

**MEDIA MENTIONS**

## **SRZ Partner Allison Scher Bernbach Quoted in *Private Equity Law Report***

**April 7, 2023**

In a recent article for the *Private Equity Law Report*, SRZ partner Allison Scher Bernbach discussed the SEC's proposed Rule 223-1 under the Investment Advisers Act of 1940 (Safeguarding Rule) to amend and replace the existing Custody Rule under Rule 206(4)-2.

Some argue that aspects of the proposal are impractical and would be difficult for fund managers to implement. According to Allison, "[m]any of the requirements of the new rule do not necessarily reflect the practical aspects of custodial practices, whether you're viewing that from the perspective of investors, advisers or the custodians themselves."

While the existing Custody Rule only applies to funds and securities of a private fund, Allison commented that the Safeguarding Rule would significantly expand the types of assets that trigger application of the rule. She says that though PE sponsors may not be greatly affected by the broader definition given the types of assets they typically invest in, it could significantly impact managers with funds focused on certain other types of assets.

[Read the article here.](#)

## Related People



**Allison  
Scher Bernbach**

Partner  
New York

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## Practices

**INVESTMENT MANAGEMENT**