



Building Companies that Shape the Future

February 13, 2012

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Secretary
Bd. of Governors of the Federal Reserve System
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Washington, DC 20551

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
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Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Office of the Comptroller of the Currency
250 E Street, SW
Mail Stop 2-3
Washington, DC 20219

Via Internet: www.regulations.gov

Re: Restrictions on Proprietary Trading and Certain Interests in, and Relationships with, Hedge Funds and Private Equity Funds

Dear Ladies and Gentlemen:

Thank you for the opportunity to submit comments in response to your Agencies' joint notice of proposed rulemaking implementing the "Volcker Rule," which was passed as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). Our comments focus on Question 310, which concerns the appropriate treatment of venture capital funds.

It is critical that regulators implement the Volcker Rule consistently with its language and its purpose. Specifically, we urge you either to conclude that "private equity funds" do not include venture capital funds, or to conclude that banks may sponsor and invest in venture capital funds as a "permitted activity" under the Act.

If the regulatory bodies were to apply the provisions restricting investments in private equity funds so broadly as to include venture capital funds, they could severely damage one of the most vibrant sectors of our economy. Venture capital funds create jobs, foster innovation, and help our nation compete with the rest of the world. They do this by making long-term investments in growing businesses, without

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the use of substantial leverage. They do not engage in short-term "trading." They do not pose systemic risk to our financial system and do not hinder the safety and soundness of our banking institutions.

We urge you to acknowledge these fundamental attributes and preserve the ability of bank affiliates to provide capital to high growth technology companies by investing in and sponsoring venture funds.

Our firm works extensively in the technology and innovation industries. Venrock entrepreneurs have charted new advancements in cancer, anti-infective and auto-immune therapies, powered semiconductors and the digital era, secured our information technology infrastructure, pioneered on-line advertising, and most recently, are generating power through alternative means, fostering innovation in healthcare IT, and harnessing the social web. Portfolio companies have included Apple Computer, Athenahealth, Centocor, Check Point Software, DoubleClick, Gilead Sciences, Idec Pharmaceuticals, Illumina, Intel, Millennium Pharmaceuticals, Sirna Therapeutics, StrataCom and Vontu. We have seen how, with the right backing, an entrepreneur can take an idea and turn it into a company, creating thousands of jobs and helping build the future of America.

Venture capital funds are long-only investors that make the vast majority of their investments in small illiquid private companies without the use of significant debt leverage. As a result, venture capital funds do not present the types of systemic risks that are the target of the Volcker Rule and, instead, support our economy and job creation. In fact, venture investing promotes a safe, sound, stable financial sector by helping create strong, growing companies (and borrowers), a strong economy based upon innovation rather than trading, and sustained job creation; by aggregating capital and allocating it to promising long term investments in innovative new technologies; and by promoting counter-cyclical investment strategies that help mitigate periods of financial and economic instability.

Startup companies need adequate "smart" capital, and our country needs those companies- to build our economy, to discover new ways to treat diseases and illnesses in an aging population, to create new ways of sharing and using information, and to develop new, clean energy solutions. Venture capital funds are not private equity funds, and they should not be regulated as such.

Thank you for your consideration.

Sincerely,

VENROCK

A handwritten signature in blue ink, appearing to be "D. J. [unclear]".