

MACC PRIVATE EQUITIES INC  
Form 40-17F2  
October 01, 2010

Report of Independent Registered Public Accounting Firm

The Board of Directors

MACC Private Equities Inc.:

We have examined management's assertion, included in the accompanying Management Statement Regarding Compliance with Certain Provisions of the Investment Company Act of 1940, that MACC Private Equities Inc. (the Company) complied with the requirements of subsections (b) and (c) of rule 17f-2 under the Investment Company Act of 1940 as of April 23, 2010. Management is responsible for the Company's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.

Our examination was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included examining, on a test basis, evidence about the Company's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Included among our procedures were the following tests performed as of April 23, 2010, and with respect to agreement of security purchases and sales, for the period from September 30, 2009 (the date of our last examination) through April 23, 2010:

- Count and inspection of all securities located in the vault of Cedar Rapids Bank and Trust in Cedar Rapids, Iowa (the Bank) without prior notice to management
- Reconciliation of all such securities to the books and records of the Company
- Agreement of all security purchases and security sales, since the date of our last report from the books and records of the Company to the cash payment or proceeds

We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with specified requirements.

In our opinion, management's assertion that MACC Private Equities Inc. complied with the requirements of subsections (b) and (c) of rule 17f-2 of the Investment Company Act of 1940 as of April 23, 2010 with respect to securities reflected in the investment account of the Company is fairly stated in all material respects.

This report is intended solely for the information and use of management and the board of directors of MACC Private Equities Inc. and the Securities and Exchange Commission, and is not intended to be and should not be used by anyone other than these specified parties.

/s/ KPMG LLP

San Diego, California

September 30, 2010

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Management Statement Regarding Compliance With Certain Provisions of the  
Investment Company Act of 1940

We, as members of management of MACC Private Equities Inc. (the Company), are responsible for complying with the requirements of subsections (b) and (c) of rule 17f-2, "Custody of Investments by Registered Management Investment Companies," of the Investment Company Act of 1940. We are also responsible for establishing and maintaining effective internal controls over compliance with those requirements. We have performed an evaluation of the Company's compliance with the requirements of subsections (b) and (c) of rule 17f-2 as of April 23, 2010, and from September 30, 2009 through April 23, 2010.

Based on this evaluation, we assert that the Company was in compliance with the requirements of subsections (b) and (c) of rule 17f-2 of the Investment Company Act of 1940 as of April 23, 2010, and from September 30, 2009 through April 23, 2010, with respect to securities reflected in the investment account of the Company.

MACC Private Equities Inc.

By: /s/ Derek Gaertner  
Derek Gaertner, CFO