

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 28258; 813-362]

The Bessemer Group, Incorporated, et al.; Notice of Application

April 29, 2008

Agency: Securities and Exchange Commission (“Commission”).

Action: Notice of application for an order under sections 6(b) and 6(e) of the Investment Company Act of 1940 (the “Act”) granting an exemption from all provisions of the Act, except section 9 and sections 36 through 53 and the rules and regulations under the Act.

With respect to sections 17 and 30 of the Act, and the rules and regulations thereunder, and rule 38a-1 under the Act, the exemption is limited as set forth in the application.

Summary of Application: Applicants request an order to exempt certain limited liability companies and other investment vehicles formed for the benefit of eligible employees of The Bessemer Group, Incorporated (“Bessemer”) and its affiliates from certain provisions of the Act. Each limited liability company or other investment vehicle will be an “employees’ securities company” within the meaning of section 2(a)(13) of the Act.

Applicants: Bessemer Employee Investment Fund I LLC, Bessemer Employee Fund—Fifth Avenue LLC, Bessemer Employee Fund— OWGREF LLC (each a “Bessemer Employee Fund”), Bessemer, and Bessemer Trust Company, N.A. (“BTNA”).

Filing Dates: The application was filed on March 30, 2006, and amended on March 12, 2008. Applicants have agreed to file an amendment during the notice period, the substance of which is reflected in this notice.

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 applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on May 27, 2008, and should be accompanied by proof of service on applicants, 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 who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

Addresses: Secretary, U.S. Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090; Applicants, 630 Fifth Avenue, New York, NY 10111.

For Further Information Contact: Christine Y. Greenlees, Senior Counsel, at (202) 551-6879, or Mary Kay Frech, Branch Chief, at (202) 551-6821 (Division of Investment Management, Office of Investment Company Regulation).

Supplementary Information: The following is a summary of the application. The complete application may be obtained for a fee at the Commission's Public Reference Branch, 100 F Street, NE, Washington DC 20549-1520 (telephone (202) 551-5850).

Applicants' Representations:

1. Bessemer is a bank holding company registered under the Bank Holding Company Act of 1956. The shares of Bessemer are privately held by descendants of Henry Phipps directly and through a series of trusts for the benefit of descendants of Henry Phipps. BTNA, a national bank, is a wholly-owned subsidiary of Bessemer. BTNA provides trust, custody, investment management and other fiduciary services to very high net worth individuals and family groups. Bessemer also has several other wholly-owned direct and indirect subsidiaries that are banks or trust companies. Bessemer and its

“affiliates,” as defined in rule 12b-2 under the Securities Exchange Act of 1934 (the “1934 Act”), are referred to collectively as “Bessemer” or “Bessemer entities.”

2. Bessemer has established the Bessemer Employee Funds as part of a program designed to create capital building opportunities that are competitive with those at other financial institutions and to facilitate Bessemer’s recruitment and retention of high caliber professionals. Bessemer expects to establish in the future other investment vehicles on terms substantially the same as those described in the application for the Bessemer Employee Funds (the “Other Employee Funds,” and together with Bessemer Employee Funds, the “Employee Funds”).

3. Each of the Employee Funds is or will be a limited partnership or limited liability company, organized under the laws of the state of Delaware or another jurisdiction. Each Employee Fund will be an “employees’ securities company” within the meaning of section 2(a)(13) of the Act. Each of the Employee Funds will operate as a non-diversified closed-end management investment company.

4. Each Employee Fund will have a Manager (as defined below) that is controlled by, or is under common control with, Bessemer and that is either (i) registered as an investment adviser under the Investment Advisers Act of 1940 (“Advisers Act”), (ii) exempt from the registration requirements of the Advisers Act by virtue of section 203(b)(3) of the Advisers Act, or (iii) excluded from the definition of investment adviser under the Advisers Act because it is a bank. The initial Manager of Bessemer Employee Funds is BTNA, and the Manager of each Other Employee Fund is or will be BTNA or an affiliate that controls, is controlled by or is under common control with BTNA. BTNA is exempt from registration under the Advisers Act. The term “Manager” refers to BTNA,

and any other affiliate that controls, is controlled by or is under common control with BTNA that acts as the manager of an Employee Fund. The Manager will manage, operate, and control each of the Employee Funds. However, the Manager may exercise its authority through its board of managers or directors, including a committee of Bessemer employees. The Manager will delegate management responsibility only to entities that control, are controlled by, or are under common control with Bessemer.

5. The Employee Funds will invest in one or more private “fund of funds” managed by BTNA and operated primarily for investment by clients of BTNA and its affiliates (the “Underlying Funds”),¹ or alongside the Underlying Funds in the private investment funds and other investments in which the Underlying Funds invest.

6. A Bessemer Employee Fund may pay an administrative fee to its Manager. A Bessemer Employee Fund may also pay the Manager or Bessemer annually any “carried interest” to which the Manager is entitled (from the Employee Fund or from a Third Party Fund managed by the Manager or a Bessemer entity in which the Employee Fund invests).²

7. Interests (“Interests”) in the Employee Funds will be offered without registration in reliance on section 4(2) of the Securities Act of 1933 (the “Securities Act”) or Regulation D under the Securities Act (“Regulation D”), and will be sold only to Bessemer, Eligible Employees (as defined below), and certain related interests of Eligible

¹ Applicants are not requesting any exemption from any provision of the Act or any rule thereunder that may govern an Employee Fund’s eligibility to invest in an Underlying Fund relying on section 3(c)(1) or 3(c)(7) of the Act or an Underlying Fund’s status under the Act.

² A “carried interest” is an allocation to the Manager based on the net gains of an investment program. A Manager that is registered under the Advisers Act may charge a carried interest only if permitted by rule 205-3 under the Advisers Act. Any carried interest paid to a Manager that is not registered under the Advisers Act will be structured to comply with section 205(b)(3) of the Advisers Act as if an Employee Fund were a business development company as defined in the Advisers Act.

Employees as described below. Prior to offering Interests to an Eligible Employee, the Manager must reasonably believe that the Eligible Employee will be a sophisticated investor capable of understanding and evaluating the risks of participating in an Employee Fund without the benefit of regulatory safeguards and is able to afford a loss of any investment. All investors in an Employee Fund will be “Members” or “Participants.”

8. An “Eligible Employee” is an individual who is a current or former employee, officer, or director of Bessemer or its direct and indirect subsidiaries and an “accredited investor” as defined in rule 501(a)(5) or 501(a)(6) of Regulation D.³ In the discretion of Bessemer and at the request of an Eligible Employee, Interests may be assigned by such Eligible Employee to a Qualified Participant (as defined below) of an Eligible Employee or purchased by the Qualified Participant. A “Qualified Participant” is an individual or entity that is an Eligible Family Member or Qualified Entity (in each case as defined below), respectively, of an Eligible Employee and, if such individual or entity is purchasing an Interest, come within one of the categories of an “accredited investor” under rule 501(a) of Regulation D. An “Eligible Family Member” is a parent, sibling, spouse, child, spouse of a child, or grandchild of an Eligible Employee (including step and adoptive relationships). A “Qualified Entity” is (a) a trust of which the trustee, grantor and/or beneficiary is an Eligible Employee, (b) a partnership, limited liability company,

³ Bessemer may also, in its discretion, purchase and fully fund Interests in an Employee Fund and grant such Interests as bonuses to certain employees of Bessemer under non-contributory compensation programs in which the employee does not have the right to determine whether to participate. The recipients of such bonuses would become owners of equity interests in the Employee Funds without payment of consideration. The employees receiving bonus grants in an Employee Fund under such a program would not be required to be limited to persons who meet the accredited investor, sophistication, educational, professional, experience and related criteria or

corporation or other entity controlled by an Eligible Employee, or (c) an individual retirement account, trust or other entity established solely for the benefit of the Eligible Employee or Eligible Family Members of an Eligible Employee. Bessemer may in its discretion circumscribe more narrowly the permitted categories of Qualified Participants and Qualified Entities that may invest or own an Interest in an Employee Fund.

9. The terms of an Employee Fund will be fully disclosed to each Eligible Employee at the time the Eligible Employee is invited to participate in the Employee Fund, and the Eligible Employee will be furnished with a copy of the operating agreement for the Employee Fund (the “Employee Fund Agreement”). An Employee Fund will send its Members an audited financial statement as soon as practicable after the end of its fiscal year. In addition, as soon as practicable after the end of each fiscal year of each Employee Fund, the Manager of such Employee Fund will send a report to each Member of such Employee Fund setting forth the tax information necessary for the preparation by the Member of his, her or its federal and state income tax returns.

10. Interests in the Employee Funds will be non-transferable except with the prior written consent of the Manager. No person or entity will be admitted into an Employee Fund unless the person or entity is an Eligible Employee, a Qualified Participant of an Eligible Employee, or a Bessemer entity. No sales load will be charged in connection with the sale of Interests.

11. An Eligible Employee’s Interest may be subject to repurchase or cancellation if the Eligible Employee’s relationship with Bessemer terminates for any reason other than death, disability or normal retirement. Upon repurchase or cancellation,

income levels described herein, and would be treated as “Eligible Employees” in respect of

the Manager will pay to the Eligible Employee at least the lesser of (a) the net amount paid by the Eligible Employee to acquire the Interest (less prior distributions, plus a specified rate of return as determined by the Manager), or (b) the fair value of the Interest as determined in good faith at the time of repurchase or cancellation by the Manager. The terms of any repurchase or cancellation will apply equally to any Qualified Participant of an Eligible Employee.

12. Subject to the terms of the applicable Employee Fund Agreement, an Employee Fund will be permitted to enter into transactions involving (a) a Bessemer entity, (b) a portfolio investment, (c) any Member or person or entity affiliated with a Member, (d) an investment fund or separate account, organized primarily for the benefit of investors who are not affiliated with Bessemer, over which a Bessemer entity exercises investment discretion (a “Third Party Fund”), or (e) any partner or other investor of a Third Party Fund that is not affiliated with Bessemer (a “Third Party Investor”). Prior to entering into any of these transactions, the Manager or its delegate must determine that the terms are fair to the Members.

13. If the Manager or another Bessemer entity makes loans to an Other Employee Fund, the loans would bear interest at a rate no less favorable to the Employee Fund than the rate that could be obtained on an arm’s length basis. An Employee Fund will not borrow from any person if the borrowing would cause any person not named in section 2(a)(13) of the Act to own securities of the Employee Fund (other than short-term paper). Any indebtedness of an Employee Fund will be non-recourse to the Members other than the Manager.

Interests received under such bonus grants.

14. An Employee Fund will not acquire any security issued by a registered investment company if, immediately after the acquisition, the Employee Fund will own more than 3% of the outstanding voting stock of the registered investment company.

Applicants' Legal Analysis:

1. Section 6(b) of the Act provides, in part, that the Commission will exempt employees' securities companies from the provisions of the Act to the extent that the exemption is consistent with the protection of investors. Section 6(b) provides that the Commission will consider, in determining the provisions of the Act from which the company should be exempt, the company's form of organization and capital structure, the persons owning and controlling its securities, the price of the company's securities and the amount of any sales load, how the company's funds are invested, and the relationship between the company and the issuers of the securities in which it invests. Section 2(a)(13) defines an employees' securities company, in relevant part, as any investment company all of whose securities (other than short-term paper) are beneficially owned (a) by current or former employees, or persons on retainer, of one or more affiliated employers, (b) by immediate family members of such persons, or (c) by such employer or employers together with any of the persons in (a) or (b).

2. Section 7 of the Act generally prohibits investment companies that are not registered under section 8 of the Act from selling or redeeming their securities. Section 6(e) of the Act provides that, in connection with any order exempting an investment company from any provision of section 7, certain provisions of the Act, as specified by the Commission, will be applicable to the company and other persons dealing with the company as though the company were registered under the Act. Applicants request an

order under sections 6(b) and 6(e) of the Act exempting the Employee Funds from all provisions of the Act, except section 9 and sections 36 through 53 of the Act, and the rules and regulations under the Act. With respect to sections 17 and 30 of the Act, and the rules and regulations thereunder, and rule 38a-1 under the Act, the exemption is limited as set forth in the application.

3. Section 17(a) generally prohibits any affiliated person of a registered investment company, or any affiliated person of an affiliated person, acting as principal, from knowingly selling or purchasing any security or other property to or from the company. Applicants request an exemption from section 17(a) to permit: (a) a Bessemer entity or a Third Party Fund (or any affiliated person of any such entity or Third Party Fund), acting as principal, to engage in any transaction directly or indirectly with any Employee Fund or any company controlled by such Employee Fund; (b) any Employee Fund to invest in or engage in any transaction with any Bessemer entity (or any affiliated person of any such entity) or a Third Party Fund, acting as principal (i) in which such Employee Fund, any company controlled by such Employee Fund or any Bessemer entity or Third Party Fund has invested or will invest, or (ii) with which such Employee Fund, any company controlled by such Employee Fund or any Bessemer entity or Third Party Fund is or will become otherwise affiliated; and (c) any Third Party Investor, acting as principal, to engage in any transaction directly or indirectly with an Employee Fund and any company controlled by the Employee Fund.

4. Applicants submit that an exemption from section 17(a) is consistent with the purposes of the Employee Funds and the protection of investors. Applicants state that the Participants in each Employee Fund will have been fully informed of the possible extent

of such Employee Fund's dealings with Bessemer. Applicants also state that, as professionals employed in the investment, banking and financial services businesses, the Participants will be able to understand and evaluate the attendant risks. Applicants assert that the community of interest among the Participants in each Employee Fund and Bessemer is the best insurance against any risk of abuse.

5. Section 17(d) of the Act and rule 17d-1 under the Act prohibit any affiliated person of a registered investment company, or any affiliated person of such person, acting as principal, from participating in any joint arrangement with the company unless authorized by the Commission. Applicants request relief to permit affiliated persons of each Employee Fund (including, without limitation, the Manager, Bessemer, other Bessemer entities and a Third Party Fund), or affiliated persons of any of these persons (including, without limitation, the Third Party Investors) to participate in, or effect any transaction in connection with, any joint enterprise or other joint arrangement or profit-sharing plan in which such Employee Fund or a company controlled by such Employee Fund is a participant.

6. Applicants assert that compliance with section 17(d) would cause the Employee Fund to forego investment opportunities simply because a Participant in such Employee Fund or other affiliated person of such Employee Fund (or any affiliate of such a person) also had, or contemplated making, a similar investment. Applicants also submit that the types of investment opportunities considered by an Employee Fund often require each participant to make available funds in an amount that may be substantially greater than may be available to such Employee Fund alone. Applicants contend that, as a result, the only way in which an Employee Fund may be able to participate in such

opportunities may be to co-invest with other persons, including its affiliates. Applicants assert that the flexibility to structure co-investments and joint investments will not involve abuses of the type section 17(d) and rule 17d-1 were designed to prevent.

7. Side-by-side investments held by a Third Party Fund, or by a Bessemer entity pursuant to a contractual obligation to a Third Party Fund, will not be subject to condition 3 below. Applicants note that it is common for a Third Party Fund to require that Bessemer invest its own capital in Third Party Fund investments, and that such Bessemer investments be subject to substantially the same terms as those applicable to the Third Party Fund's investments. Applicants believe it is important that the interests of the Third Party Fund take priority over the interests of the Employee Funds, and that the activities of the Third Party Fund not be burdened or otherwise affected by activities of the Employee Funds. In addition, applicants assert that the relationship of an Employee Fund to a Third Party Fund is fundamentally different from such Employee Fund's relationship to Bessemer. Applicants contend that the focus of, and the rationale for, the protections contained in the requested relief are to protect the Employee Funds from any overreaching by Bessemer in the employer/employee context, whereas the same concerns are not present with respect to the Employee Funds vis-à-vis the investors of a Third Party Fund.

8. Section 17(e) of the Act and rule 17e-1 under the Act limit the compensation an affiliated person may receive when acting as agent or broker for a registered investment company. Applicants request an exemption from section 17(e) to permit a Bessemer entity (including the Manager), acting as an agent or broker, to receive placement fees, advisory fees, or other compensation from an Employee Fund in connection with the purchase or sale by the Employee Fund of securities, provided that

such placement fees, advisory fees or other compensation can be deemed “usual and customary.” Applicants state that for purposes of the application, fees or other compensation that are charged or received by a Bessemer entity will be deemed “usual and customary” only if (a) the Employee Fund is purchasing or selling securities alongside other unaffiliated third parties (including Third Party Funds) who are also similarly purchasing or selling securities, (b) the fees or other compensation that are being charged to the Employee Fund are also being charged to the unaffiliated third parties (including Third Party Funds), and (c) the amount of securities being purchased or sold by the Employee Fund does not exceed 50% of the total amount of securities being purchased or sold by the Employee Fund and the unaffiliated third parties (including Third Party Funds). Applicants assert that, because Bessemer does not wish to appear to be favoring the Employee Funds, compliance with section 17(e) would prevent an Employee Fund from participating in transactions where the Employee Fund is being charged lower fees than unaffiliated third parties. Applicants assert that the fees or other compensation paid by an Employee Fund to a Bessemer entity are those established at arm’s length with unaffiliated third parties.

9. Rule 17e-1(b) under the Act requires that a majority of directors who are not “interested persons” (as defined in section 2(a)(19) of the Act) take actions and make approvals regarding commissions, fees, or other remuneration. Rule 17e-1(c) under the Act requires each Employee Fund to comply with the fund governance standards defined in rule 0-1(a)(7) under the Act (the “Fund Governance Standards”). Applicants request an exemption from rule 17e-1 to the extent necessary to permit each Employee Fund to comply with paragraph (b) of the rule and without having to satisfy the Fund Governance Standards as required by paragraph (c) of the rule without the necessity of having a

majority of the directors or managers of the Manager who are not interested persons take such actions and make such approvals as are set forth in rule 17e-1. Applicants state that because all the directors or managers of the Manager will be affiliated persons, without the relief requested, an Employee Fund could not comply with rule 17e-1. Applicants state that each Employee Fund will comply with rule 17e-1 by having a majority of the board of directors or managers of the Manager, or a committee of Bessemer employees to whom the Manager may delegate its functions (such as the trust committee of the Bessemer trust department or an advisory board established for the Employee Fund), take such actions and make such approvals as are set forth in rule 17e-1. Applicants state that each Employee Fund will comply with all other requirements of rule 17e-1.

10. Section 17(f) of the Act designates the entities that may act as investment company custodians, and rule 17f-1 under the Act imposes certain requirements when the custodian is a member of a national securities exchange. Applicants request an exemption from section 17(f) and rule 17f-1 to permit a Bessemer entity to act as custodian without a written contract. Applicants also request an exemption from the rule 17f-1(b)(4) requirement that an independent accountant periodically verify the assets held by the custodian. Applicants state that, given the community of interest of all the parties involved and the existing requirement for an independent annual audit, compliance with this requirement would be unnecessary. Each Employee Fund will otherwise comply with all the provisions of rule 17f-1.

11. Applicants also request an exemption from rule 17f-2 to permit the following exceptions from the requirements of rule 17f-2: (a) an Employee Fund's investments may be kept in the locked files of a Bessemer entity; (b) for purposes of

paragraph (d) of the rule, (i) employees of Bessemer will be deemed to be employees of the Employee Funds, (ii) officers or managers of the Manager of an Employee Fund will be deemed to be officers of the Employee Fund, and (iii) the Manager of an Employee Fund, its board of directors or managers, or a committee of Bessemer employees to whom the Manager may delegate its functions will be deemed to be the board of directors of such Employee Fund; and (c) in place of the verification procedure under paragraph (f) of the rule, verification will be effected quarterly by two employees of Bessemer. Applicants expect that many of the Employee Funds' investments will be evidenced only by partnership agreements, participation agreements or similar documents, rather than by negotiable certificates that could be misappropriated. Applicants believe that these instruments are most suitably kept in the files of a Bessemer entity, where they can be referred to as necessary.

12. Section 17(g) of the Act and rule 17g-1 under the Act generally require the bonding of officers and employees of a registered investment company who have access to its securities or funds. Rule 17g-1 requires that a majority of directors who are not interested persons take certain actions and give certain approvals relating to fidelity bonding. The rule also requires that the board of directors of any investment company relying on the rule satisfy the Fund Governance Standards. Applicants request relief to permit the Manager's board of directors or managers, who may be deemed interested persons, to take actions and make determinations as set forth in the rule. Applicants state that, because all the members of a board of managers or directors of a Manager will be affiliated persons, an Employee Fund could not comply with rule 17g-1 without the requested relief. Specifically, each Employee Fund will comply with rule 17g-1 by having

a majority of the members of the board of directors or managers of the Manager, its board of directors or managers, or a committee of Bessemer employees to whom the Manager may delegate its functions take such actions and make such approvals as are set forth in rule 17g-1. Applicants also request an exemption from the requirements of paragraph (g) of rule 17g-1 relating to the filing of copies of fidelity bonds and related information with the Commission and the provision of notices to the board of directors, paragraph (h) of rule 17g-1 relating to the appointment of a person to make the filings and provide the notices required by paragraph (g), and paragraph (j)(3) of rule 17g-1 relating to compliance with the Fund Governance Standards. Applicants state that each Employee Fund will comply with all other requirements of rule 17g-1.

13. Section 17(j) of the Act and paragraph (b) of rule 17j-1 under the Act make it unlawful for certain enumerated persons to engage in fraudulent or deceptive practices in connection with the purchase or sale of a security held or to be acquired by a registered investment company. Rule 17j-1 also requires that every registered investment company adopt a written code of ethics and that every access person of a registered investment company report personal securities transactions. Applicants request an exemption from the provisions of rule 17j-1, except for the anti-fraud provisions of paragraph (b), because they are unnecessarily burdensome as applied to the Employee Funds.

14. Applicants request an exemption from the requirements in sections 30(a), 30(b), and 30(e) of the Act, and the rules under those sections, that registered investment companies prepare and file with the Commission and mail to their shareholders certain periodic reports and financial statements. Applicants contend that the forms prescribed by the Commission for periodic reports have little relevance to an Employee Fund and would

entail administrative and legal costs that outweigh any benefit to the Participants in such Employee Fund. Applicants request exemptive relief to the extent necessary to permit each Employee Fund to report annually to the Participants in such Employee Fund. Applicants also request an exemption from section 30(h) of the Act to the extent necessary to exempt the Manager of each Employee Fund, members of the Manager, or any board of managers or directors or committee of Bessemer employees to whom the Manager may delegate its functions, and any other persons who may be deemed to be members of an advisory board of such Employee Fund from filing Forms 3, 4, and 5 under section 16(a) of the 1934 Act with respect to their ownership of Interests in such Employee Fund. Applicants assert that, because there will be no trading market and the transfers of Interests will be severely restricted, these filings are unnecessary for the protection of investors and burdensome to those required to make them.

15. Rule 38a-1 requires investment companies to adopt, implement and periodically review written policies reasonable designed to prevent violation of the federal securities law and to appoint a chief compliance officer. Each Employee Fund will comply will rule 38a-1(a), (c) and (d), except that (a) because the Employee Fund does not have a board of directors, the board of managers or directors of the Manager of each Employee Fund will fulfill the responsibilities assigned to the Employee Fund's board of directors under the rule, (b) since the board of managers or directors of the Manager does not have any disinterested members, approval by a majority of disinterested board members required by rule 38a-1 will not be obtained, and (c) because the board of managers or directors of the Manager does not have any independent members, the Employee Funds will comply with the requirement in rule 38a-1(a)(4)(iv) that the chief compliance officer meet with the

independent board members by having the chief compliance officer meet with the board of managers or directors of the Manager as constituted.

Applicants' Conditions:

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. Each proposed transaction otherwise prohibited by section 17(a) or section 17(d) and rule 17d-1 to which an Employee Fund is a party (the "Section 17 Transactions") will be effected only if the Manager determines that:

(a) the terms of the Section 17 Transaction, including the consideration to be paid or received, are fair and reasonable to the Members of such Employee Fund and do not involve overreaching of such Employee Fund or its Members on the part of any person concerned, and

(b) the Section 17 Transaction is consistent with the interests of the Members of such Employee Fund, such Employee Fund's organizational documents and such Employee Fund's reports to its Members.

In addition, the Manager of each Employee Fund will record and preserve a description of all Section 17 Transactions, the Manager's findings, the information or materials upon which the findings are based and the basis for the findings. All records relating to an investment program will be maintained until the termination of such investment program and for at least six years thereafter, and will be subject to examination by the Commission and its staff.⁴

⁴ Each Employee Fund will preserve the accounts, books and other documents required to be maintained in an easily accessible place for the first two years.

2. In connection with the Section 17 Transactions, the Manager of each Employee Fund will adopt, and periodically review and update, procedures designed to ensure that reasonable inquiry is made, prior to the consummation of any Section 17 Transaction, with respect to the possible involvement in the transaction of any affiliated person or promoter of or principal underwriter for such Employee Fund, or any affiliated person of such a person, promoter or principal underwriter.

3. The Manager of each Employee Fund will not invest the funds of such Employee Fund in any investment in which a “Co-Investor” (as defined below) has acquired or proposes to acquire the same class of securities of the same issuer and where the investment transaction involves a joint enterprise or other joint arrangement within the meaning of rule 17d-1 in which such Employee Fund and the Co-Investor are participants unless any such Co-Investor agrees to, prior to disposing of all or part of its investment, (a) give such Manager sufficient, but not less than one day’s, notice of its intent to dispose of its investment, and (b) refrain from disposing of its investment unless such Employee Fund has the opportunity to dispose of such Employee Fund’s investment prior to or concurrently with, and on the same terms as, and pro rata with, the Co-Investor. The term “Co-Investor” with respect to any Employee Fund means any person who is: (a) an “affiliated person” (as such term is defined in section 2(a)(3) of the Act) of such Employee Fund (other than a Third Party Fund); (b) Bessemer; (c) an officer or director of Bessemer; or (d) an entity (other than a Third Party Fund) in which the Manager of such Employee Fund acts as a manager or has a similar capacity to control the sale or disposition of the entity’s securities. The restrictions contained in this condition shall not be deemed to limit or prevent the disposition of an investment by a Co-Investor: (a) to its direct or indirect wholly-owned

subsidiary, to any company (a “parent”) of which such Co-Investor is a direct or indirect wholly-owned subsidiary, or to a direct or indirect wholly-owned subsidiary of its parent; (b) to immediate family members of such Co-Investor or a trust or other investment vehicle established for any such immediate family member; (c) when the investment is comprised of securities that are listed on any exchange registered as a national securities exchange under section 6 of the 1934 Act; (d) when the investment is comprised of securities that are NMS stocks pursuant to section 11A(a)(2) of the 1934 Act and rule 600(a) of Regulation NMS thereunder; (e) when the investment is comprised of securities that are listed on, or traded on, any foreign securities exchange or board of trade that satisfies regulatory requirements under the law of the jurisdiction in which such foreign securities exchange or board of trade is organized similar to those that apply to a national securities exchange or a national market system for securities; or (f) when the investment is comprised of securities that are government securities as defined in section 2(a)(16) of the Act or other securities that meet the definition of “Eligible Security” in rule 2a-7 under the Act.

4. Each Employee Fund and the Manager will maintain and preserve, for the life of such Employee Fund and for at least six years thereafter, such accounts, books, and other documents as constitute the record forming the basis for the audited financial statements that are to be provided to the Participants in such Employee Fund, and each annual report of such Employee Fund required to be sent to such Participants, and agree that all such records will be subject to examination by the Commission and its staff.⁵

5. The Manager of each Employee Fund will send to each Participant in such Employee Fund who had an interest in such Employee Fund, at any time during the fiscal

year then ended, Employee Fund financial statements audited by such Employee Fund's independent accountants. At the end of each fiscal year, the Manager will make a valuation or have a valuation made of all of the assets of the Employee Fund as of such fiscal year end in a manner consistent with customary practice with respect to the valuation of assets of the kind held by the Employee Fund. In addition, within 90 days after the end of each fiscal year of each Employee Fund, or as soon as practicable after the end of each fiscal year of each Employee Fund, the Manager of such Employee Fund will send a report to each person who was a Participant in such Employee Fund at any time during the fiscal year then ended, setting forth such tax information as shall be necessary for the preparation by the Participant of that Participant's federal and state income tax returns, and a report of the investment activities of the Employee Fund during that fiscal year.

6. If an Employee Fund makes purchases or sales from or to an entity affiliated with the Employee Fund by reason of an officer, director or employee of Bessemer (a) serving as an officer, director, general partner or investment adviser of the entity, or (b) having a 5% or more investment in the entity, such individual will not participate in the Employee Fund's determination of whether or not to effect the purchase or sale.

For the Commission, by the Division of Investment Management, under delegated authority.

Florence E. Harmon
Deputy Secretary

⁵ Each Employee Fund will preserve the accounts, books and other documents required to be maintained in an easily accessible place for the first two years.