Partners of such Partnership to take all such action which may be necessary or appropriate to protect the limited liability of the Limited Partners. An insurance policy to provide coverage to persons who become Limited Partners in the Partnerships has not been obtained. The Independent General Partners of each Partnership will review periodically the question of the appropriateness of obtaining an errors and omissions insurance policy for the Partnership.

Applicants' Legal Analysis:

1. Applicants request that each Partnership and the Independent General Partners of each Partnership be exempted from the provisions of Section 2(a)(19) of the 1940 Act to the extent that the Independent General Partners would otherwise be deemed to be "interested persons" of a Partnership or of Equitable Capital as the Managing General Partner and investment adviser of a Partnership because such Independent General Partners are general partners of a Partnership and "co-partners" of Equitable Capital. Each Partnership has been structured so that the Independent General Partners are the functional equivalents of the non-interested directors of an incorporated investment company. Section 2(a)(19) of the 1940 Act excludes from the definition of "interested persons" of an investment company those individuals who would be "interested persons" solely because they are directors of an investment company, but there is no equivalent exception for partners of an investment company.

2. The Independent General Partners of a Partnership may be deemed to be "interested persons" of such Partnership by virtue of their service as Independent General Partners of the other Partnership. Applicants believe that service by the same individuals as Independent General Partners of both Partnerships, a relationship similar to one in which an individual serves as a director of multiple investment companies in the same complex, will be beneficial to both Partnerships. Thus, Applicants further request that the Independent General Partners of each Partnership be exempted from the provisions of Section 2(a)(19) to the extent that they would otherwise be deemed to be "interested persons" of such Partnership solely by virtue of their service as Independent General Partners of the other Partnership.

3. Applicants request further that under Section 2(a)(3)(D) of the 1940 Act any Limited Partner owning less than 5% of the Units of a Partnership not be deemed an "affiliated person" of such Partnership, any other Limited Partner, any of the Independent General Partners or Equitable Capital merely because such Limited Partner is a partner of the Partnership or a partner with any of such other persons in the Partnership. Since such Limited Partners have no exclusion under the Act comparable to that provided under Section 2(a)(3) to corporate shareholders with less than a 5% ownership interest, the requested relief will place investments in the Partnerships on

a footing more equal with investments in business development companies organized as corporations.

4. Applicants submit that the request for an order exempting the Independent General Partners of each Partnership from the provisions of Sections 2(a)(19) and certain Limited Partners from the provisions of Section 2(a)(3)(D) of the 1940 Act is consistent with the provisions, policies and purposes of the 1940 Act.

Applicants' Conditions:

If the requested order is granted, Applicants agree to the following conditions:

1. Applicants agree that the Partnerships will be structured so that the Independent General Partners are the functional equivalents of the non-interested directors of an incorporated investment company registered under the 1940 Act.

2. Under each Partnership Agreement, a Partnership is authorized to make in-kind distributions of portfolio securities to its Partners. Applicants agree not to make any in-kind distributions of securities to Partners of a Partnership until such Partnership has either obtained a no-action letter from the staff of the SEC or, alternatively, has obtained an order pursuant to Section 206A of the Advisers Act permitting such distribution.

3. Applicants will obtain an opinion of counsel satisfactory to the Independent General Partners of each Partnership that the distributions and allocations to the

Managing General Partner of each Partnership can be paid in accordance with Section 205 of the Advisers Act. Applicants do not request SEC review or approval of such opinion letter.

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

Jonathan G. Katz
Secretary

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT COMPANY ACT OF 1940
Release No. 16444 / June 21, 1988

In the Matter of	:
	:
EQUITABLE CAPITAL PARTNERS, L.P.	:
EQUITABLE CAPITAL PARTNERS	:
(RETIREMENT FUND), L.P.	:
EQUITABLE CAPITAL MANAGEMENT CORP.	:
1285 Avenue of the Americas	:
New York, New York 10019	:
	:
(812-6982)	:
	:

ORDER DECLARING THAT CERTAIN PARTNERS ARE NOT INTERESTED PERSONS

Equitable Capital Partners, L.P and Equitable Capital Partners (Retirement Fund), L.P. (the "Partnerships") and Equitable Capital Management Corporation ("Adviser" and collectively with the Partnerships, the "Applicants"), filed an application on February 1, 1988, and an amendment thereto on May 13, 1988, for an order pursuant to Section 6(c) of the Investment Company Act of 1940 ("Act"), granting exemptions from Sections 2(a)(19) and 2(a)(3) of the Act such that (1) the Independent General Partners of a Partnership are not deemed "interested persons" of the Partnerships or the Adviser and (2) limited partners who own less than 5% limited partnership interest in the Partnership will not be deemed "affiliated persons" of the Partnership or its partners solely by reason of their status as limited partners.

On May 18, 1988, a notice was issued on the filing of the application (Investment Company Act Release No. 16404). The notice gave interested persons an opportunity to request a hearing and stated that an order disposing of the application would be issued unless a hearing should be ordered. No request for a hearing has been filed, and the Commission has not ordered a hearing.

The matter having been considered, it is found that the granting of the exemptions is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Accordingly,

IT IS ORDRED, pursuant to Section 6(c) of the Act that the application for exemptions from the provisions of Section 2(a)(19) and Section 2(a)(3) of the Act to the extent requested, be, and hereby is , granted, effective forthwith.

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

Jonathan G. Katz

Jonathan G. Katz
Secretary