

March 25, 2019

VIA EMAIL

Josephine J. Tao, Esq.
Assistant Director
Division of Trading and Markets
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: CNL Strategic Capital, LLC
Request for Exemption under Rule 102(e) of Regulation M

Dear Ms. Tao:

On behalf of CNL Strategic Capital, LLC, a Delaware limited liability company (the “Company”), we respectfully request that the Division of Trading and Markets (the “Division”), pursuant to the authority delegated to it by the Securities and Exchange Commission (the “Commission”), grant the Company an exemption from the prohibitions of Rule 102(a) of Regulation M under the Securities Exchange Act of 1934, as amended, with respect to repurchases by the Company of its shares of the Company’s limited liability interests (the “shares”) under its proposed share repurchase program (“Share Repurchase Program”) in accordance with the terms detailed below, under the authority provided in Rule 102(e) of Regulation M.

The Company

The Company was formed in the state of Delaware in August 2016 and seeks to provide current income and long-term appreciation to its members while protecting invested capital by acquiring and growing durable, middle-market businesses (the “Targeted Assets”). The Company intends to acquire businesses in industries that it believes are stable and predictable, including, among others, consumer products, business services and light manufacturing companies. The Company commenced operations on February 7, 2018 and, as of December 1, 2018, has approximately \$100,158,334 in total assets.¹

¹ On February 7, 2018, the Company issued 3,266,260 Class FA shares at \$25.00 per Class FA share resulting in gross proceeds of approximately \$81.7 million. The Class FA shares were offered for sale only to persons that were “accredited investors,” as that term is defined under the Securities Act of 1933, as amended, and Regulation D promulgated thereunder. Class FA shares are not being offered in the public offering.

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On October 3, 2016, the Company confidentially submitted a registration statement on Form S-1 (Registration No. 333-222986) under the Securities Act of 1933, as amended, which was declared effective on March 7, 2018, in connection with the offering of up to \$1,100,000,000 in shares, consisting of up to \$1,000,000,000 of shares in the Company's primary offering and up to \$100,000,000 of shares pursuant to the Company's distribution reinvestment plan (the "Distribution Reinvestment Plan"). The Company is publicly offering four classes of shares, Class A shares, Class T shares, Class D shares and Class I shares, in any combination with a dollar value of up to the maximum offering amount. The Company has similarities to non-listed real estate investment trusts ("REITs"), business development companies ("BDCs") and other non-listed issuers that are not REITs like Greenbacker Renewable Energy Company LLC (Registration No. 333-211571) and TriLinc Global Impact Fund, LLC (Registration No. 333-208145) in that it offers its members investment opportunities to invest in the Targeted Assets, which are held for investment purposes and the assets themselves are not actively managed by the Company. The Company is managed by CNL Strategic Capital Management, LLC (the "Manager") under a management agreement pursuant to which the Manager is responsible for the overall management of the Company's activities.² In addition, the Company has a governance structure similar to those of non-listed REITs, BDCs and other non-listed issuers, which includes a board of directors, as well as an audit committee comprised of independent directors.

The Company is engaged in a continuous public offering in order to raise proceeds to implement its business strategy. The continuous public offering provides a maximum number of potential investors with the opportunity to participate in the offering and provides the Company with the opportunity to offer shares up to the maximum offering amount under the Company's registration statement. The shares will be offered on a continuous basis until the earlier of when the full amount of shares registered under the registration statement have been sold or March 7, 2020. However, the Company may extend the offering for up to an additional 18 months and the Company would announce such event in a prospectus supplement.

The distribution of shares is being conducted on a "best efforts" basis by CNL Securities Corp., the Company's managing dealer. Investors who wish to participate in the offering must meet certain suitability standards based on net worth and income. Members must make an initial purchase of at least \$5,000 and any additional purchases of the Company's shares must be in amounts of at least \$500. The purchase price per share to be paid by each investor will be equal

² The Manager has engaged Levine Leichtman Strategic Capital, LLC (the "Sub-Manager") under a sub-management agreement pursuant to which the Sub-Manager is responsible for the day-to-day management of the Company's assets.

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to the price that is in effect on the date the Company accepts such investor's subscription agreement in connection with its monthly closings.

The Company currently authorizes and declares and pays cash distributions to its members on a monthly basis, subject to the discretion of the board of directors. Distributions are made on all classes of shares and at the same time. A member may elect to reinvest its cash distributions received from the Company in additional shares pursuant to the Distribution Reinvestment Plan. Since March 2018, the Company has paid distributions on a monthly basis.

The Company's shares currently are not listed on any national securities exchange or a quotation through a national quotation system. Currently, no secondary trading market exists for the Company's shares, and the Company anticipates that, outside of exploring a potential liquidity event, no such market will develop for its shares in the future.³ The Company wishes to provide its members with limited liquidity with respect to their shares pursuant to its proposed Share Repurchase Program, as described below.

Share Repurchase Program

In order to provide limited liquidity to its members with respect to the repurchase by the Company of their shares, the Company intends to adopt the Share Repurchase Program as described in the Company's registration statement. The Share Repurchase Program provides that the Company intends to commence repurchases no later than the end of March 2019. The Company has disclosed its proposed Share Repurchase Program in its registration statement. In addition, the Company has disclosed that its role in the Share Repurchase Program is solely ministerial and it will fully disclose the terms of any modifications to the Share Repurchase Program.

Pursuant to the Share Repurchase Program, members may sell back their shares to the Company on a quarterly basis. As described in the Company's prospectus, the shares will be repurchased at a price equal to the net asset value per share (which is equal to the then-current offering price less the selling commissions and dealer manager fees associated with that class of shares) as of the last date of the month immediately prior to the repurchase date. The repurchase date generally will be the last business day of the month of a calendar quarter end. The Company's

³ The Company's board of directors intends to contemplate a liquidity event for the Company's members within six years from the date the Company terminates its offering; however, the Company's board of directors is under no obligation to pursue or complete any particular liquidity event during this timeframe or otherwise. Accordingly, the sole purpose of the Share Repurchase Program is to provide the Company's members with the ability to liquidate a portion of their shares in the Company while no trading market exists.

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board of directors determines the net asset value for each class of shares on a monthly basis.⁴ If the net asset value per share on such valuation date increases above or decreases below the net proceeds per share as stated in the Company's prospectus, the Company will adjust the offering price per share of any of the classes of shares, effective five business days after such determination is published, to ensure that no share is sold at a price, after deduction of upfront selling commissions and dealer manager fees, that is above or below the net asset value per share on such valuation date. Members may request that the Company repurchase all of the shares that they own, but if a member presents fewer than all of his, her or its shares for repurchase then, he, she or it must present at least 5% of such member's shares for repurchase.

Under the Share Repurchase Program, the Company can repurchase up to 2.5% of the Company's aggregate net asset value per calendar quarter (based on the aggregate net asset value as of the last date of the month immediately prior to the repurchase date) and up to 10% of the Company's aggregate net asset value per year (based on the average aggregate net asset value as of the end of each of the Company's trailing four quarters). The aggregate amount of funds under the share repurchase program will be determined on a quarterly basis in the sole discretion of the board of directors of the Company. During any calendar quarter, the total amount of aggregate repurchases will be limited to the aggregate proceeds from the Company's Distribution Reinvestment Plan during the previous quarter unless the Company's board of directors determines otherwise. At the discretion of the Company's board of directors, the Company may also use cash on hand, cash available from borrowings and cash from the sale of assets as of the end of the applicable period to repurchase shares.

⁴ As more fully described in the Company's prospectus, the Company's net asset value is calculated based on the fair value of the Company's assets, which is determined pursuant to the Company's valuation policy and is performed in accordance with Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosures ("ASC 820"). ASC 820 is a widely accepted accounting standard under U.S. generally accepted accounting principles that defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. Pursuant to the Company's valuation policy, an independent valuation firm assists the Manager and the Sub-Manager in preparing their valuation recommendations with respect to the Company's assets. After the audit committee reviews these valuation recommendations, it presents final recommendations to the board of directors for review and adoption. The net asset value determination and methodology are reviewed by the Company's independent auditors on a quarterly basis and audited by the Company's independent auditors as part of its annual audit. Any changes to the Company's valuation policy are required to be approved by the Company's board of directors, including a majority of its independent directors and its audit committee, and any such material changes will be disclosed in a prospectus supplement prior to implementation.

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If the number of shares submitted to the Company for repurchase exceeds the number of shares the Company can repurchase in a particular quarter, the Company will repurchase shares on a *pro rata* basis for such quarter from among the requests for repurchase received by the Company based upon the total number of shares for which repurchase was requested, and the total funds available for repurchases. The Company may repurchase fractional shares.

The Company's board of directors has the right to suspend, amend or terminate the Share Repurchase Program to the extent that it determines it is in the Company's best interest to do so, upon 30 days' prior notice to its members. Moreover, the Share Repurchase Program will terminate on the date that the Company's shares are listed on a national securities exchange or a secondary trading market for the shares otherwise develops.

Discussion

Rule 102(a) of Regulation M, which is intended to preclude manipulative conduct by those with an interest in the outcome of a distribution, prohibits issuers and those affiliated with issuers, among others, from bidding for, purchasing or attempting to induce another to bid for or purchase, a security that is the subject of a then-current distribution. Rule 102(e) of Regulation M authorizes the Commission to exempt from the provisions of Rule 102 any transaction or series of transactions, either unconditionally or subject to specified terms and conditions.

The Company respectfully requests that the Division, pursuant to the authority delegated to it by the Commission, grant to the Company an exemption under Rule 102(e) of Regulation M to permit it to effect share repurchases under its proposed Share Repurchase Program during its public offering, considering that such repurchases will not be actively solicited by the Company and will not be made with the purpose of trading in the Company's shares. Allowing the Company to effect repurchases under the Share Repurchase Program during the public offering should not increase the potential for manipulation of the market for the Company's shares because the repurchase price will be at a price equal to the net asset value per share for the applicable class of shares being repurchased (which is equal to the then-current offering price less the selling commissions and dealer manager fees associated with that class of shares). Because the repurchase price will not exceed the then-current offering price of the Company's shares, there should be virtually no risk that the market will be conditioned or stimulated by such repurchases. Furthermore, the amount of shares that may be repurchased by the Company under the Share Repurchase Program is limited in three ways: (i) on an annual basis, to 10% of the Company's aggregate net asset value per year, (ii) on a quarterly basis, to 2.5% of the Company's aggregate net asset value per calendar quarter and (iii) during any calendar quarter, to the number of shares the Company can repurchase with the proceeds the Company receives from the sale of shares under the Distribution Reinvestment Plan in the previous quarter, unless the Company's board of directors determines otherwise. The Share Repurchase Program provides that if the Company

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cannot repurchase all shares presented in any quarter because requests for repurchase exceed any of the foregoing limitations, the Company will accept requests on a pro rata basis.

Moreover, the Company does not and will not actively solicit participation in the Share Repurchase Program. The Company makes its members aware of the Share Repurchase Program at the time they make their investment by means of a description in the Company's prospectus or supplement thereto. Thus, those members who present their shares for repurchase will do so of their own volition and not at the behest, invitation or encouragement of the Company, the Manager or the Sub-Manager. The role of the Company in effectuating the repurchases under the Share Repurchase Program will be solely ministerial and facilitate the members' liquidation of their shares. Further, the Share Repurchase Program will terminate if the Company's shares are listed on a national securities exchange, are included for quotation in a national quotation system or if a secondary trading market for the shares otherwise develops.

The Company has reviewed exemptive relief request letters of non-listed issuers that are not REITs and believes that the Share Repurchase Program is substantially similar to the share repurchase program of Greenbacker Renewable Energy Company LLC (September 1, 2015) ("Greenbacker"). Specifically, the Company's Share Repurchase Program contains the following characteristics presented in the Commission's letter granting relief to Greenbacker:

- there is no trading market for the shares,
- the Company will terminate the Share Repurchase Program should a secondary trading market for its shares develop,
- the shares will be offered on a continuous basis until the earlier of when the full amount of shares registered under the registration statement have been sold or March 7, 2020, though the Company may extend the offering for up to an additional 18 months,
- during an offering, the shares will be repurchased at a price that is equal to the net asset value per share (which is equal to the then-current offering price less the selling commissions and dealer manager fees associated with that class of shares), as of the last date of the month immediately prior to the repurchase date,
- the number of shares that may be repurchased under the Share Repurchase Program will be limited during any calendar quarter,

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- the offering price for each class of shares consists of the net asset value per share plus selling commissions and dealer manager fees, which are set at a fixed percentage of the offering price depending on the share class,
- the method of calculating selling commissions and dealer manager fees and their current values are set forth in the prospectus,
- because the Company will repurchase shares at a price equal to the then-current offering price less selling commissions and dealer manager fees associated with such class of shares, the Company will purchase at a price directly and mechanically linked to net asset value, and
- the terms of the Share Repurchase Program, including the methodology and process for calculating the Company's net asset value and the repurchase price, will be fully disclosed in the Company's prospectus.⁵

With respect to the cap on the amount of shares that may be repurchased by the Company under the Share Repurchase Program, Greenbacker limits repurchases to 5% of the weighted average number of their outstanding shares in any 12-month period and in each fiscal quarter to 1.25% of the weighted average number of its shares outstanding in the prior four fiscal quarters. The Company, on the other hand, limits repurchases to 2.5% of the Company's aggregate net asset value per calendar quarter and to 10% of the Company's aggregate net asset value per year. The Company believes that the difference in the base unit of such repurchase limitation (the weighted average number of shares outstanding vs. the aggregate net asset value) is not material as other share repurchase programs use net asset value as the base unit for their repurchase limitations. For example, share repurchase programs implemented by certain non-listed REITs, such as Blackstone Real Estate Income Trust, Inc. (Registration No. 333-213043) and Cole Real Estate Income Strategy (Daily NAV), Inc. (Registration No. 333-213271), limit repurchases to no more than 2% of their aggregate net asset value per month and no more than 5% of their aggregate net asset value per calendar quarter, which are even less restrictive than the Company's repurchase limitation.

⁵ Although the Company is not a REIT, the Company also believes the Share Repurchase Program satisfies the conditions set forth in the Alston & Bird LLP class exemptive letter (October 22, 2007) granting relief to permit non-listed REITs to redeem their common stock under an established share repurchase program while in a distribution of their common stock. The Company further believes the Share Repurchase Program satisfies the conditions set forth in Commission's class exemptive letter (December 19, 2013) to CION Investment Corporation whereby the Commission granted relief to permit non-listed BDCs to redeem their common stock under an established share repurchase program while in a distribution of their common stock.

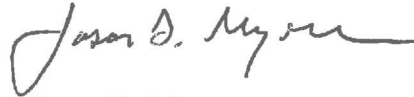
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For the foregoing reasons, on behalf of the Company, we respectfully request that the Division, pursuant to the authority delegated to it by the Commission, grant the Company an exemption from the prohibitions of Rule 102(a) of Regulation M for share repurchases under the Share Repurchase Program, as proposed, during the course of an offering under the authority provided in Rule 102(e).

Please do not hesitate to contact me at 212-878-8324 or jason.myers@cliffordchance.com if you have any questions or require any additional information regarding this request.

Sincerely,

A handwritten signature in black ink that reads "Jason D. Myers". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jason D. Myers

cc: Tracey Bracco
General Counsel, CNL Strategic Capital, LLC