



8011-01p

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 30512; 812-14089]

CPG Carlyle Private Equity Fund, LLC, et al.; Notice of Application

May 9, 2013

Agency: Securities and Exchange Commission (“Commission”).

Action: Notice of an application under section 6(c) of the Investment Company Act of 1940 (the “Act”) for an exemption from sections 18(c) and 18(i) of the Act and for an order pursuant to section 17(d) of the Act and rule 17d-1 under the Act.

Summary of Application: Applicants request an order to permit certain registered closed-end management investment companies to issue multiple classes of units of beneficial interest (“Units”) with varying sales loads and to impose asset-based service and/or distribution fees and contingent deferred sales loads (“CDSCs”).

Applicants: CPG Carlyle Private Equity Fund, LLC (the “Feeder Fund”), CPG Carlyle Private Equity Master Fund, LLC (the “Master Fund”), and Central Park Advisers, LLC (the “Adviser”).

Filing Dates: The application was filed on October 30, 2012, and amended on March 26, 2013 and May 8, 2013.

Hearing or Notification of Hearing: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission’s Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on June 3, 2013, and should be accompanied by proof of service on the applicants, in the form of an affidavit, or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer’s interest,

the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

Addresses: Elizabeth M. Murphy, Secretary, U.S. Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090; Applicants, c/o Gary L. Granik, Esq., Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038.

For Further Information Contact: Jean E. Minarick, Senior Counsel, (202) 551-6811 or Daniele Marchesani, Branch Chief, at (202) 551-6821, (Division of Investment Management, Office of Investment Company Regulation).

Supplementary Information: The following is a summary of the application. The complete application may be obtained via the Commission's website by searching for the file number, or an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

Applicants' Representations:

1. The Feeder Fund and the Master Fund are continuously offered non-diversified closed-end management investment companies registered under the Act and organized as Delaware limited liability companies. The Feeder Fund operates as a feeder fund in a master-feeder structure and intends to invest substantially all of its assets in the Master Fund. The Master Fund invests primarily in "alternative" investment funds with an emphasis on private equity funds (*e.g.*, buyout, growth, and mezzanine).

2. The Adviser, a Delaware limited liability company and wholly-owned subsidiary of Central Park Group, LLC, is registered as an investment adviser under the Investment Advisers Act of 1940 and serves as investment adviser to the Feeder Fund and the Master Fund.

3. The Feeder Fund continuously offers its Units¹ in private placements in reliance on the provisions of Regulation D under the Securities Act of 1933. Units of the Feeder Fund are not listed on any securities exchange and do not trade on an over-the-counter system. Applicants do not expect that any secondary market will develop for the Units.

4. The Feeder Fund currently offers a single class of Units (the “Class A Units”) at net asset value per Unit subject to a sales load and annual asset-based distribution fee. The Feeder Fund proposes to offer an additional Unit class (the “Class I Units”) at net asset value that may (but would not necessarily) be subject to a front-end sales load and an annual asset-based service and/or distribution fee. Both classes would be subject to minimum purchase requirements.

5. In order to provide a limited degree of liquidity to unitholders, the Feeder Fund may from time to time offer to repurchase Units at their then current net asset value in accordance with rule 13e-4 under the Securities Exchange Act of 1934 (“1934 Act”) pursuant to written tenders by unitholders.² Repurchases will be made at such times, in such amounts and on such terms as may be determined by the Feeder Fund’s board of trustees (“Board”), in its sole discretion.³ The Adviser anticipates to recommend that the Board authorize the Feeder Fund to offer to repurchase Units from unitholders quarterly.

¹ “Units” includes any other equivalent designation of a proportionate ownership interest of the Feeder Fund (or any other registered closed-end management investment company relying on the requested order).

² Likewise, the Master Fund’s repurchase offers will be conducted pursuant to rule 13e-4 under the 1934 Act.

³ Units are subject to an early withdrawal fee at a rate of 2.00% of the aggregate net asset value of the investors’ Units repurchased by the Feeder Fund (the “Early Withdrawal Fee”) with respect to any repurchase of Units from an investor at any time prior to the day immediately preceding the one-year anniversary of the investor’s purchase of the Units. The Early Withdrawal Fee will equally apply to all investors of the Feeder Fund, regardless of class, consistent with section 18 of the Act and rule 18f-3 under the Act. To the extent the Feeder Fund determines to waive, impose scheduled variations of, or eliminate the Early Withdrawal Fee, it will comply with the requirements of rule 22d-1 under the Act as if it were a CDSC and such waiver, scheduled variation or elimination will apply uniformly to all unitholders of the Feeder Fund.

6. Applicants request that the order also apply to any other continuously offered registered closed-end management investment company existing now or in the future for which the Adviser, or any entity controlling, controlled by, or under common control with the Adviser acts as investment adviser, and which provides periodic liquidity with respect to its Units through tender offers conducted in compliance with rule 13e-4 under the 1934 Act.⁴

7. Applicants represent that any asset-based service and/or distribution fees will comply with the provisions of rule 2830(d) of the Conduct Rules of the National Association of Securities Dealers, Inc. (“NASD Conduct Rule 2830”) as if that rule applied to the Feeder Fund.⁵ Applicants also represent that the Feeder Fund will disclose in its Confidential Memorandum, the fees, expenses and other characteristics of each class of Units offered for sale by the Confidential Memorandum, as is required for open-end, multiple class funds under Form N-1A. As is required for open-end funds, the Feeder Fund will disclose its expenses in unitholder reports, and disclose any arrangements that result in breakpoints in or elimination of sales loads in its Confidential Memorandum.⁶ The Feeder Fund will also comply, and will contractually require its placement agency to comply, with any requirements that may be adopted by the Commission or FINRA regarding disclosure at the point of sale and in transaction confirmations about the costs and conflicts of interest arising out of the distribution of open-end investment company

⁴ The Feeder Fund and any other entity relying on the requested relief will do so in a manner consistent with the terms and conditions of the application.

⁵ All references to NASD Conduct Rule 2830 include any successor or replacement rule that may be adopted by the Financial Industry Regulatory Authority (“FINRA”). Any Fund or Adviser presently intending to rely on the order requested in this application is listed as an applicant.

⁶ See Shareholder Reports and Quarterly Portfolio Disclosure of Registered Management Investment Companies, Investment Company Act Release No. 26372 (Feb. 27, 2004) (adopting release) (requiring open-end investment companies to disclose fund expenses in shareholder reports); and Disclosure of Breakpoint Discounts by Mutual Funds, Investment Company Act Release No. 26464 (June 7, 2004) (adopting release) (requiring open-end investment companies to provide prospectus disclosure of certain sales load information).

shares, and regarding Confidential Memorandum disclosure of sales loads and revenue sharing arrangements as if those requirements applied to the Feeder Fund.⁷

8. The Feeder Fund will allocate all expenses incurred by it among the various classes of Units based on the net assets of the Feeder Fund attributable to each class, except that the net asset value and expenses of each class will reflect distribution fees, service fees, and any other incremental expenses of that class. Expenses of a Feeder Fund allocated to a particular class of Units will be borne on a pro rata basis by each outstanding Unit of that class. Applicants state that the Feeder Fund will comply with the provisions of rule 18f-3 under the Act as if it were an open-end investment company.

9. In the event the Feeder Fund imposes a CDSC, the applicants will comply with the provisions of rule 6c-10 under the Act, as if that rule applied to closed-end management investment companies. With respect to any waiver of, scheduled variation in, or elimination of the CDSC, the Feeder Fund will comply with rule 22d-1 under the Act as if the Feeder Fund were an open-end investment company.

Applicants' Legal Analysis:

Multiple Classes of Units

1. Section 18(c) of the Act provides, in relevant part, that a closed-end investment company may not issue or sell any senior security if, immediately thereafter, the company has outstanding more than one class of senior security. Applicants state that the creation of multiple classes of Units of the Feeder Fund may be prohibited by section 18(c). Section 18(i) of the Act provides that each share of stock issued by a registered management investment company will be

⁷ See, e.g., Confirmation Requirements and Point of Sale Disclosure Requirements for Transactions in Certain Mutual Funds and Other Securities, and Other Confirmation Requirement Amendments, and Amendments to the Registration Form for Mutual Funds, Investment Company Act Release No. 26341 (Jan. 29, 2004) (proposing release).

a voting stock and have equal voting rights with every other outstanding voting stock.

Applicants state that permitting multiple classes of Units of the Feeder Fund may violate section 18(i) of the Act because each class would be entitled to exclusive voting rights with respect to matters solely related to that class.

2. Section 6(c) of the Act provides that the Commission may exempt any person, security or transaction or any class or classes of persons, securities or transactions from any provision of the Act, or from any rule under the Act, if and to the extent such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants request an exemption under section 6(c) from sections 18(c) and 18(i) to permit the Feeder Fund to issue multiple classes of Units.⁸

3. Applicants submit that the proposed allocation of expenses and voting rights among multiple classes is equitable and will not discriminate against any group or class of unitholders. Applicants submit that the proposed arrangements would permit the Feeder Fund to facilitate the distribution of its Units and provide investors with a broader choice of unitholder options. Applicants assert that the proposed closed-end investment company multiple class structure does not raise the concerns underlying section 18 of the Act to any greater degree than open-end investment companies' multiple class structures that are permitted by rule 18f-3 under the Act. Applicants state that the Feeder Fund will comply with the provisions of rule 18f-3 as if it were an open-end investment company.

⁸ The Master Fund will not issue multiple classes of its units and is an applicant because of the master-feeder structure.

CDSCs

4. Applicants believe that the requested relief meets the standards of section 6(c) of the Act. Rule 6c-10 under the Act permits open-end investment companies to impose CDSCs, subject to certain conditions. Applicants state that any CDSC imposed by the Feeder Fund will comply with rule 6c-10 under the Act as if the rule were applicable to closed-end investment companies. The Feeder Fund also will disclose CDSCs in accordance with the requirements of Form N-1A concerning CDSCs as if the Feeder Fund were an open-end investment company. Applicants further state that the Feeder Fund will apply the CDSC (and any waivers or scheduled variations of the CDSC) uniformly to all unitholders in a given class and consistently with the requirements of rule 22d-1 under the Act.

Asset-Based Service and/or Distribution Fees

5. Section 17(d) of the Act and rule 17d-1 under the Act prohibit an affiliated person of a registered investment company or an affiliated person of such person, acting as principal, from participating in or effecting any transaction in connection with any joint enterprise or joint arrangement in which the investment company participates unless the Commission issues an order permitting the transaction. In reviewing applications submitted under section 17(d) and rule 17d-1, the Commission considers whether the participation of the investment company in a joint enterprise or joint arrangement is consistent with the provisions, policies and purposes of the Act, and the extent to which the participation is on a basis different from or less advantageous than that of other participants.

6. Rule 17d-3 under the Act provides an exemption from section 17(d) and rule 17d-1 to permit open-end investment companies to enter into distribution arrangements pursuant to rule 12b-1 under the Act. Applicants request an order under section 17(d) and rule 17d-1 under the

Act to permit the Feeder Fund to impose asset-based service and/or distribution fees. Applicants have agreed to comply with rules 12b-1 and 17d-3 as if those rules applied to closed-end investment companies.

Applicants' Condition:

Applicants agree that any order granting the requested relief will be subject to the following condition:

Applicants will comply with the provisions of rules 6c-10, 12b-1, 17d-3, 18f-3 and 22d-1 under the Act, as amended from time to time or replaced, as if those rules applied to closed-end management investment companies, and will comply with NASD Conduct Rule 2830, as amended from time to time, as if that rule applied to all closed-end management investment companies.

For the Commission, by the Division of Investment Management, under delegated authority.

Kevin M. O'Neill
Deputy Secretary

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