two)

By [Meaghan A. Kelly](#), [Michael Osnato](#) and [Allison Bernbach](#), [Simpson Thacher](#)

Changes are on the horizon for private fund managers with the Biden administration in place and Gary Gensler installed as SEC Chair. During the prior administration, examinations of private fund managers tended to see issues resolved within the SEC's Division of Examinations (Examinations) as opposed to through referrals to the Division of Enforcement (Enforcement). Gensler has started to build out his staff – including with personnel previously on record as critical of the private funds industry.

This two-part series provides a practical guide to help private fund managers navigate SEC exams in this new environment. This first article explores general expectations as to exams and furnishes practical tips to ensure managers are ready for exams. The [second article](#) will provide additional guidance for the periods following notification of an exam, during the exam and after the exam, including responding to any deficiencies.

See "[Anticipating SEC and CFTC Enforcement Priorities Under the Biden Administration](#)" (Mar. 18, 2021).

General Expectations

Although financial institutions and Wall Street banks may be subject to even greater scrutiny given macro political trends in Washington, D.C., the authors expect to see the SEC ramp up its scrutiny of the private funds industry, including through tougher exams, increased referrals to Enforcement and more substantial monetary sanctions (such as through aggressive theories of disgorgement and increased penalty amounts). The authors also expect both the Private Funds Unit within Examinations and the Asset Management Unit within Enforcement to see increased staffing, as well as enhanced autonomy to seek out established forms of potential misconduct and to explore novel theories of undisclosed conflicts.

In Gensler's [testimony](#) in May 2021 before a subcommittee of the House Appropriations Committee, he highlighted private funds as the second of five "key capital market trends" most affecting the agency's resource needs going forward. He remarked:

The SEC's Divisions of Investment Management, Examinations, and Enforcement continue to focus on

advisers to private funds. It is important to hold investment advisers accountable when violations are found. This focus includes disclosures of investment risks and conflicts of interest, fees and expenses, liquidity, valuation of assets, and controls around material non-public information.

Given that Enforcement referrals are expected to return to the level seen during the Obama administration, it would be prudent for managers to evaluate their current practices and ensure they are prepared for an examination to minimize the risk of a referral and the opening of an investigation. Even when investigations are resolved without further action, the opening of an investigation is never a welcome development, and the mere existence of an investigation can lead to uniquely negative reputational and disclosure implications for private fund managers.

Examination Readiness

Managers can take proactive steps to prepare for routine and other examinations. These practice pointers are not intended to distract from a manager's day-to-day operations or other compliance functions. In fact, managers may be doing these things already. Note that these steps should be tailored to a manager's particular advisory business and compliance program.

See our three-part series on tailoring a compliance program: "[Why Fund Managers Should Customize](#)" (Jul. 16, 2020); "[What Fund Managers Should Consider](#)" (Jul. 23, 2020); and "[When Fund Managers Should Review and Update](#)" (Jul. 30, 2020).

Stay Informed About SEC Priorities

It is important to stay aware of Examinations' publications, such as risk alerts, guidance, speeches and annual examination priorities, as well as other SEC developments, including Enforcement settlements and rule changes. For example:

- In March 2021, the SEC released a [risk alert](#) focused on anti-money laundering (AML), encouraging broker-dealers – thus, relevant to dual registrants – to review and strengthen their policies, procedures and internal controls related to their suspicious activity monitoring and reporting processes to further their compliance with federal AML rules and regulations.
- In April 2021, the SEC released a [risk alert](#) focused on environmental, social and governance (ESG), encouraging firms to ensure their disclosures, marketing claims and other public statements related to ESG investing were accurate and consistent with internal firm practices.
- The [2021 Examination Priorities](#) listed various areas of focus for private fund managers, including, but not limited to, accuracy of fee calculations and offsets; preferential treatment of investors with respect to liquidity rights; the interplay between valuation of portfolio assets and the calculation of management fees; compliance with regulatory requirements governing cross trades, principal investments and distressed sales; and the disclosure of conflicts associated with manager-led fund restructurings, including stapled secondary transactions.

See our two-part series on the Examination Priorities: “[New and Emerging Focus Areas](#)” (Apr. 15, 2021); and “[Perennial Focus Areas for Private Fund Managers](#)” (Apr. 22, 2021).

Consider Bespoke Training

In addition to compliance training conducted in the normal course of a manager’s compliance program, managers may wish to hold targeted training for different business groups within the firm, as applicable. Training topics could include:

- new practices as they pertain to new investment strategies;
- new jurisdictions for investments or operations; or
- other changes affecting an adviser’s business.

Training topics could also be responsive to recent SEC developments. For example, a manager could provide specific training on material nonpublic information (MNPI) for investment professionals incorporating lessons learned from an [SEC settlement](#) reinforcing the importance of robust procedures for ensuring MNPI does not influence investment activity or training on the importance of conducting firm business over only approved communications channels, using as a reminder another [settlement](#) involving the use of text messaging by broker-dealer personnel to conduct firm business.

See “[Early and Often: Compliance Training Pays Big Dividends for Private Fund Advisers](#)” (Jul. 8, 2009).

Take Stock of the CCO’s Role

Toward the end of 2020, the SEC ramped up its messaging regarding empowering CCOs through a November 2020 [risk alert](#), along with an accompanying [speech](#) by Examinations Director Peter Driscoll. The SEC observed that recent exams showed that some CCOs lacked sufficient authority to develop and enforce appropriate policies and procedures. The SEC also noted a growing skepticism of the outsourced CCO model.

See our two-part series on that risk alert: “[Limited Staffing, Marginalized CCOs and an Overall Lack of Resources at Fund Managers](#)” (Feb. 18, 2021); and “[Inadequate Annual Reviews, Poorly Implemented Policies and Other Key Takeaways](#)” (Feb. 25, 2021).

Therefore, private fund managers should consider their CCOs’ internal function; the amount of time they devote to fulfilling their responsibilities; and their seniority and authority within the organization. CCOs themselves should take particular care in their oversight of compliance programs, especially as private funds enforcement climate shifts to a more aggressive climate. Although the authors do not think there will be a shift to targeting CCOs for liability except in the case of egregious alleged misconduct – for example, [Commissioner Hester M. Peirce](#) has acknowledged that overzealous second-guessing of the CCO function would have undesirable consequences for the industry generally – more focus on the role and authority of CCOs is likely as exams continue to roll out under the Gensler Commission.

Consider Internal Mock Audits/ Exam-Readiness Exercises or Targeted Regulatory Reviews

Conducting a mock audit or similar specific exam-readiness exercise, at a minimum, helps familiarize a manager's employees with the process of gathering and organizing documents promptly and comprehensively, as well as preparing any accompanying narrative explanations deemed likely to be necessary. In addition, targeted reviews can be used in place of, or in conjunction with, exam-readiness exercises, depending on a manager's particular circumstances. Managers conducting those exam-readiness exercises or targeted regulatory reviews should consider consulting with their outside counsel to determine the specifics and appropriate structure, including whether to structure the review under privilege.

See "[Attorney-Consultant Privilege? Specific Circumstances Where Fund Managers May – and May Not – Be Able to Use Kovel Arrangements \(Part Three of Three\)](#)" (Nov. 3, 2016).

Most private fund SEC exams rely on a largely similar set of several – often 50-plus – requests for information at the start of the exam. Mock audits should incorporate similar requests to simulate a real exam environment. Conducting a mock exam or similar exercise can also be helpful for identifying appropriate team members, as well as business operations personnel, who will be responsible for producing documents.

See "[How CCOs Can Use a Sample OCIE Information Request Letter to Improve Their Compliance Programs](#)" (Jul. 25, 2019).

Short of a full-scale mock audit, managers can consider other exam-readiness exercises. For example, at a minimum, CCOs can periodically review the SEC staff's standard request list (often available from outside counsel) and assess whether basic categories of requested information are readily accessible. Managers can also prepare a draft Day One deck (discussed below) and conduct mock interviews with or without a full-scale mock audit. Those and similar steps can contribute to a manager's exam readiness.

Targeted regulatory reviews that are focused on specific SEC focus areas, such as expense allocations or ESG disclosures, or particular risk areas for a given manager, such as MNPI risk for managers with strategies in both public and private equities or Foreign Corrupt Practices Act risk for managers with significant touchpoints with high risk foreign jurisdictions, can provide a streamlined snapshot of a manager's risk areas and potential focus areas during an SEC exam – and can help the manager prepare to address those areas.

See "[Mock Audits Are Essential Preparatory Tools for Fund Principals in the Current Regulatory Environment](#)" (Sep. 28, 2017).

Consider Preparing a Day One Deck

During an examination, the SEC staff will often ask a manager to provide (and often present) a so-called "Day One deck," which outlines, among other things, the manager's organizational structure, investment process, expense allocation procedures and compliance function. Preparing the Day One deck just as an exam commences is time-consuming and may distract from efficiently responding to the

staff's other initial requests, which typically must be produced within two weeks of the initial request.

Having an off-the-shelf version of the deck on hand can save time later and allow the manager to free up its resources for the production of requested documents, as well as higher value items, during the course of an examination. It also allows sufficient time for a broad group of people at the manager to review and vet the materials, so that the tone and content is representative of all perspectives. Managers should, of course, be mindful that the ultimate Day One deck must be tailored to address all elements actually requested by the SEC when the time comes.

For more on Day One decks, see [“The SEC Is Calling: How CCOs Can Stay Prepared for Initial Communications With OCIE Examiners \(Part Two of Two\)”](#) (Sep. 20, 2018).

Ensure that Robust Documentation Is in Place

A core focus of SEC examiners is the existence of contemporaneous, well-reasoned documentation accompanying key decisions by the manager during the exam period. Examiners will not only look for the existence of contemporaneous documentation but also probe whether the documentation is consistent with applicable disclosures and internal policies.

For example, the documentation of processes implemented to create restricted lists, as necessary, and more broadly, to guard against the misuse of MNPI is critically important. Having robust MNPI policies and procedures is essential, but it is just as important to be able

to show compliance with those policies and procedures through appropriate documentation.

A manager should ensure its policies and procedures call for appropriate documentation as relevant to its business and operations, and the documentation should be tested and improved when necessary. Notably, material internal decisions, such as the [valuation of illiquid portfolio holdings](#), should be appropriately and consistently documented, including noted in minutes if made at a committee meeting.

Given the continuing trend of at least a hybrid remote work environment, managers should ensure their business continuity plans and information and cybersecurity protocols are both robust and well documented.

The examiners routinely request code of ethics violations and a log of client complaints, so managers should ensure those records are kept in an organized and easily retrievable fashion. In addition, especially for private equity fund managers, it is critical to appropriately document limited partner advisory committee (LPAC) consent to potentially conflicted transactions or other forms of LPAC engagement. The consent itself should be clear, and all materials submitted to the LPAC should be preserved in a well-organized fashion.

See our three-part series on code of ethics fundamentals: [“Why Fund Managers Need Them”](#) (May 20, 2021); [“What They Must – and May – Include”](#) (Jun. 3, 2021); and [“How to Monitor and Enforce Compliance With Them”](#) (Jun. 10, 2021).

Finally, a manager should ensure that its required annual compliance review is robust and appropriately tailored to its business. It is also important that any follow-up identified in the annual review (or otherwise, if applicable) takes place and, importantly, that the completion of the follow-up is documented.

See our two-part series “A Checklist for Investment Advisers to Streamline and Organize Their Annual Compliance Program Reviews”: [Part One](#) (Dec. 13, 2018); and [Part Two](#) (Dec. 20, 2018).

Be Mindful of Privileged Materials

Managers should not over label everything compliance-related as privileged; rather, only label what is indeed privileged as privileged and do so clearly. Although many of the compliance function’s day-to-day operations are conducted without attorney-client privilege attaching, when privilege has attached, consideration should be given as to whether it should be protected during the course of an exam, if applicable.

Nuanced questions of privilege may arise when there is a dual-hatted CCO/GC. With those arrangements, it is important to take extra care to contemporaneously designate as privileged – and to be mindful to not subsequently unintentionally waive the privilege – communications in which the CCO/GC is participating as GC in the context of seeking or providing legal advice.

See our two-part series on preserving privilege for in-house counsel: “[Communications and Common Issues](#)” (Mar. 18, 2021); and “[Internal Investigations and Depositions](#)” (Mar. 25, 2021).

As mentioned, managers must balance exam preparation against the other needs of the compliance function. It is impossible to predict precisely what the SEC will ask for in an exam (including the particular requests and what the exam period date range will be), so there is limited utility in undertaking too much exam-specific preparation. Managers should bear in mind that the need to have a robust compliance program is of the utmost importance, and these exam preparation practice pointers are only supplemental.

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Practical Guide for Private Fund Managers Navigating SEC Exams in the Biden/Gensler Era (Part Two of Two)

By [Meaghan A. Kelly](#), [Michael Osnato](#) and [Allison Bernbach](#), [Simpson Thacher](#)

With the new President and new SEC Chair, it is anticipated that the SEC's Division of Examinations (Examinations) will increase its scrutiny of private fund managers. Thus, it is more important than ever for private fund managers to try to ensure a well-managed examination (from both process and strategy viewpoints) and, if appropriate, to implement necessary or advisable remedial measures within the exam process to lessen the odds of a referral to the Division of Enforcement (Enforcement). More broadly, opening early and constructive lines of communication with exam staff is essential and indirectly conveys that the compliance function is a respected and supported part of the firm.

This two-part series provides a practical guide to help private fund managers navigate SEC exams in this new environment. This second article furnishes guidance for the period after notification of an exam, during the exam and after the exam, including responding to any deficiencies. The [first article](#) explored general expectations as to exams and set forth practical tips to ensure managers are ready for exams.

See "[The SEC Under the Biden Administration: Ten Areas to Watch](#)" (Jan. 21, 2021).

After Receiving Notice of an Exam/Initial Request Letter

Although each exam differs in scope and cadence, below are steps a private fund manager should consider taking after receiving a notice of examination and an initial request list for documents and information.

Assemble Core Internal Team and Begin to Gather Documents

It is helpful to have an organized process in place, typically led by the manager's CCO. Other members of the core team may include other compliance professionals, as well as finance/accounting professionals. All individuals interacting with SEC staff should always be mindful that they are in an examination and that communications should be accurate and responsive.

The core team should endeavor to provide all requested documents and information by the indicated deadline. If an extension of time is needed for certain items, ask the staff for a reasonable extension as soon as practicable, providing the available documents earlier.

Prepare the Template Response Letter Immediately

The response letter typically follows a standard format in which the staff questions are pasted in a letter with the manager's responses below, including references to produced documents as applicable. A manager can also draft standalone cover notes for applicable individual responses. It often makes sense for a designated individual – typically the CCO – to “take the pen” on the letter and update it on a rolling basis as responses to questions are finalized.

It is inevitable that some questions will not be applicable to a manager's business. In that case, the manager should simply note as much in the letter. The manager should also explicitly clarify any ambiguity in the response letter if a request seems unclear. For example, if the manager makes a determination as to the scope of an ambiguous request, it should note any scoping assumptions in the response letter or seek to clarify ambiguity with the staff in advance of submitting the response letter.

Prepare for the Onsite or Virtual Portion of the Exam and Interviews

The manager should prepare firm personnel as to best practices when engaging with exam staff, including in interviews as well as in more informal interactions with the staff. For example, in many exams, the staff will request interviews with key business and operations personnel. Those individuals should be thoroughly prepared for interviews with the staff – whether conducted remotely or in-person.

See [“A Checklist for Advisers to Prepare Their Traders for SEC Exam Interviews”](#) (Mar. 14, 2019).

Remote Interviews

In the current remote environment, the staff may conduct remote interviews in lieu of the in-person onsite portion of the exam that would typically include in-person interviews. Although remote interviews conducted by video or phone may feel less formal than in-person interviews, interviewees should prepare for and present during remote interviews with the same level of professionalism and formality as they would if the interviews were conducted in person.

As is the case with in-person interviews, interviewees participating in remote interviews should respond to questions about which they are knowledgeable clearly and capably (and be thoroughly prepared to do so). An interviewee should not, however, speculate (or try to answer on the fly by pulling up documents on his or her laptop) if the staff asks a question outside the interviewee's scope of expertise; even in remote interviews, the staff is listening attentively and likely documenting everything the manager's personnel say. Instead of creating a need to correct or modify an inaccurate statement later, the interviewee should respectfully indicate to the staff he will revert with the answer and make sure to do so promptly.

See our two-part series “What Hedge Fund Managers Can Expect From SEC Remote Examinations”: [Part One](#) (May 12, 2016); and [Part Two](#) (May 19, 2016).

Correspondence Exams

On occasion, the authors have seen that the staff will forgo remote interviews entirely and choose to conduct the exam only on the correspondence. Although not needing to devote time to prepare for interviews may generally be preferable for a manager, there may be instances in which the manager would affirmatively want to have a dialogue with the staff. In those cases, the manager must strategically assess if there is messaging that could better be delivered by phone or video than via correspondence and seek an opportunity to deliver a tailored message to the staff.

Onsite Exams

For the inevitable return to in-person onsite exams, the manager should determine what space, such as conference rooms, should be set aside for the staff. Managers should be mindful that onsite staff may take notice of certain aspects of their operations while in the office, such as identifying whether spatial information barriers are being maintained, whether “clean desk” policies are being followed, etc.

See “[CCOs Share Recent SEC Exam Experiences](#)” (Apr. 15, 2021).

Determine Whether to Notify Investors About the Exam

Disclosure of a routine examination is normally not required by a manager’s private fund documents or side letters – as may be required in the event of an Enforcement investigation – but managers should check side letters and other obligations to assess any disclosure obligations to investors. Managers that are in the midst of fundraising will also need to

assess whether any form of disclosure is required in responses to investor [due diligence questionnaires](#) (DDQs).

See “[Are Hedge Fund Managers Required to Disclose the Existence or Outcome of Regulatory Examinations to Current or Potential Investors?](#)” (Sep. 16, 2011).

Throughout the Examination

Throughout the examination, a manager should communicate promptly to the staff any questions or concerns regarding the requested documents and information.

Be Cooperative

The compliance function is the face of the firm during an examination and should convey the firm’s commitment to compliance and cooperation. To that end, the manager should:

- produce documents in a timely fashion;
- provide explanations when needed; and
- ensure that any documents newly created for the purposes of the exam do not suggest they were created earlier, as the SEC has demonstrated a willingness to [personally charge](#) CCOs who falsely represent that documents prepared after the fact are contemporaneous records.

Be Organized

The manager should follow the technical and organizational instructions in the request letter when producing documents for the staff. In addition, the manager should generally stick to the stated examination period, unless otherwise instructed.

Be Prepared for Follow-Up Information Requests

Following the exam's initial phase, the staff will review the information and documents provided. That review will almost always lead to supplemental requests for additional information and documents, which should be provided promptly and by the requested production date (unless an extension is obtained). The manager should ensure that adequate staff is lined up to assist with those follow-up requests, as there are typically multiple requests, often with tight turnaround times. Occasionally, the exam staff will also seek follow-up interviews.

Seek FOIA Protection and Protect Attorney-Client Privilege

It is important to promptly request Freedom of Information Act (FOIA) confidential treatment with the SEC over all materials. See "[Repeal of Dodd-Frank Confidentiality Protection for SEC: What Investment Advisers Lost and What Remains](#)" (Dec. 3, 2010).

If necessary, managers should also protect privileged materials by withholding or redacting responsive materials, as applicable, and prepare to provide a privilege log, if requested.

See "[Six Recommendations for Hedge Fund Managers Seeking to Protect Themselves From Waiver of Attorney-Client Privilege When Faced With SEC Document Requests](#)" (Jan. 17, 2013).

Responding to Findings/ Consideration of Remediation

At the conclusion of an examination and after an exit interview, the staff typically issues a deficiency letter with its findings. Often, a manager has some sense during the course of the examination as to the forthcoming deficiencies.

A manager may take certain remedial steps during an examination or after receipt of a deficiency letter. Typically, the SEC will instruct a manager to explain how it plans to remedy certain identified deficiencies. In its [2021 Examination Priorities](#), the SEC reported that, during fiscal year 2020, more than 2,000 deficiency letters were issued, and many firms took direct corrective actions in response, including by:

- amending their compliance policies and procedures or a regulatory filing;
- enhancing their disclosures; or
- returning fees to investors.

See "[Three Steps in Responding to an SEC Examination Deficiency Letter and Other Practical Guidance for Hedge Fund Managers from SEC Veteran and Sutherland Partner John Walsh](#)" (Feb. 13, 2014).

Demonstrate Commitment to Compliance

A manager should demonstrate that it takes the staff's observations seriously. To that end, the manager should discuss internally, and with external advisors as appropriate, whether enhancements to the compliance program might be appropriate.

Be Deliberate and Targeted in Any Remediation

A variety of remediation options exist to address exam staff concerns and observations. Any combination could be appropriate depending on the circumstances; there are no one-size-fits-all solutions. The guiding principle is upholding fiduciary duties to a manager's funds. As always, managers should ensure appropriate and organized documentation of any remedial action as they likely will need to provide proof of remediation to the staff.

Voluntary remediation, if applicable, can occur at any time. Remediation – even if voluntary and even in circumstances in which the manager may believe its existing practices were reasonable – can be misinterpreted as a concession that existing practices were deficient. In those cases, written description of the remediation should be careful to note that it is being undertaken voluntarily and in the interest of greater clarity with respect to the firm's approach to the issue.

Non-monetary remediation options could include enhancement of disclosures, controls, policies, procedures and limited partner engagement. Additional options could include changing business practices and devoting more resources or attention to an area of particular concern.

Monetary remediation options could include pro-rata reimbursement of fees or expenses – often with the inclusion of statutorily prescribed interest – that the staff believes were inappropriately calculated or allocated during the exam period. Managers should consider having a third party vet any

calculation, particularly if the amounts are material or otherwise difficult to calculate.

Managers should consider adding any compliance enhancements to their annual compliance reviews to confirm that those measures are being properly incorporated into their compliance programs.

See our two-part series “A Checklist for Investment Advisers to Streamline and Organize Their Annual Compliance Program Reviews”: [Part One](#) (Dec. 13, 2018); and [Part Two](#) (Dec. 20, 2018).

Respond Comprehensively to Deficiency Letter

A deficiency letter response should address each of the staff's findings systematically. The manager should thoroughly explain its position in response to the staff's observation and produce additional documents, when necessary. In addition, the manager should be mindful of other audiences – including future and existing limited partners – that may see the response letter.

Deficiency letters are also routinely requested when a manager's business is being acquired or merged as part of a corporate transaction, among other circumstances. Thus, managers should consider if the response letters will also be provided under those circumstances.

The response should discuss any remediation and explain why such remediation mitigates any concern. As noted previously, frame remediation as proactive and voluntary, when applicable, to avoid any perceived acknowledgement of deficient practices.

In addition, the manager should take care not to overreach or overcommit – it must live with its response. Therefore, the manager should ensure with relevant personnel that any promised remediation is practical and operationally achievable.

Finally, the response letter should seek FOIA protection and reserve all rights, privileges and defenses.

After an Examination

After an examination, once the manager catches its breath, it can take a few useful proactive steps.

Continue to Stay Organized

The manager should ensure that all exam-related communications and document productions are stored in an organized fashion.

Follow-Through on Remediation

After an exam, it is critical that the manager follows through on any remediation relayed to the staff. Identified issues can resurface in subsequent examinations and could raise recidivism concerns. When necessary, the manager should loop back to the staff to confirm when certain follow-up has been completed.

See [“Adviser’s Self-Reporting, Remediation and Cooperation Help Avoid Penalty for Disclosure Failures”](#) (Oct. 29, 2020).

Determine Again Whether to Notify Investors

As before, a manager should determine what, if anything, needs to be disclosed to investors

following an examination. Side letters and other obligations often govern disclosure. Although typically the answer will turn on whether Enforcement gets involved, requests for proposals and DDQs may ask about recent examination activity involving the manager.

Reflect

After an examination, a manager may find value in reflecting on the process and discussing internally what could have gone more smoothly to prepare for future examinations. Sample questions to answer during the debriefing include:

- Could certain actions (e.g., investor consents) be better documented?
- Could future fund disclosures be modified? Should the firm’s Form ADV disclosures be updated?
- Could a particular policy or practice benefit from industry benchmarking?
- Could a particular policy benefit by further tailoring to the manager’s evolving business?
- Should the current allocation of resources and personnel be modified?
- Could implementation of certain technology or systems assist the compliance function?

Conclusion

A CCO should feel comfortable and confident navigating the exam process, which in turn depends on the manager’s supporting the CCO with adequate resources, including information technology, automated systems, staff and training – in the normal course of the CCO’s duties as well as during an examination. It is essential for the firm – and in particular, the CCO, who is often the face of the firm

during an examination – to present itself to the examiners as organized, knowledgeable, cooperative and committed to compliance.

See our two-part series on an SEC risk alert on compliance issues: “[Limited Staffing, Marginalized CCOs and an Overall Lack of Resources at Fund Managers](#)” (Feb. 18, 2021); and “[Inadequate Annual Reviews, Poorly Implemented Policies and Other Key Takeaways](#)” (Feb. 25, 2021).

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