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WORKING UNDER THE SUPERVISION OF PRINCIPALS OF THE WASHINGTON OFFICE.

CONFIDENTIAL TREATMENT REQUESTED UNDER FOIA

September 12, 2006

Ms. Catherine McGuire, Esq.
Chief Counsel, Division of Market Regulation
Securities and Exchange Commission
Station Place
100 F Street, NE
Washington, DC 20549

SECURITIES AND EXCHANGE COMMISSION
RECEIVED
SEP 13 2006
DIVISION OF MARKET REGULATION

Re: Request for Exemptive Relief under Section 11(d)(1)

Dear Ms. McGuire:

We are writing on behalf of Citigroup Global Markets Limited, Goldman Sachs International (collectively, the “**Joint Lead Managers**”) and other broker-dealers that may participate in a proposed global offering (the “**Global Offering**”) of common units (the “**Units**”) of Doughty Hanson & Co Investments L.P. Incorporated (the “**Permanent Capital Vehicle**” or “**PCV**”) to respectfully request that the Securities and Exchange Commission (the “**Commission**”) grant an order pursuant to Section 36(a) of the Securities Exchange Act of 1934 (the “**Exchange Act**”) that would provide the U.S. broker-dealer affiliates of the Joint Lead Managers and other U.S. broker-dealers participating in the Global Offering with a limited exemption from the provisions of Section 11(d)(1) of the Exchange Act.

As described more fully below, the Global Offering will include an offering of the Units in the United States and will involve a staged investment in which investors will make an initial investment in the PCV at the time of the Global Offering and will be required to make a second investment in the PCV in the future. The Joint Lead Managers are applying for a limited exemption from the provisions of Section 11(d)(1) that will permit U.S. broker-dealers to

participate in the offer and sale of the Units notwithstanding this staged investment feature. For the reasons discussed below the Joint Lead Managers believe that such an exemption is necessary or appropriate in the public interest and consistent with the protection of investors.

We have summarized below the nature of the PCV, the proposed Global Offering of the Units, and the staged investment structure of the Units. In addition, we have included our analysis of that structure, our request for exemptive relief, and a request for confidential treatment of this letter.

Background

The PCV is a limited partnership organized under the laws of Guernsey and will be managed by Doughty Hanson & Co. Limited (together with its affiliates, "**Doughty Hanson**"), a leading European sponsor of private equity, real estate and technology funds headquartered in London. Currently, the PCV does not own any assets. The primary objective of the PCV will be to provide investors with a vehicle to invest in private equity and other private funds of Doughty Hanson, and certain related investments, in a manner that offers them greater diversity and liquidity than they would have investing directly as limited partners in such other Doughty Hanson funds or investments.

The PCV intends to raise total capital of approximately €1 billion. The PCV will invest at least 80% of its capital in Doughty Hanson's private equity, real estate and technology funds and in direct co-investments in portfolio companies of Doughty Hanson's funds. Up to 20% of the PCV's capital may be invested in opportunistic investments identified by, or associated with, Doughty Hanson (such as mezzanine investments in portfolio companies of Doughty Hanson funds). The PCV expects its investments to occur over a "ramp-up" period extending over a year after the date of the Global Offering.

Proposed Global Offering

The Global Offering will include the initial sale of Units outside the United States under Regulation S. It is expected that a significant portion of such sale will be made through a private placement of Units to institutional investors in The Netherlands. In addition, the Global Offering will include the initial sale of Units in the United States (the "**U.S. Offering**") pursuant to Rule 144A under the Securities Act of 1933, as amended (the "**Securities Act**") to investors that are "qualified institutional buyers" ("**QIBs**") within the meaning of Rule 144A. It is expected that up to 40% of the Units may be sold in the U.S. Offering.

In connection with the proposed Global Offering, the Units will be listed on Euronext Amsterdam N.V.'s Eurolist by Euronext ("**Eurolist by Euronext**") under the symbol "DHC". The Units will not be listed or quoted on any national securities exchange or automated inter-dealer quotation system in the United States. It is expected that following the Global Offering, virtually all of the secondary market trading in the Units will be in Europe, since Eurolist by Euronext will be the only public trading market for the Units. In addition, each initial U.S. purchaser will be required to agree in an investor letter to be executed at the time of investing that (i) it will only resell its Units outside the United States to persons reasonably

believed to be non-U.S. persons, and (ii) in the event that it does transfer its Units, it will confirm to the PCV that it is doing so in compliance with the foregoing restrictions. The organizational documents of the PCV will contain provisions designed to permit the PCV to enforce the foregoing transfer restrictions, including by voiding transfers in violation of these restrictions and causing the resale of Units acquired in such transfers.

The PCV is not an investment company in reliance on Section 3(c)(7) of the Investment Company Act of 1940 (the “**Investment Company Act**”). Section 3(c)(7) excludes from the definition of investment company any issuer: (i) whose outstanding securities are owned exclusively by persons who, at the time of the acquisition of those securities, are “qualified purchasers” (“**QPs**”) as defined in Section 2(a)(51) of the Investment Company Act; and (ii) that is not making, and does not propose to make, a public offering of its securities. Accordingly, the PCV will only sell the Units to U.S. investors that are QPs and will not make a public offering of the Units in the United States. In addition, the offering and transfer restrictions of the PCV will be consistent with guidance provided by Commission staff regarding the offering and trading of interests in offshore investment vehicles.¹

Proposed Staged Investment Structure

The PCV expects to issue 50,000,000 Units for an initial payment of €12 per Unit. Each Unit will obligate its holder to make an additional payment to the PCV of €8 at a later date (the “**Capital Call Date**”). Thus, the investors’ initial investment is 60% of their total capital commitment. The Capital Call Date will be the first anniversary of the initial payment for the Units, although the PCV may extend such date by up to six months in order to address any delays in its anticipated capital needs. The Capital Call Date cannot be accelerated to occur earlier than one year after the initial payment for the Units.

Investors that sell their Units prior to the record date fixed for the Capital Call Date have no obligation to make a second payment to the PCV on that date. If a current holder of a Unit fails to make the additional payment to the PCV on the Capital Call Date, the PCV may take actions with respect to the holder’s Unit to recover amounts due, including selling such Unit and applying the proceeds to the unpaid commitment and the PCV’s related costs and expenses (and returning any excess to the holder).

Analysis of Staged Investment Structure

The primary rationale for the staged investment structure of the Units is to benefit investors by better aligning the timing of their capital investments in the PCV with the PCV’s expected capital needs.

The PCV’s delayed need for capital is driven by its proposed investment objectives and the nature of private equity fund investments. As is the case for private equity funds generally, the proposed investments of the PCV (and of the underlying Doughty Hanson

¹ See The France Growth Fund, Inc. (pub. avail. July 15, 2003); Goodwin Proctor & Hoar (pub. avail. February 28, 1997); and Investment Funds Institute of Canada (pub. avail. March 4, 1996).

funds in which the PCV will invest) generally require an ability to invest large amounts of capital in a single investment opportunity at one time. A significant lead-time may be required to identify attractive investment opportunities, conduct due diligence, and negotiate investment terms. During this time, the PCV requires certainty as to the overall amount of capital it will have available to finance these investments or commit to the other Doughty Hanson funds. In addition, certain of the other Doughty Hanson funds in which the PCV will invest have investment periods that are expected to begin later this year or next year – and therefore do not require capital immediately.

If purchasers of the Units were required to make their full capital contribution as part of the initial offering of the PCV, a significant portion of that investment would likely need to remain in a cash management program of some type prior to being deployed by the PCV. The PCV would be required to hold cash it does not currently need, and investors would have been required to put their money at risk and in investments that provide lower returns than those typically associated with private equity funds. The staged investment structure significantly mitigates those concerns for investors.

In our view, staged investments of this nature are clearly distinguishable from certain deferred payment or installment sale offerings. In such offerings, an investor obtains the full economic benefit of a security as if it had been paid for in full, but the issuer or another entity effectively finances the unpaid portion of the purchase price in a manner that provides the investor with leveraged exposure to the security. In contrast, in the staged investment described herein initial purchasers of Units have economic exposure only to that portion of their capital commitment that they have paid, and therefore they do not obtain leveraged exposure to the Units.²

The Commission recognized the advantages of staged investments, and the appropriateness of exempting such transactions from Section 11(d)(1), when it adopted Rule 3a12-9 under the Exchange Act. As you are aware, Rule 3a12-9 permits broker-dealers to participate in public offerings of certain “direct participation programs” with staged investment features without violating Section 11(d)(1). In adopting the Rule, the Commission noted the concerns associated with requiring investors to make full cash contributions at the outset of the program, even though a considerable portion of the funds might remain idle until used by the program, perhaps a significant period of time following termination of the offering. In such cases, “all the investor’s money is at risk, while the program may hold unneeded funds providing the investor with either no return, or a return at a far lower rate than he or she might have received if allowed to make alternative investments until the program had an actual need for the funds.”³ The Commission further stated that “permitting program interests to be sold on a

² Moreover, deferred payment or installment offerings (particularly when structured to conform to customary practices in certain offshore markets) may be designed to facilitate broader participation in the offering by permitting investors to pay the full purchase price of their investment over time. The staged investment structure described herein, however, is driven by the timing of the Fund’s capital needs, and not by a desire to facilitate participation in the offering by investors who might otherwise be unable to pay their full capital commitment at the time of the initial offering.

³ Exchange Act Release No. 22979 (Mar. 7, 1986), 51 Fed. Reg. 8795 at 8797 (Mar. 14, 1986).

deferred payment basis, so that payments by investors to a program can be coordinated to match the program's capital needs, will produce economic benefits to investors and program sponsors which justify adoption of the Rule."⁴

Request for Relief

We hereby respectfully request that the Commission issue an order pursuant to Section 36(a) of the Exchange Act that would provide U.S. broker-dealers participating in the Global Offering with a limited exemption from the prohibitions contained in Section 11(d)(1) permitting them to offer and sell Units with the staged investment features described herein,⁵ based on the following conditions:

1. Prior to the Global Offering, the PCV will not own any assets;
2. The initial sale of the Units in the United States will be made only to investors that are QIBs;
3. The following transfer restrictions will apply with respect to initial U.S. purchasers of the Units: (A) each such purchaser will agree in an investor letter to be executed at the time of investing that (i) it will only resell its Units outside the United States to persons reasonably believed to be non-U.S. persons, and (ii) in the event that it does transfer its Units, it will confirm to the PCV that it is doing so in compliance with the foregoing restrictions; and (B) the organizational documents of the PCV contain provisions designed to permit the PCV to enforce the foregoing transfer restrictions, including by voiding transfers in violation of these restrictions and causing the resale of Units acquired in such transfers; and
4. The Units will not be listed or quoted on any national securities exchange or automated inter-dealer quotation system in the United States.

The granting of such an exemptive order is necessary or appropriate in the public interest and is consistent with the protection of investors. The structure benefits investors by reducing the extent to which their capital contributions to the PCV may remain uninvested (or invested in lower-yielding products) until such capital can be deployed by the PCV. Without the requested relief, U.S. investors either would be excluded from the opportunity to invest in the PCV – and would thus lose the benefits of a more diversified and liquid private equity investment that the PCV seeks to offer – or would be required to fund their full capital commitment at the time of the initial offering, which would be unworkable in view of the terms

⁴ Id. at 8796. The Commission also noted that to the extent that financing vehicles fall within the spirit of the Rule, but not directly within its terms, the Commission staff will consider requests for relief on a case-by-case basis. Id. at note 19.

⁵ This limited exemption from the arranging prohibitions contained in Section 11(d)(1) would apply solely to the staged investment structure of the Global Offering, and not to any other extension or maintenance of credit, or any other arranging for the extension or maintenance of credit, on the Units by a U.S. broker-dealer.

of the proposed Global Offering and in any event would be inconsistent with the best interests of investors, for the reasons recognized by the Commission when it adopted Rule 3a12-9.

FOIA/Confidential Treatment Request

As of the date of this letter, the proposed Global Offering has not been made public in the United States. Public availability of this request would have material adverse consequences for the PCV, the Joint Lead Managers and the proposed Global Offering. Accordingly, a copy of this letter is also being sent to the Office of Freedom of Information and Privacy Act Operations of the Commission, and we respectfully request, in accordance with 17 C.F.R. § 200.83 of the Commission's Rules of Practice, that the Commission accord confidential treatment to this request pursuant to 17 C.F.R. § 200.81 until after the proposed Global Offering is made public, or 60 days from the date of this letter, whichever first occurs. We will notify you when the Global Offering is made public.

* * *

Please do not hesitate to call me at 202-974-1538, or Ashar Qureshi in our Firm's London Office at 011-44-207-614-2226, if you have any questions or require any further information in connection with this request.

Very truly yours,



Robert W. Cook

cc: Brian A. Bussey, Assistant Chief Counsel
Matthew Daigler
Division of Market Regulation

Office of Freedom of Information
and Privacy Act Operations