

Dealing With Deficiencies: How to Ensure Smooth SEC Examinations and Prepare to Respond to Inevitable Deficiency Letters

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Alexander Cohen was quoted in a *Private Equity Law Report* article discussing the importance of internal stakeholders' consistent involvement during the SEC examination and the deficiency response process. "The same stakeholders that are involved during the exam process should be gathered together to talk about the response letter," said Alex. "Having that continuity benefits the firm because you'll have built up a level of credibility with the Examinations staff along the way, and it creates more accountability throughout the process."

Alex also commented on the unfamiliarity among new registrants and fund managers that may not have been previously examined, which may result in a hesitancy to share the contents of a deficiency letter with business colleagues. "There might be a certain level of concern or embarrassment around receiving a deficiency letter, but it's by no means an indication of a serious compliance issue within the firm," he said. "A deficiency letter is a very common result of an examination, and unless a significant deficiency has been identified, it's not the kind of thing you're rushing into the boardroom or C-Suite to discuss."

To read the full article, [click here](#). (*Subscription required.*)

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