

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 102469 / February 20, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-19535

In the Matter of

ECP Manager LP,

Respondent.

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**ORDER TERMINATING THE
DISTRIBUTION FUND**

On September 27, 2019, the Commission issued an Order Instituting Cease-and-Desist Proceedings, Pursuant to Section 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)¹ against ECP Manager LP (“ECP”). The matter concerned violations of the securities laws arising from excessive management fees charged by ECP, a private equity fund adviser, following the write-off of a private equity fund investment. ECP provides investment advisory services to ECP Africa Fund II PCC (the “Fund”) and other private funds. During the relevant period, the Shareholders Agreement for the Fund provided that ECP may charge the Fund, on a semiannual basis, a management fee equal to two percent (2%) per annum of the total invested capital contributions, with the exception that the amount should be reduced as a result of certain triggering events, including write-offs of specific portfolio investments. In June 2010, the Fund received warrants on the common stock of an African mining company. The Fund’s financial statements valued the warrants at zero beginning with the period ended March 31, 2014, and, in mid-June 2014, the warrants expired as worthless. Nevertheless, ECP included approximately \$3.41 million of invested capital contributions attributable to the warrants in the base amount used to calculate management fees that were charged to the Fund on July 1, 2014, January 1, 2015, and July 1, 2015, causing the Fund and, ultimately, its shareholders to pay \$102,304 more in management fees than they should have paid. As a result, ECP violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder.

The Commission ordered ECP to pay \$102,304 in disgorgement and \$20,352 in prejudgment interest, for a total of \$122,656 (the “Distribution Fund”). The Commission further ordered the ECP to pay a \$75,000 civil money penalty to the Commission for transfer to the U.S. Department of the Treasury.

¹ Advisers Act Rel. No. 5373 (Sept. 27, 2019).

Pursuant to the Order, ECP was responsible for administering the Distribution Fund at its own expense pursuant to a calculation specified in the Order. ECP disbursed the Distribution Fund to those shareholders of the Fund harmed by the conduct described in the Order. No *de minimis* amount was applied.

ECP distributed 20 payments totaling \$122,656, all of which was successfully disbursed to recipients. Distribution payments ranged from \$136 to \$27,198. No funds remain in the Distribution Fund.

The Order further requires ECP to provide a final accounting to the Commission staff for submission to the Commission for approval. The final accounting has been submitted to the Commission for approval, as required by the Order, and has been approved.

Accordingly, it is ORDERED that the Distribution Fund is terminated.

By the Commission.

Vanessa A. Countryman
Secretary