

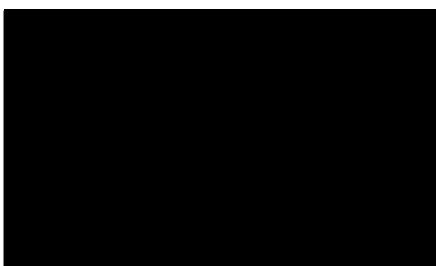


UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

ATLANTA REGIONAL OFFICE
950 EAST PACES FERRY ROAD, N.E.
SUITE 900
ATLANTA, GEORGIA 30326-1232

October 31, 2012

DELIVERY VIA EMAIL



Re: Examination of [REDACTED] (the "Adviser")

Dear [REDACTED]:

The staff of the U.S. Securities and Exchange Commission is conducting an examination of the Adviser pursuant to Section 204 of the Investment Advisers Act of 1940 (the "Advisers Act"). The purpose of the examination is to assess the Adviser's compliance with provisions of the Advisers Act and the rules thereunder.

Additional information about compliance examinations and the examination process is included in the enclosed "*Examination Information*" brochure (SEC Form 2389). Also enclosed is information regarding the Commission's authority to obtain the information requested and additional information: "*Supplemental Information for Regulated Entities Directed to Supply Information Other Than Pursuant to a Commission Subpoena*" (SEC Form 1661).

Please provide all of the information specified in the enclosed information request list. Some of the information is to be provided to the staff in advance of the staff's on-site examination, and the remainder of the items should be provided to the staff on the first day of the on-site examination. The staff requests that certain items be provided in an electronic format to the extent possible. Additional information about the desired electronic format is included in the document request list.

If the Adviser becomes aware of the need for delay in the production of any requested information that extends beyond the first day of the on-site examination, the Adviser should immediately contact the undersigned at the telephone number indicated. During the

examination, the staff may also request additional or follow-up information, and will discuss timeframes for the Adviser to produce this information.

The on-site phase of the examination will begin on [REDACTED], 2012. The staff appreciates the Adviser's cooperation in facilitating the examination process. The staff requests that you make adequate office facilities available to us during the on-site examination, to ensure the confidentiality and efficiency of the examination. While on-site, the staff would like to speak to the following individuals:

- At least one member of senior management to discuss the Adviser's organization, business, compliance program, and compliance culture as it relates to the focus of the examination. Please make arrangements for this discussion to take place shortly after the staff arrives.
- The Adviser's Chief Compliance Officer to discuss the compliance program as well as specific policies and procedures. Please make arrangements for this discussion to take place early in the on-site portion of the examination.
- Persons responsible for certain functions to understand fully the Adviser's operations and compliance controls as they relate to the focus of the examination. The staff will make these requests throughout the examination.

As part of the pre-examination planning process, the staff actively coordinates examination oversight to ensure that regulatory efforts are not duplicative. If you have any concerns in this regard, please contact the undersigned.

Your cooperation is greatly appreciated in the examination process. If you have any questions, please contact me at (404) 842-7620.

Sincerely,

David McClellan
Staff Accountant

Enclosures:

Information Request List
Examination Information Brochure (Form 2389)
Supplemental Information (Form 1661)

Examination Information Request List

Examination Period

Information is requested for the period **March 30, 2012** through **October 31, 2012** (the "Examination Period") unless otherwise noted.

Organizing the Information to be Provided

In order to efficiently process the material assembled for the staff's review, please label the information so that it corresponds to the item number in the request list. If information provided is responsive to more than one request item, you may provide it only once and refer to it when responding to the other request item numbers. If any request item does not apply to your business, please indicate "N/A" (not applicable).

Information to be Provided by Monday, [REDACTED]

1. A copy of the Adviser's organization chart showing: ownership percentages and control persons; a schedule or chart of all affiliated entities; the structure by name and title of the management team and the compliance department.
2. A list of current employees, partners, officers and/or directors and their respective titles.
3. Names of any of the Advisers' officers and/or directors who resigned during the Examination Period and information regarding the reason for their departure.
- ✓ 4. For each private fund the Adviser manages or previously managed please provide a copy of the:
 - limited partnership agreement
 - operating agreement (between the Adviser and fund)
 - private placement memoranda
- ✓ 5. The audited financial statements for the most recent fiscal year end for each advised private fund and any related management letters.
6. Information regarding each private investment fund, including:
 - a. Name as shown in organizational documents (as amended).
 - b. Domicile (country).
 - c. Investment strategy (*e.g.*, long-short, statistical arbitrage, fund of funds).
 - d. If funds are part of a master/feeder fund structure, full name and domicile of each fund.
 - e. Number of investors and total assets as of September 30, 2012.

- f. Amount, if any, of the Adviser's equity interest in each fund as of September 30, 2012.
 - g. Amount, if any, of the Adviser's affiliated persons' interest as of September 30, 2012.
 - h. Date the fund began accepting unaffiliated investors.
 - i. Whether the fund is currently closed to new investors.
 - j. Lock-up periods for both initial and subsequent investments.
 - k. Specific exemption(s) from registration under the Securities Act of 1933 and/or the Investment Company Act of 1940 upon which each fund relies.
 - l. Services the Adviser or an affiliate (*e.g.*, general partner, adviser, managing member) is providing.
 - m. Amount of leverage, both explicit (on-balance sheet) and off-balance sheet (futures and certain other derivatives), used by the fund as of September 30, 2012 as measured by the adviser for risk-management purposes.
 - n. The value of each fund's account that was used for purposes of calculating its advisory fee for June 30, 2012 and September 30, 2012;
 - o. The advisory fee charged for the last billing periods as of June 30, 2012 and September 30, 2012;
 - p. Whether the fund pays a performance fee, the most recent account performance figures, and the performance fee amount charged for the billing periods ending June 30, 2012 and September 30, 2012;
7. List of current and former investments made by each advised private fund as of September 30, 2012, including:
- a. Investment name;
 - b. Ticker symbol (if available);
 - c. Date of original investment;
 - d. Amount of original investment;
 - e. Dates of additional investments;
 - f. For each additional investment, the amount of the investment;
 - g. Date of first realization from the investment;
 - h. Realized amount;
 - i. Value of remaining investment/unrealized amount (if any); and
 - j. Investment level gross IRR (if available);
 - k. Fund(s) in which investment was made.

Information to be Provided on-site on [REDACTED]

- 8. The names and location of all service providers and the services they perform for the Adviser or the funds the Adviser manages.
- 9. Adviser's balance sheet, income statement, and cash flow statements as of the end of its most recent fiscal year and the most current year to date.

10. Access to all agreements between the Adviser and portfolio companies held by a fund managed by the Adviser during the Examination Period.
11. For each private fund the Adviser manages or previously managed please provide a copy of:
 - any side letters referencing fees and expenses
 - any fee agreements between any portfolio company and the Adviser or its affiliates
 - any other documents (including newsletters, capital account statements, or other documents) disclosing fees paid by portfolio companies.
12. Schedule of fees earned by the Adviser from each portfolio company, see Exhibit 1. Please list all fees earned from March 30, 2012 to September 30, 2012 and note whether any such fees were credited back to clients.
13. A list of all compensation received by the Adviser or an affiliate, besides management and performance fees, in the following format:
 - a. Date received
 - b. Payer
 - c. Amount
 - d. Type (transaction fee, monitoring fee, monitoring fee acceleration, Board/Director Fee, other fee (please explain)).
 - e. Amount credited to investors/fund.
14. A schedule of the total expenses reimbursed by each advised portfolio company for each of the previous three years in the following format:
 - f. Year
 - g. Portfolio Company
 - h. Total amount of reimbursed expenses.
15. Names of any companies for which employees of the Adviser or its affiliates serve as officers and/or directors, and the name(s) of such employees.
16. Names of companies for which employees of the Adviser or its affiliates, serve on creditors' committees, and the name(s) of such employees.
17. A copy of the Adviser's compliance manual currently in use.

EXHIBIT 1

Layout for Fee Reporting Schedule

Adviser	Portfolio Holding	Fee Amount	Date Charged	Fee Type*
PE Adviser LLC	Large Industrial Corporation	\$5.3m	4/4/2009	Transaction
PE Adviser LLC	Large Industrial Corporation	\$500,000	3/31/2010	Monitoring

* **Fee Types:**

- Transaction Fee
- Monitoring Fee / Director Fee
- Other Fee