File No. 803-00219

As filed with the Securities and Exchange Commission on March 11, 2015

UNITED STATES OF AMERICA
BEFORE THE

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

In the matter of
CRESCENT CAPITAL GROUP, LP

1100 Santa Monica Blvd.
Suite 2000
Los Angeles, CA 90025

AMENDMENT NO. 1 TO AND RESTATEMENT OF APPLICATION FOR AN ORDER PURSUANT TO SECTION 206A OF THE INVESTMENT ADVISERS ACT OF 1940, AS AMENDED, AND RULE 206(4)-5(e) THEREUNDER, EXEMPTING CRESCENT CAPITAL GROUP, LP FROM RULE 206(4)-5(a)(1) UNDER THE INVESTMENT ADVISERS ACT OF 1940

Copies of all Communications and Orders to:

George Hawley, Esq.
General Counsel
Crescent Capital Group, LP
1100 Santa Monica Blvd.
Suite 2000
Los Angeles, CA 90025

Carl A. de Brito, Esq.
Dechert LLP
1095 Avenue of the Americas
New York, NY 10036

Edward L. Pittman, Esq.
Dechert LLP
1900 K Street, NW
Washington, DC 20006

This Application, including Exhibits, consists of 42 pages.
The exhibit index appears on page 23.

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I. PRELIMINARY STATEMENT AND INTRODUCTION

Crescent Capital Group, LP, ("Applicant"), hereby amends and restates its application to the Securities and Exchange Commission (the "Commission") for an order pursuant to Section 206A of the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and Rule 206(4)-5(e), exempting the Applicant from the two-year prohibition on compensation imposed by Rule 206(4)-5(a)(1) under the Advisers Act for investment advisory services provided to a government entity following a contribution to a candidate for federal office by a covered associate as described in this application, subject to the representations set forth herein (as amended and restated, the "Application").

Section 206A of the Advisers Act authorizes the Commission to "conditionally or unconditionally exempt any person or transaction . . . from any provision or provisions of [the Advisers Act] or of any rule or regulation thereunder, if and to the extent that 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 Advisers Act]."

Section 206(4) of the Advisers Act prohibits investment advisers from engaging in any act, practice, or course of business which is fraudulent, deceptive, or manipulative and directs the Commission to adopt such rules and regulations, define, and prescribe means reasonably designed to prevent, such acts, practices or courses of business. Under this authority, the Commission adopted Rule 206(4)-5 (the "Rule") which prohibits a registered investment adviser from providing "investment advisory services for compensation to a government entity within two years after a contribution to an official of the government entity is made by the investment adviser or any covered associate of the investment adviser."

The term "government entity" is defined in Rule 206(4)-5(f)(5)(ii) as including a pool of assets sponsored or established by a state or political subdivision, or any agency, authority or instrumentality thereof, including a defined benefit plan. The definition of an "official" of such government entity in Rule 206(4)-5(f)(6)(ii) includes the holder of, or candidate for, an elective office with authority to appoint a person directly or indirectly able to influence the outcome of the government entity's hiring of an investment adviser. The "covered associates" of an investment adviser are defined in Rule 206(4)-5(f)(2)(i) as including its managing member, executive officer or other individuals with similar status or function. Rule 206(4)-5(c) specifies that, when a government entity invests in a covered investment pool, the investment adviser to that covered investment pool will be treated as providing advisory services directly to the government entity. "Covered investment pool" is defined in Rule 206(4)-5(f)(3)(ii) as including any company that would be an investment company under Section 3(a) of the Investment Company Act of 1940, as amended (the "1940 Act"), but for the exclusion provided from that definition by Section 3(c)(1) or Section 3(c)(7) of the 1940 Act.

Rule 206(4)-5(b) provides exceptions from the two-year prohibition (the "Time Out Period") under Rule 206(4)-5(a)(1) with respect to contributions that do not exceed a de minimis threshold, were made by a person more than six months before becoming a covered associate, or were discovered by the adviser and returned by the official within a specified period and subject to certain other conditions. Should no other exception be available, Rule 206(4)-5(e) permits an investment adviser to apply for, and the Commission to conditionally or unconditionally grant, an exemption from the Rule 206(4)-5(a)(1) prohibition on compensation.

In determining whether to grant an exemption, the Rule contemplates that the Commission will consider, among other things: (i) whether the 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 Advisers Act; (ii) whether the investment adviser, (A) before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the Rule; (B) prior to or at the time the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and (C) after learning of the contribution, (1) has taken all available steps to cause the contributor involved in making the contribution which resulted in such prohibition to obtain a return of the contribution; and (2) has taken such other remedial or preventive measures as may be appropriate under the circumstances; (iii) whether, at the time of the contribution, the contributor was a covered associate or otherwise an employee of the investment adviser, or was seeking such employment; (iv) the timing and amount of the contribution which resulted in the prohibition; (v) the nature of the election *(e.g.,* federal, state or local); and (vi) the contributor's apparent intent or motive in making the contribution that

resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution.

Based on these considerations and the facts described in this Application, the Applicant respectfully submits that the relief requested herein is appropriate in the public interest and is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Advisers Act. Accordingly, the Applicant requests an order exempting it to the extent described herein from the prohibition under Rule 206(4)-5(a)(1) to permit it to receive compensation for investment advisory services provided to a government entity within the two-year period following the date of the contribution identified herein to an official of such government entity by an individual who was a covered associate of the Applicant at the time of such contribution.

II. STATEMENT OF FACTS

A. The Applicant

The Applicant, Crescent Capital Group, LP, is registered with the Commission as an investment adviser under the Advisers Act. The Applicant provides investment advisory services to two private equity funds formed in 2006 and 2008, TCW/Crescent Mezzanine Partners IV, L.P. ("Fund IV") and TCW/Crescent Mezzanine Partners V, L.P. ("Fund V", and together with Fund IV, "Funds IV and V" or "Funds"), as well as additional funds. The Funds are covered investment pools, as defined in the Rule, that make long-term investments in private companies and other illiquid assets.

B. The Contributor

The individual who made the campaign contribution that triggered the two year compensation ban (the "Contribution") is a managing partner of the Applicant (the

"Contributor").[1] The Contributor is, and was at all relevant times, a covered associate of the Applicant. The Contributor was solicited to make a contribution to the exploratory committee (the "Committee")[2] for an individual (the "Recipient") who indicated that he was considering running for elective office (the "Office").[3] The Contributor frequently has been solicited for, and made, political contributions in the past. The Contributor resides in the community in which the Recipient was contemplating running for office, and would have been entitled to vote for the election.

C. The Government Entity

Investors in Funds IV and V are large institutions, including public pension plans. A specific public pension plan (the "Plan"),[4] that falls within the definition of a "government entity" in the Rule, is a minority investor in Funds IV and V. The Plan invested in the Funds in 2006 and 2008, (for Fund IV and Fund V, respectively) and each Fund has been closed to new investors since that time. Under the terms of the governing documents of Funds IV and V, investors, including the Plan, are not permitted to withdraw their investments, except under extraordinary circumstances, for a period of ten years following the date of the investment (2016 or 2018 for Fund IV and Fund V, respectively). Due to the committed nature of the Plan's investment in the Funds, the Plan did not have any investment decision to make at the time of the Contribution.

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1 The Contributor is Jean Marc Chapus.

2 The Committee was titled "Austin Beutner for Los Angeles Mayor 2013 Exploratory Committee."

3 The campaign was for Mayor of Los Angeles in 2013.

4 The Plan was the Los Angeles City Employees' Retirement System.

D. The Recipient

Since the date of the Contribution, over three years ago, the Recipient announced that he would not seek the Office and withdrew from the campaign prior to the election. Even though the Recipient did not hold the Office at the time of the Contribution, and later withdrew his candidacy, the office that he was seeking is entitled to appoint members of the Plan's Board of Administration ("Board"). These Board members can influence the selection of investment advisers for the Plan, and other related public pension plans ("Related Plans"). Thus, each of the Committee and the Recipient (the "Official") is an "Official" as defined in the Rule.[5]

E. The Contribution

The Contributor was contacted several times to make a contribution to the Committee, which he declined. In June 2011, an individual known to the Contributor, but unrelated to the Applicant, contacted him directly and requested a contribution to the Committee or the Recipient. In response to this particular appeal, and without fully considering the consequences, the Contributor agreed to make a single contribution. There was no discussion of the Office's appointment powers, influence or responsibilities involving any investment of public pension funds. Moreover, other than the Contributor, neither the Applicant nor any other employee of the Applicant had any knowledge of the Contribution at the time it was made.

The Contribution was made in the form of a credit card payment of $1,000 to the Committee.[6] At that time of the Contribution, the communication from the Committee, as well the Committee's website and other published information, referred consistently to its

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[5] Under Rule 206(4)-5(f)(6), the term "official" includes "any election committee" for a person who is an "official."

[6] The Contributor received an e-mail confirmation on June 10, 2011 that the Contribution was received and recorded. For purposes of this request, we regard June 10, 2011 as the date the Contribution was made.

"exploratory" nature. Thus, the status of the committee and the Recipient was not clear to the Contributor. Despite the label used in connection with the campaign solicitation, however, the Committee already had been required under local law to file as a campaign committee with the local election commission. The Contributor also failed to realize that the Contribution was subject to Applicant's contribution policies and procedures (discussed below), or that the Contribution would trigger the two year ban under the Rule.

F. Investments of the Plan with the Applicant

The Plan's investments in Funds IV and V were made in 2006 and 2008, and Funds IV and V were closed to new investors for a substantial amount of time prior to the Contribution. Current investors in Funds IV and V, including the Plan, have no withdrawal rights until ten years following the closing, except in extraordinary circumstances that are beyond control of either Applicant or the Plan. The Plan may only begin withdrawing investments in Funds IV and V in 2016 – a period well beyond the Time Out Period. The fee agreement also is between Applicant and Funds IV and V, and was fully disclosed to all investors, including the Plan. Applicant's fees were established at inception of Funds IV and V and are not subject to renegotiation during the term of the investment.

G. The Applicant's Discovery of the Error and Response

Applicant first became aware of the Contribution one month following the date it was made when, in July 2011, as a result of a quarterly survey of political contributions conducted by Applicant's compliance department pursuant to the Applicant's contribution policies and procedures, the Contribution was self-reported by the Contributor. Upon learning of the Contribution, Applicant's chief compliance officer, with the cooperation of the Contributor, promptly contacted the Committee, which returned the Contribution shortly thereafter. At the

same time, Applicant sought advice from its outside counsel regarding the effect of the Contribution under the Rule, and created an escrow account to custody advisory fees for Funds IV and V that were attributable to the Plan.[7]

H. The Applicant's Pay-to-Play Policies and Procedures

The Applicant was diligent in seeking to assure compliance with the Rule. The Applicant was fully aware of the importance of the Rule and had developed policies and procedures to assure compliance with the Rule. These policies were reviewed by experienced outside counsel prior to the compliance date for the Rule, and were consistent with what Applicant believes were best practices. Applicant's written policies and procedures, for example, included a specific requirement for pre-clearance of all political contributions. They also provided for quarterly surveys of all covered associates that were designed, among other things, to assure that any unreported political contributions were detected by Applicant's compliance department in a timely fashion.

Training was provided to the Applicant's employees, including the Contributor, that addressed the Rule and the Applicant's own policies and procedures. The Contribution occurred only three months after the compliance date for the Rule on March 14, 2011. While the Contributor had received compliance training, he did not consider whether the Rule and Applicant's pre-clearance requirement also would have applied to political contributions made to "exploratory committees." Therefore, he did not pre-clear the Contribution with Applicant as required under its policies.

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[7] In accordance with Commission guidance, Applicant placed the compensation it otherwise would have received from the Plan during the Time Out Period in an escrow account pending approval of this exemptive request. *See Political Contributions by Certain Investment Advisers*, 75 Fed. Reg. 41018, 41049 (July 14, 2010) ("Adopting Release").

Since the Contribution, Applicant has enhanced its training program by stressing the importance of its pre-clearance requirement. Moreover, it has highlighted in its training the fact that contributions to exploratory and other political committees are subject to its pre-clearance requirement, among other things. The Contributor and other employees of the Applicant now have been advised, and are fully aware, of their responsibilities under the Applicant's policies and procedures. The fees that the Applicant otherwise would have earned during the Time Out Period remain in the escrow account. However, as noted earlier, because the Contribution was made in June of 2011, the Time Out Period now has expired.

III. STANDARD FOR GRANTING AN EXEMPTION

In determining whether to grant an exemption, Rule 206(4)-5(e) requires that the Commission will consider, among other things: (i) whether the 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 Advisers Act; (ii) whether the investment adviser, (A) before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the Rule, (B) prior to or at the time the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution, and (C) after learning of the contribution, (1) has taken all available steps to cause the contributor involved in making the contribution which resulted in such prohibition to obtain a return of the contribution, and (2) has taken such other remedial or preventive measures as may be appropriate under the circumstances; (iii) whether, at the time of the contribution, the contributor was a covered associate or otherwise an employee of the investment adviser, or was seeking such employment; (iv) the timing and amount of the contribution which resulted in the prohibition; (v) the nature of the election (*e.g.*, federal, state

or local); and (vi) the contributor's apparent intent or motive in making the contribution which resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution. Each of these factors weighs in favor of granting the relief requested in this Application.

The Commission made clear that it "intend[s] to apply these factors with sufficient flexibility to avoid consequences disproportionate to the violation, while effecting the policies underlying the [R]ule."[8]

IV. STATEMENT IN SUPPORT OF EXEMPTIVE RELIEF

The Applicant submits that an exemption from the two-year prohibition on compensation is necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Advisers Act. The Plan first determined to invest in the Funds before the Contribution was made, and established and maintained its relationships with the Applicant on an arm's length basis free from any improper influence as a result of the Contribution. In support of that conclusion, the Applicant notes that: (i) the Plan's most recent investment decision was made in 2008, prior to the Contribution, at the time of its last investment commitment in Fund V; and (ii) due to the committed nature of the Plan's investment in the Funds, the Plan had no investment decision to consider at the time of the Contribution. Moreover, the Recipient has never had any actual authority, direct or indirect, to hire or influence any government entity's decision to hire an investment adviser, or to appoint a person to an office with such authority, and the possibility of obtaining such authority was strictly hypothetical. Thus, there was no

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[8] *See* Adopting Release at 41049.

connection between the Contribution and the Plan's initial and continued investments in the Funds.

The Rule's intended purpose is to prevent *quid pro quo* arrangements involving investment advisers making contributions in order to influence a government official's decision regarding advisory business with the adviser.[9] The timing of the Contribution, which the Commission considers when determining whether to grant an exemption, considered in light of the committed nature of the Plan's investments in the Funds, demonstrates the objective impossibility that the Contribution was a part of, or was intended to be a part of, any *quid pro quo* arrangement with respect to the Plan or even could appear to be part of such an arrangement. As such, the Rule's intended purpose of combating *quid pro quo* arrangements would in no way be served by imposition of the Rule's prohibition on providing investment advisory services for compensation.

The other factors suggested for the Commission's consideration in Rule 206(4)-5(e) similarly weigh in favor of granting an exemption to avoid consequences disproportionate to the violation.

Policies and Procedures Before the Contribution.

The Applicant had adequate policies and procedures in place at the time of the Contribution. As noted earlier, Applicant was fully aware of the importance of the Rule and

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[9] *See* Adopting Release at 41023-24 n. 68 (explaining that the Rule "is a focused effort to combat *quid pro quo* payments by investment advisers seeking governmental business"); *id.* at 41023 (stating that the "Commission believes that [the Rule] is a necessary and appropriate measure to prevent *fraudulent* acts and practices in the market for the provision of investment advisory services to government entities by prohibiting investment advisers from engaging in pay to play practices") (emphasis added); Speech by Commission Chairman Mary L. Schapiro: *Statement at Open Meeting to Adopt Amendments Regarding Political Contributions by Certain Investment Advisers ("Pay to Play")* (June 30, 2010) ("play to play is the practice of making campaign contributions and related payments to elected officials *in order to influence the* awarding of lucrative contracts for the management of public pension plan assets and similar government investment accounts . . . The prophylactic rules we consider today are designed to eliminate this legal and ethical gray area".) (emphasis added).

had developed policies and procedures to assure compliance with the Rule. These policies were reviewed by experienced outside counsel prior to the compliance date for the Rule, and were consistent with what the Applicant believes were industry "best practices". The Applicant's written policies and procedures, for example, included a specific requirement for pre-clearance of all political contributions. It also provided for quarterly surveys of all covered associates that were designed, among other things, to assure that any unreported political contributions were detected by the Applicant's compliance department in a timely fashion. Training was provided to the Applicant's employees, including the Contributor, that addressed the Rule and the Applicant's policies and procedures. It was the Applicant's policies, requesting a response in a quarterly survey, that prompted the Contributor to report the Contribution.

Actual Knowledge of the Contribution.

At no time did any employees of the Applicant, other than the Contributor, have any knowledge that the Contribution had been made prior to its disclosure by the Contributor in July 2011. Moreover, the Contributor did not realize that the Contribution to an exploratory committee was covered by the Applicant's policies. In this regard, the Applicant notes that the Rule had only been in force for approximately three months at the time of the Contribution.

Applicant's Response after the Contribution.

As noted above, the Contributor self-reported the Contribution to Applicant's chief compliance officer as part of Applicant's compliance survey. Once the Contribution was discovered, the Applicant began to gather additional facts about the Contribution and the "exploratory committee" and consulted with legal counsel on the status of the Contribution under the Rule. At the same time, fees attributable to the Plan's investment in the Funds were

placed in escrow. Shortly thereafter, the Applicant first contacted the SEC staff about submitting an exemptive application.[10]

After learning of the Contribution, the Applicant took steps to limit the Contributor's contact with any representative of the Plan, or Related Plans, for the duration of the Time Out Period. Moreover, during the Time Out Period, the Contributor had no contact with any representative of the Plan, or Related Plans.

Status of the Contributor.

The Contributor is, and has been at all relevant times, a covered associate of the Applicant. The Applicant submits that the Contribution by the Contributor was made solely for the purpose of participating in the local election process, and was not intended to improperly influence any decision by the Plan. In this regard, the Applicant notes that the Contributor resides in the community in which the Recipient was running for office and was entitled to vote in the election for the Recipient. The Contributor had a history of making political contributions to candidates for elected office prior to adoption of the Rule. The Contribution also was made only after a personal appeal by an individual unrelated to the Applicant.

One of the chief purposes of the Rule was to prevent the selection or retention of advisers based on improper influence resulting from political contributions. The Contributor made no attempt to hide or disguise the source of the Contribution from the public, or to prevent the Applicant from learning of it after the fact. The Contributor fully disclosed the source of the Contribution and the affiliation with the Applicant on the contribution forms

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[10] The fees attributable to the Plan's investment in the Funds that were placed in escrow in July 2011 have remained in escrow.

required by the local election commission.[11] In addition, the Contributor did not solicit others to make similar contributions to the Recipient.

Timing and Amount of the Contribution.

The Contribution was not made with the intention of improperly influencing an investment decision of the Plan, or any Related Plans. The Applicant had an existing relationship with the Plan and its professional staff at the time of the Contribution. The Contribution was not intended to influence, and had no influence, on the selection of the Applicant to provide any advisory services to the Plan, the retention of its services, or any fees associated with its services. Thus, while the Applicant continued to provide relationship services to all investors in Funds IV and V during the Time Out Period, it did not engage in any new sales efforts involving those limited partnership interests in Funds IV and V, including any efforts designed to retain the investments in Funds IV and V or to renegotiate its fees.

Finally, the Applicant notes that the Contribution was returned, and the Recipient withdrew from the election over a year before it occurred in 2013. Moreover, because the Recipient was not an incumbent, and the date of the election was, at the time of the Contribution, almost 21 months away, the Recipient's ability to appoint members to the board of the Plan or otherwise influence their decisions would only have overlapped for three or four months of the 24 month Time Out Period, which now has long since expired. Moreover, as noted above, the Plan would still not have been able to withdraw its investments in Funds IV and V.

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[11] All information about the Contribution is available on the election commission's website and transparent to the public and officials of the Plan.

Nature of the Election and Other Facts and Circumstances.

The Applicant submits that the Contributor's residence in the election district; the committed nature of the Plan's investments in Funds IV and V; the existence of an ongoing relationship with the Plan; and the timing of the Contribution, demonstrate that neither the Applicant nor the Contributor were motivated by economic incentives to make the Contribution, and were not attempting to improperly influence a decision by the Plan to select or retain the Applicant.

The Applicant's relationship with the Plan significantly pre-dates both the Contribution and the Rule. In addition, the Applicant acknowledges that the Rule has a prophylactic purpose. In this instance, however, the Applicant believes that imposing a limitation on the receipt of advisory compensation associated with the Plan's investment in the Funds would result in a disproportionate consequence to the Applicant that is not necessary to achieve the intended purposes of the Rule. Per its contractual agreement, the Plan's investments in Funds IV and V are committed for a fixed period of time due to the illiquid nature of the underlying assets. The contractual agreements between the Plan and Funds IV and V, which were entered into well before the Rule was proposed by the Commission, also do not have any provisions that would permit the Applicant, or Funds IV and V, to cause the Plan to withdraw as an investor, or for the Applicant or Funds IV and V to replace the Plan by seeking any new investors. Thus, the Rule's purpose – combating *quid pro quo* arrangements between advisers and officials – could not be served here. Instead, the limitation on receipt of advisory compensation would cause the Applicant to suffer a significant economic hardship in terms of lost fees attributable to the Plan during the Time Out Period, with no benefit to the public interest or the protection of investors.

The Applicant has maintained funds in escrow for over three years and already incurred considerable legal expenses associated with the exemptive application process. The Applicant believes that any further economic consequences it would suffer due to the limits on receipt of compensation under Rule 206(4)-5(a)(1) are disproportionate in light of the unique facts in this instance.

The Applicant particularly notes that the Contribution was made shortly after the compliance date for the Rule and that it had policies and procedures in place at the time of the Contribution that were reasonably designed to prevent violations of the Rule, and which ultimately resulted in the Applicant's discovery of the Contribution and return of the Contribution by the Official. The Applicant further contends that the Contribution was inadvertent, not motivated by any intention to improperly influence a decision by the Plan, or any Related Plans, could not have been so motivated because of the committed nature of the Plan's investments, and was not made in willful disregard for the requirements of the Rule or the Applicant's policies and procedures. Moreover, the Applicant submits that even if the Contribution had not been returned, it could not have influenced Applicant's selection or retention as adviser to Funds IV and V, or the continued investment of the Plan in Funds IV and V during the Time Out Period. Further, the Applicant, including the Contributor, did not solicit the Plan (other than providing routine investor service information), or any Related Plan, to invest in new products offered by the Applicant during the Time Out Period.

The Applicant appreciates the availability of exemptive relief at the Commission's discretion where imposition of the two-year prohibition on compensation does not achieve the Rule's purposes or would result in consequences disproportionate to the mistake that was made. The Applicant respectfully submits that such is the case with the Contribution. Neither the

Applicant nor the Contributor sought to interfere with the Plan's merit-based selection process for advisory services, nor did they seek to negotiate higher fees or greater ancillary benefits than would be achieved in arm's length transactions, nor could they have, as the selections pre-dated the Contribution. There was no violation of the Applicant's fiduciary duty to deal fairly or disclose material conflicts given the absence of any intent or action by the Applicant or the Contributor to influence the selection process. The Applicant has no reason to believe the Contribution undermined, or has the potential to undermine in the future, the integrity of the market for advisory services or resulted, or has the potential to result in the future, in a violation of the public trust in the process for awarding contracts.

Finally, Applicant notes that, at this time, over three years have passed between the date of the Contribution and this amended application. Thus, the Time Out Period has expired. For this reason, Rule 206(4)-5 does not limit the ability of either the Applicant or the Contributor to engage in further solicitations of the Plan or any other "government entity" for which the Recipient was an "official" as defined in Rule 206(4)-5(f)(6). Thus, the Applicant does not believe that any further restrictions on the conduct of either itself or the Contributor are necessary.

V. PRECEDENT

The Applicant notes that the Commission granted exemptions substantially similar to that requested herein with respect to relief from Section 206A of the Advisers Act and Rule 206(4)-5(e) in: Davidson Kempner Capital Management LLC, Investment Advisers Act Release Nos. IA-3693 (October 17, 2013) (notice) and IA-3715 (November 13, 2013) (order) ("Davidson Kempner Application"); Ares Real Estate Management Holdings, LLC, Investment Advisers Act Release Nos. IA-3957 (October 22, 2014) (notice) and IA-3969 (November 18,

2014) (order) ("Ares Application"); and Crestview Advisors, L.L.C., Investment Advisers Act Release Nos. IA-3987 (December 19, 2014) (notice) and IA-3997 (January 14, 2015) (order) ("Crestview Application" and, together with the Davidson Kempner and Ares Applications, "Approved Applications").

The facts and representations made in this Application are substantially similar to each of the Approved Applications. However, there are additional factors that further weigh in favor of granting the exemption requested herein.

Committed Nature of the Plan's Investments in the Funds

Similar to the Ares Application, each Plan was contractually committed to remain an investor in the Funds. Moreover, the Plan's most recent investment decision was made in 2008, prior to the date of the Contribution, at the time of its last investment commitment in Fund V. Due to the committed nature of the Plan's investment in the Funds, the Plan had no investment decision to consider at the time of the Contribution. Accordingly, the Applicant submits that the Contribution could not have influenced the retention of its services or any fees associated with its services during this lock up phase. This factor – which suggests that the Contributor was not motivated to cultivate a *quid pro quo* arrangement – weighs in favor of granting the exemption requested herein.

Knowledge of the Contribution and Discovery of the Error. In the Davidson Kempner Application, the contributor informed the applicant's executive managing member of his interest in the relevant official and intention to meet with him. In contrast, like the contributor in the Ares and Crestview Applications, the Contributor did not inform any officers or employees of the Applicant of his interest in the Recipient's campaign. Moreover, none of the Applicant's officers or employees, other than the Contributor, had any knowledge that the

Contribution had been made until the Contributor self-reported the Contribution as part of Applicant's compliance survey. Unlike the Davidson Kempner and Ares Applications, where the contribution at issue was discovered by the compliance department of the investment adviser several months after the contribution was made, the Contributor self-reported the Contribution approximately one month after it was made.

Amount of Contribution and Nature of Election. In the Davidson Kempner Application, the contributor and his wife each made a $2,500 contribution to the sitting Ohio State Treasurer for his campaign for United States Senator. Likewise, in the Ares Application, the contributor made a contribution of $1,100 to the re-election campaign of the Governor of Colorado. In the Crestview Application, the contributor made a contribution of $2,500 to the sitting Texas State Governor's campaign for the federal office of President of the United States. The contributions in each of the Davidson Kempner and Ares Applications were to elections in which the contributor was not eligible to vote. The amount of the Contribution in this case – $1,000 – is less than the amount of the contributions in either of the Approved Applications and the Contributor was eligible to vote in the Recipient's election.

Moreover, unlike the Approved Applications, the Recipient was not a sitting official of a government entity at the time of the Contribution. In fact, the Recipient withdrew from the campaign almost 21 months before it occurred. As a result, the Recipient never had and does not have any actual authority, direct or indirect, to hire or influence any government entity's decision to hire an investment adviser, or to appoint a person to an office with such authority.

Intent of the Contributor. Like the Applicant, a senior investment professional for each of Davidson Kempner Capital Management LLC, Ares Real Estate Management Holdings, LLC and Crestview Advisors, L.L.C. ("Exempt Advisers") made a contribution to a political

campaign. Like the Applicant, there was no evidence of any intent of the contributor in each of the Approved Applications to influence the relevant government official's power of appointment with respect to the public plan investor or the public plan investor's decisions, nor was there any discussion with the relevant government official about such official's power of appointment.

Like the Contributor, in each of the Approved Applications the contributor's violation of the relevant Exempt Adviser's pay to play policies and related prohibition on compensation resulted from an inadvertent mistake of the relevant contributor. Additionally, like the Approved Applications, the Applicant's relationship with the Plan pre-dated the Contribution.

The Applicants believe that the same policies and considerations that led the Commission to grant relief in the Approved Applications are present here. In each instance, the imposition of the Rule would result in consequences vastly disproportionate to the mistake that was made.

VI. REQUEST FOR ORDER

The Applicant seeks an order pursuant to Section 206A of the Advisers Act, and Rule 206(4)-5(e) thereunder, exempting it, to the extent described herein, from the two-year prohibition on compensation required by Rule 206(4)-5(a)(1) under the Advisers Act, to permit the Applicant to receive compensation for investment advisory services provided to a government entity within the two-year period following the date of the Contribution identified herein to an official of such government entity by a covered associate of the Applicant.

VII. CONCLUSION

For the foregoing reasons, Applicant submits that the proposed exemptive relief, conducted subject to the representations set forth above, would be fair and reasonable, would

not involve overreaching, and would be consistent with the general purposes of the Advisers Act.

VIII. PROCEDURAL MATTERS

The authorization required by Rule 0-4(c)(1) under the Advisers Act is attached hereto as Exhibit A. The verification required by Rule 0-4(d) under the Advisers Act is attached hereto as Exhibit B. Pursuant to Rule 0-4 of the rules and regulations under the Advisers Act, a form of proposed notice for the order of exemption requested by this Application is set forth as Exhibit C to this Application. In addition, a form of proposed order of exemption requested by this Application is set forth as Exhibit D to this Application.

On the basis of the foregoing, the Applicant submits that all the requirements contained in Rule 0-4 under the Advisers Act relating to the signing and filing of this Application have been complied with and that the Applicant, which has signed and filed this Application, is fully authorized to do so.

The Applicant requests that the Commission issue an order without a hearing pursuant to Rule 0-5 under the Advisers Act.

Dated: 3/9/15

Respectfully submitted,

CRESCENT CAPITAL GROUP, LP

By: George P. Hawley
Name: George Hawley, Esq.
Title: General Counsel

EXHIBIT INDEX

A. Authorizations required pursuant to Rule 0-4(c).

B. Verification required pursuant to Rule 0-4(d).

C. Proposed Notice required pursuant to Rule 0-4(g).

D. Proposed Order.

EXHIBIT A

Pursuant to Rule 0-4 of the General Rules and Regulations under the Investment Advisers Act of 1940, the undersigned declares that the Amended and Restated Application is signed on its behalf by an authorized officer of Crescent Capital Group, LP ("Crescent Capital"), pursuant to written consent of the General Partner of Crescent Capital, dated March 9, 2015, authorizing such an officer of Crescent Capital to execute and deliver such instrument in the name of and on behalf of Crescent Capital.

CRESCENT CAPITAL GROUP, LP

By: George P. Hawley
Name: George Hawley, Esq.
Title: General Counsel

Dated: 3/9/15

Los Angeles, California

EXHIBIT B

STATE OF CALIFORNIA

:ss.:

COUNTY OF LOS ANGELES

George Hawley, Esq. in his capacity as an officer of Crescent Capital Group, LP, being duly sworn, deposes and says that he has duly executed the attached Amended and Restated Application for an order pursuant to Section 206A of the Investment Advisers Act of 1940, and Rule 206(4)-5(e), dated March 9 2015, for and on behalf of CRESCENT CAPITAL GROUP LP; that he is an authorized officer of Crescent Capital Group, LP; and that all action by Crescent Capital Group LP necessary to authorize deponent to execute and file such instrument has been taken. Deponent further says that he is familiar with such instrument, and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

George P. Hawley

Name: George Hawley, Esq.
Title: General Counsel

Subscribed and sworn to
before me a Notary Public
this ___ day of March, 2015

See attached certificate

My commission expires _____

CALIFORNIA JURAT WITH AFFIANT STATEMENT **GOVERNMENT CODE § 8202**

☑ See Attached Document (Notary to cross out lines 1–6 below)
☐ See Statement Below (Lines 1–6 to be completed only by document signer[s], *not* Notary)

Signature of Document Signer No. 1 *Signature of Document Signer No. 2 (if any)*

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

Subscribed and sworn to ~~(or affirmed)~~ before me on this 10th day of March, 20 15,
Date *Month* *Year*
by
(1) George Hawley
(and (2) _____ ~~)~~;
Name(s) of Signer(s)

JACQUELINE BATAS
Commission # 2088086
Notary Public - California
Los Angeles County
My Comm. Expires Nov 25, 2018

proved to me on the basis of satisfactory evidence to be the person~~(s)~~ who appeared before me.

Signature _____
Signature of Notary Public

Seal
Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

EXHIBIT C

SECURITIES AND EXCHANGE COMMISSION

[Release No. IA-xxxx] / [xx]

Crescent Capital Group, LP; Notice of Application

[DATE]

Agency: Securities and Exchange Commission ("SEC" or "Commission").

Action: Notice of application for an exemptive order under section 206A of the Investment Advisers Act of 1940 (the "Advisers Act") and Rule 206(4)-5(e) thereunder.

Applicant: Crescent Capital Group, LP ("Applicant").

Relevant Advisers Act Sections: Exemption requested under Section 206A of the Advisers Act and Rule 206(4)-5(e) thereunder from Rule 206(4)-5(a)(1) under the Advisers Act ("Rule").

Summary of Application: The Applicant requests that the Commission issue an order under Section 206A of the Advisers Act and Rule 206(4)-5(e) thereunder exempting the Applicant from Rule 206(4)-5(a)(1) under the Advisers Act to permit the Applicant to receive compensation from a government entity client for investment advisory services provided to the government entity within the two-year period following a contribution by a covered associate of the Applicant to an official of the government entity.

Filing Dates: The application was filed on October 31, 2013, and an amended and restated application was filed on March [ ], 2015.

Hearing or Notification of Hearing: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving Applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on [DATE] and should be accompanied by proof of service on Applicant, 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 may request notification of a hearing by writing to the Commission's Secretary.

Addresses: Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, D.C. 20549-1090. Applicant, Crescent Capital Group, LP, c/o George Hawley, Esq., 1100 Santa Monica Boulevard, Suite 2000, Los Angeles, CA 90025.

For Further Information Contact: [ ] (Investment Adviser Regulation Office, Division of Investment Management).

Supplementary Information: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch, 100 F Street, NE, Washington, D.C. 20549-0102 (telephone (202) 551-5850).

Applicant's Representations:

1. The Applicant is an investment adviser registered with the Commission under the Advisers Act that provides investment advisory services to private equity funds. Applicant presently advises, among others, two funds formed in 2006 and 2008, TCW/Crescent Mezzanine Partners IV, L.P. and TCW/Crescent Mezzanine Partners V, L.P. (respectively, "Fund IV" and "Fund V", and together, the "Funds"). Private equity funds, such as Fund IV and Fund V, invest in private companies and other illiquid assets.

2. Most investors in private equity funds are large institutions, including state and local public pension plans, which are seeking long-term investments. One of the investors in both Fund IV and V is a large public government entity ("Plan"). Under the terms of the governing documents for Fund IV and Fund V, investors, including the Plan, are not permitted to withdraw

their investment, except under extraordinary circumstances, for a period of ten years following the date of the investment (2016 with respect to Fund IV; and 2018 with respect to Fund V).

3. Shortly after the compliance date of the Rule, March 14, 2011 ("Compliance Date"), a managing partner of the Applicant (the "Contributor"),[12] made a contribution that triggered the two year compensation ban (the "Contribution"). The Contributor is, and was at all relevant times, a covered associate of the Applicant. The Contributor was solicited to make a contribution to the exploratory committee (the "Committee")[13] for an individual (the "Recipient") who indicated that he was considering running for elective office (the "Office").[14] Communications from the Committee, as well the Committee's website and other published material, referred to the "exploratory" nature of the Committee, suggesting that the Recipient, a potential candidate for mayor of Los Angeles, was merely "testing the waters" prior to committing to run for Office in 2013. Notwithstanding its title, and unbeknownst to the Contributor, the Committee had been required under local law to register as a campaign committee with the local election commission. However, the Recipient determined not to seek Office well before the 2013 election date.

4. Prior to the Compliance Date, Applicant had adopted new policies and procedures that required political contributions to be pre-cleared by its compliance department. However, in June 2011 – over two years prior to this application – the Contributor responded to a direct appeal and agreed to make a single contribution to the Committee, which was in the form of a

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12 Jean Marc Jacobs is the Contributor.

13 The committee was the "Austin Beutner for Los Angeles Mayor 2013 Exploratory Committee"

14 The election was for the Mayor of Los Angeles in 2013.

credit card payment of $1,000 ("Contribution").[15] Although the Contributor was aware of the Applicant's pre-clearance policy, it did not occur to him that the new policy applied to contributions of this nature (*i.e.*, to what was believed to be an exploratory committee).

5. The Applicant first became aware of the Contribution in July 2011, approximately one month following the date on which the Contribution was made, when the Contribution was disclosed by the Contributor during a quarterly compliance survey. Upon learning of the Contribution, the Applicant's chief compliance officer, with the cooperation of the Contributor, promptly contacted the Committee and arranged to have the Contribution returned. The Contribution was returned shortly thereafter. At the same time, the Applicant's chief compliance officer sought advice from outside legal counsel regarding the effect of the Contribution under the Rule on its ability to receive advisory compensation attributable to existing investments in Fund IV and Fund V by the Plan. The Applicant also determined to request an exemption from the Rule and, based on Commission guidance in the adopting release for the Rule,[16] created an escrow account to custody the advisory fees attributable to the Plan pending the outcome of the request. The fees earned during the Time Out Period have remained in escrow since 2011.

Applicant's Legal Analysis:

1. Rule 206(4)-5(a)(1) under the Advisers Act prohibits a registered investment adviser from providing investment advisory services for compensation to a government entity within two years after a contribution to an official of the government entity is made by the investment adviser or any covered associate of the investment adviser. The Plan is a "government entity," as

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15 The Covered Associate received an e-mail on June 10, 2011 confirming that the Contribution was received and recorded. Applicant regards June 10, 2011 as the date on which the Contribution was made.

16 *See Political Contributions by Certain Investment Advisers*, 75 Fed. Reg. 41018, 41049 (July 14, 2010).

defined in rule 206(4)-5(f)(5), the Contributor is a "covered associate" as defined in rule 206(4)-5(f)(2), and the Recipient is an "official" as defined in rule 206(4)-5(f)(6). Rule 206(4)-5(c) provides that when a government entity invests in a covered investment pool, the investment adviser to that covered investment pool is treated as providing advisory services directly to the government entity. Each Fund is a "covered investment pool," as defined in rule 206(4)-5(f)(3)(ii).

2. Section 206A of the Advisers Act grants the Commission the authority to "conditionally or unconditionally exempt any person or transaction ... from any provision or provisions of [the Advisers Act] or of any rule or regulation thereunder, if and to the extent that 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 Advisers Act]."

3. Rule 206(4)-5(e) provides that the Commission may exempt an investment adviser from the prohibition under rule 206(4)-5(a)(1) upon consideration of the factors listed below, among others: (1) Whether the 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 Advisers Act; (2) Whether the investment adviser, (i) before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the rule; and (ii) prior to or at the time the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and (iii) after learning of the contribution: (A) has taken all available steps to cause the contributor involved in making the contribution which resulted in such prohibition to obtain a return of the contribution; and (B) has taken such other remedial or preventive measures as may be appropriate under the circumstances; (3) Whether, at the time of the contribution, the

contributor was a covered associate or otherwise an employee of the investment adviser, or was seeking such employment; (4) The timing and amount of the contribution which resulted in the prohibition; (5) The nature of the election *(e.g.,* federal, state or local); and (6) the contributor's apparent intent or motive in making the contribution which resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution.

4. Applicant requests an order pursuant to Section 206A, and Rule 206(4)-5(e) thereunder, exempting it from the two year prohibition on compensation imposed by rule 206(4)-5(a)(1) with respect to investment advisory services provided to the Plan within the two year period following the Contribution.

5. Applicant submits that the exemption is necessary and appropriate in the public interests and consistent with the protection of investors and the purpose fairly intended by the policy and provisions of the Advisers Act. Applicant further submits that the other factors set forth in rule 205(4)-5(e) similarly weigh in favor of granting an exemption to the Applicants to avoid consequences disproportionate to the violation.

6. Applicant believes that imposing a limitation on the receipt of advisory compensation associated with the Plan's investment in the Funds would result in a disproportionate consequence that is not necessary to achieve the intended purposes of the Rule. Per contractual agreement, the Plan's investments in Fund IV and Fund V are committed for a fixed period of time due to the illiquid nature of the underlying assets. The contractual agreements between the Plan and Fund IV and Fund V, which were entered into well before the Rule was proposed by the Commission, do not have any provisions that would permit Applicant, or Fund IV and Fund V, to cause the Plan to withdraw as an investor, or for Applicant or Fund IV and Fund V to

replace the Plan by seeking any new investors, or to renegotiate fees. Thus, the Contribution could not have undermined the integrity of the market for advisory services or resulted in a violation of the public trust in the process for awarding contracts. Accordingly, the Rule's limitation on receipt of advisory compensation would require Applicant to suffer a significant economic hardship in terms of lost fees attributable to the Plan during the time out period with no benefit to the public interest or the protection of investors.

7. Applicant further believes that the significant economic consequences it would suffer due to the limits on receipt of compensation under the Rule are disproportionate in light of the unique facts in this instance. Applicant particularly notes that the Contribution was made shortly after the Rule's Compliance Date and that it had policies and procedures in place at the time of the Contribution, which were reasonably designed to prevent violations of the Rule. These policies and procedures ultimately resulted in Applicant's discovery of the Contribution and its return to the Covered Associate. Applicant also maintains that the Contribution, which was not submitted to Applicant's compliance department for pre-clearance: (i) was an isolated and inadvertent instance; (ii) was not motivated by any intention to improperly influence a decision by the Plan; (iii) could not have been so motivated because of the nature of the Plan's committed investments; and (iv) was not made in willful disregard for the requirements of the Rule or Applicant's own policies and procedures.

8. Applicant proposes that the protection of investors is not furthered by withholding compensation as a penalty in the absence of any evidence that the Adviser or the Contributor intended to, or actually did, interfere with the Plan's merit-based process for the selection and retention of advisory services.

9. Applicant asserts that the purposes of Section 206(4) and Rule 206(4)-5(a)(1) are fully satisfied without imposition of the two-year prohibition on compensation as penalty for the Contribution. Neither the Adviser nor the Contributor sought to interfere with the Plan's merit-based selection process for advisory services, nor did they seek to negotiate higher fees or greater ancillary benefits than would be achieved in arm's length transactions. Absent any intent or action by the Adviser or Contributor to influence the selection process, there was no violation of the Adviser's fiduciary duty to deal fairly or disclose material conflicts.

10. Applicant states that the other factors suggested for the Commission's consideration in Rule 206(4)-5(e) similarly weigh in favor of granting an exemption to avoid consequences disproportionate to the violation. Applicant notes that it had policies in place at the time of the Contribution, acted quickly to seek return of the Contribution, and escrowed advisory fees in a timely fashion. Moreover, the Rule had only been in force for several months at the time of the Contribution.

11. Accordingly, Applicant respectfully submits that the interests of investors and the purposes of the Advisers Act are best served in this instance by allowing the Adviser and the Plan to continue their relationship uninterrupted in the absence of any evidence that the Adviser or the Contributor intended to, or actually did, interfere with any merit-based process for the selection or retention of advisory services. Applicant submits that an exemption from the two-year prohibition on compensation is necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Advisers Act.

By the Commission

Kevin M. O'Neill
Deputy Secretary

EXHIBIT D

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. IA-[ ]; [ ], 2015

In the Matter of	:
	:
Crescent Capital Group	:
1100 Santa Monica Blvd., Suite 2000	:
Los Angeles, CA 90025	:
	:
	:
(803-00219)	:

ORDER UNDER SECTION 206A OF THE INVESTMENT ADVISERS ACT OF 1940 AND RULE 206(4)-5(e) THEREUNDER GRANTING AN EXEMPTION FROM RULE 206(4)-5(a)(1) THEREUNDER

Crescent Capital Group, LP (the "Applicant") filed an application on October 31, 2013, and an amended and restated application was filed on March [ ], 2015, for an order under section 206A of the Investment Advisers Act of 1940 ("Act") and rule 206(4)-5(e) thereunder. The order would grant an exemption under the Act to the Applicant from rule 206(4)-5(a)(1) to permit the Applicant to receive compensation from a government entity client for investment advisory services provided to the government entity within the two-year period following a contribution by a covered associate of the Applicant to an official of the government entity.

On [ ], 2015, a notice of the filing of the application was issued (Investment Advisers Act Release No. IA-[ ]). The notice gave interested persons an opportunity to request a hearing and stated that an order granting the application would be issued unless a hearing was ordered. No request for a hearing has been filed, and the Commission has not ordered a hearing.

The matter has been considered and it is found, on the basis of the information set forth in the application, as amended and restated, that the proposed exemption is 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. Accordingly,

IT IS ORDERED, pursuant to section 206A of the Act and rule 206(4)-5(e) thereunder, that the exemption from rule 206(4)-5(a)(1) under the Act requested by the Applicant (File No. 803-00219) is granted, effective immediately.

By the Commission.

[Name]
[Title]