



August 2, 2016

The Honorable Mary Jo White
Chair
Securities and Exchange Commission
100 F Street N.E.
Washington, D.C. 20549

Dear Chair White:

We are writing to urge the Securities and Exchange Commission to vigorously investigate what appear to be ongoing, widespread violations of securities law by private equity advisers. While we applaud one such recent enforcement action, the first-ever enforcement case against a private equity adviser for broker-dealer violations,¹ we remain concerned that such violations continue at many U.S. buyout firms, and we believe that unregistered broker-dealer activity directly harms investors.

More broadly, we are troubled by what appear to be other continuing violations of securities law by private equity advisers and the slow and selective nature of investigation by the Commission.

Broker-Dealer Violations

Numerous large U.S. buyout firms have no registered broker-dealer affiliate yet charge transaction fees on a regular basis in connection with the purchase and sale of portfolio company securities on behalf of the funds they manage and for advising portfolio companies on securities issuances. For example, TH Lee, the large Boston-based buyout firm, discloses in one of its adviser's ADV Part 2 that it receives fees for "transaction-related" services "in connection with structuring investments [for the funds it manages] in such portfolio companies":

As our investors are aware, the Adviser performs transaction-related, financial advisory and other services for, and receives fees from, actual or prospective portfolio companies or other investment vehicles of the Clients, including fees in connection with structuring investments in such portfolio companies, as well as mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales or other dispositions and similar transactions with respect to such portfolio companies ("Transaction Fees") pursuant to monitoring agreements with portfolio companies of the Clients.²

These activities appear identical to the activities in the recent case that were determined to constitute unregistered broker-dealer activity. The SEC order in that case noted that Blackstreet Capital Management, LLC ("BCM") earned transaction fees in a manner similar to TH Lee:

¹ In the matter of Blackstreet Capital Management, LLC and Murry N. Gunty, Respondents

² THL Managers VII, LLC Form ADV Part 2, dated March 30, 2016

Rather than employing investment banks or broker-dealers to provide brokerage services with respect to the acquisition and disposition of portfolio companies, some of which involved the purchase or sale of securities, BCM performed these services in-house, including soliciting deals, identifying buyers or sellers, negotiating and structuring transactions, arranging financing, and executing the transactions.

Despite these apparent broker activities, TH Lee's Form ADV Part 1 (item six) claims that the firm is not engaged in the business of a broker-dealer, which suggest that it has no registered broker-dealer affiliate. Moreover, in item five of Part 1, TH Lee states that it employs no employees who are registered representatives of a broker-dealer.³

Looking at many other large private equity firms, one finds the same pattern. For example, Silver Lake, a large west coast buyout firm, makes a disclosure in its ADV Part 2 that is almost identical to TH Lee's regarding the provision of transaction-related services for Silver Lake's funds and their portfolio companies and the receipt of associated fees:

Transaction Fees

As our investors are aware, the Adviser and its affiliates perform transaction-related, financial advisory and other services for, and in many instances will receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds, including fees in connection with structuring investments in portfolio companies and similar transactions with respect to such portfolio companies (such fees, "Transaction Fees").⁴

Also like TH Lee, Silver Lake states in Part 1 of its ADV that it has no broker-dealer affiliate and that it employs no employees who are registered representatives of a broker-dealer.⁵

Failing to register as a broker-dealer is more than a mere technical violation. If they registered, private equity firms would be required to receive approval for any fee amounts that they or their affiliates might receive for transacting on behalf of their funds. As a result, the amounts of such fees would be reflected in fund books and records, which investors would generally have a contractual right to access. By contrast, in the current situation where these payments are not treated as broker-dealer fees, investors must depend on the willingness of private equity fund managers to provide such information, which they frequently decline to offer.

Undisclosed Fees

The last several years have seen many important revelations regarding private equity manager fee practices that were never disclosed to fund investors at the time of their investment. These revelations are troubling and have led to some enforcement activities by the Commission but,

³ THL Managers VII, LLC Form ADV Part 1, dated March 30, 2016

⁴ Silver Lake Technology Management, L.L.C. ADV Part 2, dated March 30, 2016

⁵ Silver Lake Technology Management, L.L.C. ADV Part 1, dated March 30, 2016

despite widespread apparent violations, the Commission's enforcement activities have been extremely selective and slow.

Termination-of-Monitoring Payments

In its enforcement action against Blackstone, the SEC found that the firm had collected so-called "termination-of-monitoring" fees from portfolio companies that were not disclosed to investors at the time they committed to Blackstone funds. This practice involved Blackstone charging a fee to portfolio companies that it was in the process of selling for work that would never be performed. To date, no other private equity firms have been subject to enforcement actions for undisclosed termination-of-monitoring fees, even though the practice of charging termination of monitoring fees is extremely common and was rarely disclosed to investors at the time before they committed capital to the sponsored funds.

For example, Blackstone frequently received termination-of-monitoring fees alongside other private equity firms that received the same fees as co-investors in the same deals. In the Biomet transaction that was the subject of a New York Times article, KKR, TPG and Goldman Sachs, in addition to Blackstone, each received a share of the termination-of-monitoring payment. However, a review of KKR's and TPG's ADV Part 2 filings show that both firms first disclosed their practice of charging termination-of-monitoring fees only in 2013, seven years after the investors in KKR's fund first made their irrevocable commitment to that fund and fully ten years after investors in TPG's fund first committed to that fund.

Another example involves Freescale Semiconductor, which was held by Blackstone, TPG, Carlyle and Golden Gate and which paid \$68 million as a termination-of-monitoring fee to these private equity firms. While TPG first disclosed its termination-of-monitoring fee practices in 2013, neither Carlyle nor Golden Gate disclosed its termination-of-monitoring fee practice in its ADV until 2015, ten years after launching the Carlyle fund that invested in Freescale and 11 years after the launch of the relevant Golden Gate fund.

However, the SEC appears to have sanctioned only Blackstone for these practices, while private equity firms engaging in the same conduct in connection with the very same portfolio companies appear to have gotten away scot-free. This situation is just one glaring example of what appears to be a highly selective, limited, and ad hoc approach to enforcement activities with regard to termination-of-monitoring fee practices. These practices are pervasive and were, until very recently, completely undisclosed, yet only Blackstone has been sanctioned for them.

Senior Advisor/Operating Partner Abuses

Many private equity advisers have historically held out their senior advisor/operating partner personnel as firm members and have either implied or explicitly stated that they were compensated from firm revenues. In recent years, the world has discovered that in many cases, these individuals were actually categorized as independent contractors of the portfolio companies and, that their compensation was billed to these companies, not to the private equity firm. The effect of these misrepresentations has been to falsely justify high management fees on the grounds that the fees were being used to pay for a large roster of firm personnel, when, in fact, a

meaningful fraction of firm compensation expense was actually being paid by the portfolio companies. In short, investors were being billed twice for the work of these individuals, once in the form of management fees and another in the form of fees paid by portfolio companies.

An easy way to spot this issue at particular firms is by comparing old versions of their websites with the current ones. For example, on a version of its website that was publicly displayed on February 9, 2012,⁶ Silver Lake Partners listed its senior advisors under the heading of the “Silver Lake Team” alongside other individuals who worked at the firm in roles ranging from managing director to associate. By contrast, the current version of the Silver Lake website removes all the individuals who hold the title of “senior advisor” or “special advisor” from the firm’s “Team” page and, instead, lists them on a separate page with a lengthy disclaimer explaining that these individuals are “not employees, members, personnel or affiliates of Silver Lake.”

It is clear why Silver Lake switched from suggesting that its advisors are members of the firm to claiming that they are not. As the firm’s ADV Part 2 makes clear, payments received from portfolio companies by firm members (“affiliates”) are required to be shared with fund investors via management fee offsets, which reduce management fees owed by investors. However, by claiming that its advisors are independent, non-affiliated, third parties, Silver Lake evades this sharing obligation:

As our investors are aware, from time to time, the Adviser and its affiliates also engage and retain senior or special advisors, advisors, consultants, and other similar professionals who are independent industry executives and not employees or affiliates of the Adviser and who receive payments from the Funds and/or from, or allocations with respect to, portfolio companies and/or other entities. In such circumstances, such fees or other compensation earned by such persons will be retained by them and will not be deemed to be earned by the Adviser and its affiliates. Such amounts will not be subject to the sharing arrangements described above and will not benefit the Fund or its investors.⁷

It is worth noting that Silver Lake added the phrase “As our investors are aware...” to its ADV disclosure on this issue only in 2016.

Vendor Rebates/Discounts

Private equity firms receive all manner of vendor rebates and discounts that are offered to them solely because of business opportunities they allocate to various vendors or because of the control they exercise over portfolio companies. The SEC has long recognized an adviser’s fiduciary responsibility to allocate the benefit of such discounts to the funds they manage, since the advisers effectively purchase the discounts using the funds’ capital. This principle was evident in the 2015 Blackstone enforcement action, where the SEC sanctioned Blackstone for receiving discounts from Simpson Thacher for legal work provided to Blackstone but where the benefit of such discounts was not shared with Blackstone funds.

⁶ Archived version of Silver Lake website, available at <https://web.archive.org/web/20120209235228/http://www.silverlake.com/content.php?page=team>

⁷ Silver Lake Technology Management, L.L.C., ADV Part 2 p. 9, dated March 30, 2016

Attached to this letter is a table containing statements by more than 20 private equity advisers where the adviser appears to acknowledge in ADV Part 2 filings that they receive discounts from law firms or other similar vendors that are not shared with funds or investors. Also attached to this letter is a table listing approximately 20 private equity advisers that acknowledge in ADV Part 2 filings that they receive rebates or other similar benefits from group purchasing organizations that procure goods and services on behalf of portfolio companies.

As with termination-of-monitoring fee practices, this conduct is pervasive within the private equity firm industry and was first disclosed to investors very recently, well after many private equity investors had committed to the relevant funds. Yet only Blackstone has been sanctioned for this behavior.

Conclusion

We, the undersigned, recognize that the SEC faces severe resource constraints and that responsibility for those constraints rests ultimately with Congress, which has chronically underfunded the Commission. In the face of such constraints, it is clearly tempting for the SEC to pursue a “light touch” approach to enforcement against advisers whose investment products are available only to sophisticated investors, based on an assumption that those investors “can fend for themselves.”

However, as the Commission staff well appreciates, the people whose funds are ultimately invested in private equity are overwhelmingly Americans of modest means. Andrew Ceresney, chief of the Division of Enforcement, made this point in a recent speech:

[I]t is important to understand that retail investors are significantly invested in private equity. For example, public pension plans frequently invest the retirement savings of their plan beneficiaries — which include teachers, police officers and firefighters — in private equity funds. Similarly, institutional investors have increased their investments in private equity funds, often on behalf of retail investors who themselves are saving for retirement. Further, university endowments — which fund scholarships and other important academic programs — invest in private equity funds. So, if an adviser defrauds a private equity fund, the underlying victims frequently include retail investors, who in many cases are not in a position to protect themselves. In addition, while the managers of these pension funds and other institutional investors who invest in private equity can be sophisticated, even experienced investors can be defrauded if they lack transparency into the various fees, expenses, and practices - which has been the case in the past.⁸

On behalf of the retail investors Mr. Ceresney highlighted, we urge the Commission to vigorously, comprehensively, and expeditiously enforce the securities laws as they apply to private equity advisers.

⁸ Speech By Andrew Ceresney, Director, SEC Division of Enforcement. Securities Enforcement Forum West 2016, May 12, 2016, available at: <https://www.sec.gov/news/speech/private-equity-enforcement.html>

Sincerely,

Americans for Financial Reform

Following are the partners of Americans for Financial Reform.

All the organizations support the overall principles of AFR and are working for an accountable, fair and secure financial system. Not all of these organizations work on all of the issues covered by the coalition or have signed on to every statement.

- AARP
- A New Way Forward
- AFL-CIO
- AFSCME
- Alliance For Justice
- American Income Life Insurance
- American Sustainable Business Council
- Americans for Democratic Action, Inc
- Americans United for Change
- Campaign for America's Future
- Campaign Money
- Center for Digital Democracy
- Center for Economic and Policy Research
- Center for Economic Progress
- Center for Media and Democracy
- Center for Responsible Lending
- Center for Justice and Democracy
- Center of Concern
- Center for Effective Government
- Change to Win
- Clean Yield Asset Management
- Coastal Enterprises Inc.
- Color of Change
- Common Cause
- Communications Workers of America
- Community Development Transportation Lending Services
- Consumer Action
- Consumer Association Council
- Consumers for Auto Safety and Reliability

- Consumer Federation of America
- Consumer Watchdog
- Consumers Union
- Corporation for Enterprise Development
- CREDO Mobile
- CTW Investment Group
- Demos
- Economic Policy Institute
- Essential Action
- Green America
- Greenlining Institute
- Good Business International
- Government Accountability Project
- HNMA Funding Company
- Home Actions
- Housing Counseling Services
- Home Defenders League
- Information Press
- Institute for Agriculture and Trade Policy
- Institute for Global Communications
- Institute for Policy Studies: Global Economy Project
- International Brotherhood of Teamsters
- Institute of Women's Policy Research
- Krull & Company
- Laborers' International Union of North America
- Lawyers' Committee for Civil Rights Under Law
- Main Street Alliance
- Move On
- NAACP
- NASCAT
- National Association of Consumer Advocates
- National Association of Neighborhoods
- National Community Reinvestment Coalition
- National Consumer Law Center (on behalf of its low-income clients)
- National Consumers League
- National Council of La Raza
- National Council of Women's Organizations
- National Fair Housing Alliance
- National Federation of Community Development Credit Unions
- National Housing Resource Center
- National Housing Trust
- National Housing Trust Community Development Fund
- National NeighborWorks Association
- National Nurses United

- National People’s Action
- National Urban League
- Next Step
- OpenTheGovernment.org
- Opportunity Finance Network
- Partners for the Common Good
- PICO National Network
- Progress Now Action
- Progressive States Network
- Poverty and Race Research Action Council
- Public Citizen
- Sargent Shriver Center on Poverty Law
- SEIU
- State Voices
- Taxpayer’s for Common Sense
- The Association for Housing and Neighborhood Development
- The Fuel Savers Club
- The Leadership Conference on Civil and Human Rights
- The Seminal
- TICAS
- U.S. Public Interest Research Group
- UNITE HERE
- United Food and Commercial Workers
- United States Student Association
- USAction
- Veris Wealth Partners
- Western States Center
- We the People Now
- Woodstock Institute
- World Privacy Forum
- UNET
- Union Plus
- Unitarian Universalists for a Just Economic Community

List of State and Local Partners

- Alaska PIRG
- Arizona PIRG
- Arizona Advocacy Network
- Arizonans For Responsible Lending
- Association for Neighborhood and Housing Development NY
- Audubon Partnership for Economic Development LDC, New York NY
- BAC Funding Consortium Inc., Miami FL
- Beech Capital Venture Corporation, Philadelphia PA

- California PIRG
- California Reinvestment Coalition
- Century Housing Corporation, Culver City CA
- CHANGER NY
- Chautauqua Home Rehabilitation and Improvement Corporation, NY
- Chicago Community Loan Fund, Chicago IL
- Chicago Community Ventures, Chicago IL
- Chicago Consumer Coalition
- Citizen Potawatomi CDC, Shawnee OK
- Colorado PIRG
- Coalition on Homeless Housing in Ohio
- Community Capital Fund, Bridgeport CT
- Community Capital of Maryland, Baltimore MD
- Community Development Financial Institution of the Tohono O'odham Nation, Sells AZ
- Community Redevelopment Loan and Investment Fund, Atlanta GA
- Community Reinvestment Association of North Carolina
- Community Resource Group, Fayetteville AR
- Connecticut PIRG
- Consumer Assistance Council
- Cooper Square Committee (NYC)
- Cooperative Fund of New England, Wilmington NC
- Corporacion de Desarrollo Economico de Ceiba, Ceiba PR
- Delta Foundation, Inc., Greenville MS
- Economic Opportunity Fund (EOF), Philadelphia PA
- Empire Justice Center NY
- Empowering and Strengthening Ohio's People (ESOP), Cleveland OH
- Enterprises, Inc., Berea KY
- Fair Housing Contact Service OH
- Federation of Appalachian Housing
- Fitness and Praise Youth Development, Inc., Baton Rouge LA
- Florida Consumer Action Network
- Florida PIRG
- Funding Partners for Housing Solutions, Ft. Collins CO
- Georgia PIRG
- Grow Iowa Foundation, Greenfield IA
- Homewise, Inc., Santa Fe NM
- Idaho Nevada CDFI, Pocatello ID
- Idaho Chapter, National Association of Social Workers
- Illinois PIRG
- Impact Capital, Seattle WA
- Indiana PIRG
- Iowa PIRG
- Iowa Citizens for Community Improvement
- JobStart Chautauqua, Inc., Mayville NY

- La Casa Federal Credit Union, Newark NJ
- Low Income Investment Fund, San Francisco CA
- Long Island Housing Services NY
- MaineStream Finance, Bangor ME
- Maryland PIRG
- Massachusetts Consumers' Coalition
- MASSPIRG
- Massachusetts Fair Housing Center
- Michigan PIRG
- Midland Community Development Corporation, Midland TX
- Midwest Minnesota Community Development Corporation, Detroit Lakes MN
- Mile High Community Loan Fund, Denver CO
- Missouri PIRG
- Mortgage Recovery Service Center of L.A.
- Montana Community Development Corporation, Missoula MT
- Montana PIRG
- New Economy Project
- New Hampshire PIRG
- New Jersey Community Capital, Trenton NJ
- New Jersey Citizen Action
- New Jersey PIRG
- New Mexico PIRG
- New York PIRG
- New York City Aids Housing Network
- New Yorkers for Responsible Lending
- NOAH Community Development Fund, Inc., Boston MA
- Nonprofit Finance Fund, New York NY
- Nonprofits Assistance Fund, Minneapolis MN
- North Carolina PIRG
- Northside Community Development Fund, Pittsburgh PA
- Ohio Capital Corporation for Housing, Columbus OH
- Ohio PIRG
- OligarchyUSA
- Oregon State PIRG
- Our Oregon
- PennPIRG
- Piedmont Housing Alliance, Charlottesville VA
- Michigan PIRG
- Rocky Mountain Peace and Justice Center, CO
- Rhode Island PIRG
- Rural Community Assistance Corporation, West Sacramento CA
- Rural Organizing Project OR
- San Francisco Municipal Transportation Authority
- Seattle Economic Development Fund

- Community Capital Development
- TexPIRG
- The Fair Housing Council of Central New York
- The Loan Fund, Albuquerque NM
- Third Reconstruction Institute NC
- Vermont PIRG
- Village Capital Corporation, Cleveland OH
- Virginia Citizens Consumer Council
- Virginia Poverty Law Center
- War on Poverty - Florida
- WashPIRG
- Westchester Residential Opportunities Inc.
- Wigamig Owners Loan Fund, Inc., Lac du Flambeau WI
- WISPIRG

Small Businesses

- Blu
- Bowden-Gill Environmental
- Community MedPAC
- Diversified Environmental Planning
- Hayden & Craig, PLLC
- Mid City Animal Hospital, Phoenix AZ
- UNET

Appendix A
Legal Fee Discounts ADV Disclosures

Manager Name	ADV Statement	Source
Apollo Management, L.P.	<p>The Apollo Private Equity Managers or their affiliates from time to time enter into arrangements with service providers that provide for fee discounts for services rendered to the Apollo Private Equity Managers and their affiliates. For example, certain law firms retained by Apollo Management or one or more of its affiliates discount their legal fees for certain legal services, such as legal advice in connection with firm operational, compliance and related matters. To the extent such law firms also provide legal services to Clients with respect to such matters, such Clients also enjoy the benefit of such fee discount arrangements. Legal services rendered for investment transactions, however, are typically charged to the Apollo Private Equity Managers, their affiliates and Clients without a discount or at a premium. Legal fees for transactions that are not consummated are also typically charged at a discount.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=381186</p>
ArcLight Capital Partners, LLC	<p>The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there are conflicts of interest. Members of the law firms engaged to represent the Funds could be investors in a Fund, and could also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties will at times engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation will occasionally be required. Additionally, the Adviser and the Funds and the portfolio companies of the Funds will at times engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Funds, and/or the portfolio companies. This may result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or the Adviser receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=371864</p>

<p>Castanea Partners, Inc.</p>	<p>The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there are conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser and the Funds and the portfolio companies may engage other common service providers. In such circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Funds, and/or the portfolio companies. This may result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or the Adviser receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser, on the one hand, and the Funds and/or the portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=361334</p>
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Altamont Capital Management, LLC	<p>The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds could be investors in a Fund, and could also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds and/or the Adviser, the parties will engage separate counsel in the sole discretion of the Adviser, and in litigation and other circumstances separate representation could be required. Additionally, the Adviser and the Funds will at times engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Funds, and/or the portfolio companies. This may result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or the Adviser receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser and the Funds in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds. In addition, the Adviser and its affiliates, including its employees, will, from time to time, receive discounts on services and/or products from portfolio companies. Such discounts are generally equal to, or less than, the discounts provided by the portfolio company to its own employees.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=385559</p>
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Fenway Partners, LLC	<p>The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there are conflicts of interest. Members of the law firms engaged to represent the Funds are often investors in a Fund, and will at times also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties will engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation will often be required. Additionally, the Adviser and the Funds and the portfolio companies of the Funds will from time to time engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Funds, and/or the portfolio companies. This may result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or the Adviser receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=377779</p>
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THL Managers VI, LLC	<p>The Adviser, the Other THL Adviser, Other THL Funds, and/or Clients will at times engage common legal counsel and other advisors in a particular transaction, including a transaction in which there are conflicts of interest. Members of the law firms engaged to represent the Clients will typically be investors in a Client or Other THL Fund, and will at times also represent one or more portfolio companies of or investors in a Client or Other THL Fund. In the event of a significant dispute or divergence of interest between Clients or Other THL Funds, the Adviser, the Other THL Adviser, and/or their affiliates, the parties will engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation will often be required. Additionally, the Adviser, the Other THL Adviser, Other THL Funds, Clients, and/or the portfolio companies of Clients or Other THL Funds will from time to time engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Clients, and/or the portfolio companies. There is a conflict of interest between the Adviser or the Other THL Adviser, on the one hand, and the applicable Other THL Fund, Client, or portfolio company, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it or the Other THL Adviser receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Clients and/or the portfolio companies. The Adviser will from time to time receive a discount on services provided to it by such a common service provider even though the Adviser's Clients may receive a lesser, or no, discount.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=381214</p>
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GI Manager L.P.	<p>The Adviser and the Clients will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there are conflicts of interest. Members of the law firms engaged to represent the Clients will on occasion be investors in a Client, and will at times also represent one or more portfolio companies or investors in a Client. In the event of a significant dispute or divergence of interest between Clients, the Adviser, and/or its affiliates, the parties will engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation will often be required. Additionally, the Adviser and the Clients will from time to time engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Clients, and/or the portfolio companies. This may result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Clients and/or the portfolio company, or the Adviser receiving a discount on services even though the Clients and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser, on the one hand, and the Clients and/or the portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Adviser and/or Clients.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=386625</p>
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<p>Silver Lake Technology Management, L.L.C.</p>	<p>The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. From time to time, members of the law firms engaged to represent the Funds invest in the Funds, and also represent one or more portfolio companies or investors in the Funds. In the event of a significant dispute or divergence of interest between a Fund and the Adviser, the parties may engage separate counsel in the sole discretion of the Adviser, and in litigation and other circumstances separate representation may be required. Legal counsel of the Adviser and the Funds renders legal services to the Adviser and the Funds and does not represent the interests of any investor in a Fund. Additionally, the Adviser and the Funds and the portfolio companies of the Funds engage other common service providers from time to time. In such circumstances, there may be a conflict of interest between the Adviser, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to the Adviser or its affiliates as compared to services provided to the Funds and/or the portfolio companies, which may result in the Adviser or its affiliates receiving a more favorable rates or arrangements with respect to services provided to it by a common service provider than those payable by the Funds and/or the portfolio company, or the Adviser or its affiliates receiving a discount on services even through the Funds and/or the portfolio companies receive a lesser, or no, discount. For example, both the Adviser and the Funds benefit from a 10% discount from our primary outside law firm for non-transactional work. In addition, time spent by attorneys in such law firm's personal planning department, whether for transactional or non-transactional matters and whether for the Adviser or the Funds, is billed at a 30% discount to the law firm's regular hourly rates, reflecting what we understand to be the law firm's prevailing market rate for those lawyers' services. In practice, this 30% discount tends to benefit the Adviser and individuals affiliated with the Adviser as the Funds do not have a regular need for personal planning advice.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=378758</p>
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<p>Technology Crossover Ventures</p>	<p>The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser and the Funds and the portfolio companies of the Funds often engage other common service providers and consultants. In certain circumstances, the service provider or consultant may charge varying rates or engage in different arrangements for services provided to the Adviser, the Funds, and/or the portfolio companies. This may result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider or consultant than those payable by the Funds and/or the portfolio company, or the Adviser receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This would create a conflict of interest between the Adviser, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers or consultants, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers or consultants, such as lower fees or discounts, that it would not receive absent the engagement of such service provider or consultant by the Funds and/or the portfolio companies.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=378875</p>
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<p>BV Investment Partners, LLC</p>	<p>The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there are conflicts of interest. Members of the law firms engaged to represent the Funds have in the past and may in the future be investors in a Fund, and have in the past and may in the future also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties will at times engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation will occasionally be required. Additionally, the Adviser and the Funds and the portfolio companies of the Funds will at times engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Funds, and/or the portfolio companies. This may result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or the Adviser receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=374803</p>
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<p>Sumeru Equity Partners, LP</p>	<p>The Adviser and the Funds have in the past and may in the future engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between a Fund and the Adviser, the parties may engage separate counsel in the sole discretion of the Adviser, and in litigation and other circumstances separate representation may be required. Legal counsel of the Adviser and the Funds renders legal services to the Adviser and the Funds and does not represent the interests of any investor in a Fund. Additionally, the Adviser and the Funds and the portfolio companies of the Funds may engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Funds, and/or the portfolio companies. This may result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or the Adviser receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=378190</p>
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<p>J.C. Flowers & Co.</p>	<p>In addition, JCF expects to engage one or more administrators to perform certain functions in relation to the Funds, including but not limited to maintaining the books and records of the Funds calculations of carried interest, unpaid capital commitments, management fees, contributions and distributions, preparing contribution and distribution notices, maintaining an investor portal and posting to investors, assisting in the audit process, assisting with investor requests, preparing internal rate of return calculations and financial highlight ratios, preparing quarterly GAAP financial statements, providing domiciliation in foreign jurisdictions, preparing wire transfers, reconciling cash accounts, providing anti-money laundering and “know your client” services, and maintaining a database with investor information. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to JCF or its affiliates as compared to services provided to the Funds and their portfolio companies, which may result in more favorable rates or arrangements than those payable by the Funds or such portfolio companies</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=388243</p>
<p>TSG Consumer Partners LLC</p>	<p>Service Providers. Certain advisors and other service providers, or their affiliates (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and investment or commercial banking firms) to the Funds, TSG and/or Portfolio Companies may also provide goods or services to, or have business, personal, financial or other relationships with, TSG. Such advisors and service providers may be investors in the Funds or affiliates of TSG, sources of investment opportunities or co-investors or commercial counterparties. These relationships may influence TSG in deciding whether to select or recommend such service providers to perform services for the Funds or a Portfolio Company (the cost of which will generally be borne directly or indirectly by the Funds). Notwithstanding the foregoing, transactions relating to the Funds that require the use of a service provider will generally be allocated to service providers on the basis of best execution, the evaluation of which includes, among other considerations, such service provider’s provision of certain investment-related services and research that the TSG believes to be of benefit to the Funds. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to TSG as compared to services provided to the Funds and the Portfolio Companies, which in certain circumstances may result in more favorable rates or arrangements than those payable by the Funds or such Portfolio Companies.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=384087</p>

Ares Management LLC	<p>Certain advisors and other service providers, to Ares, our Funds, or certain entities in which our Funds have an investment (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and investment or commercial banking firms) also provide goods or services to, or have business, personal, financial or other relationships with, Ares, our affiliates and portfolio companies. These relationships may influence Ares or its affiliates in deciding whether to select or recommend such service providers to perform services for the Funds or a portfolio company. Ares will generally select a Fund's service providers and will determine the compensation of such providers without review by or consent of the Fund's investors. To the extent allowable under the Governing Documents, the Funds, regardless of the relationship to Ares of the person performing the services, will bear the fees, costs and expenses related to such services. This may create an incentive for Ares or its affiliates to select an affiliated service provider or to select service providers based on the potential benefit to Ares or such affiliates rather than the Funds. Ares seeks to address this conflict of interest by using reasonable diligence to ascertain whether each service provider provides its service on a "best execution" basis, taking into account factors such as expertise, availability and quality of service and the competitiveness of compensation rates in comparison with other service providers satisfying Ares' service provider selection criteria. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to Ares or its affiliates as compared to services provided to the Funds, and their portfolio companies, which may result in more favorable rates or arrangements than those payable by the Funds, or such portfolio companies, due to the varying types of services provided to each.</p>	http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=381774
Leonard Green & Partners, L.P.	<p>In certain circumstances, services providers or their affiliates may charge different rates or have different arrangements for services provided to the general partner of a Fund, the Firm or their affiliates (other than a Fund) as compared to services provided to a Fund or its Portfolio Companies, which may result in more favorable rates or arrangements than those payable by a Fund or such Portfolio Companies.</p>	http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=381692

<p>Constitution Capital Partners, LLC</p>	<p>Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or investors in a Fund. However, such law firms generally do not represent the limited partners as a group. In the event of a significant dispute or divergence of interest between Funds, Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of Adviser and its affiliates and/or investors, and in litigation and other circumstances separate representation may be required. Additionally, Adviser and the Funds and the portfolio companies of the Funds will, from time to time engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to Adviser, the Funds, and/or the portfolio companies. This may result in Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or Adviser receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between Adviser, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=381544</p>
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<p>First Reserve Management, L.P.</p>	<p>Certain advisors and other service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents), or their affiliates, to a First Reserve Fund or its portfolio companies also provide goods or services to or have business, personal, political, financial or other relationships with First Reserve. Such advisors and service providers may be investors in a First Reserve Fund, affiliates of First Reserve, sources of investment opportunities or co-investors or counterparties with them. These relationships may influence First Reserve in deciding whether to select or recommend such a service provider to perform services for a First Reserve Fund or a portfolio company (the cost of which will generally be borne directly or indirectly by such First Reserve Fund or such portfolio company, as applicable). Notwithstanding the foregoing, investment transactions for a First Reserve Fund that require the use of a service provider will generally be allocated to service providers on the basis of First Reserve’s judgment as to best execution, the evaluation of which includes, among other considerations, such service provider’s provision of certain investment-related services and research that First Reserve believes to be of benefit to the First Reserve Fund. In certain circumstances, advisors and service providers, or their affiliates, charge different rates or have different arrangements for services provided to First Reserve and its affiliates as compared to services provided to the First Reserve Funds and their portfolio companies, which results in more favorable rates or arrangements than those payable by the First Reserve Funds or such portfolio companies, although First Reserve typically shares the benefit of such favorable arrangements with the First Reserve Funds.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=381428</p>
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<p>Riverstone Investment Group LLC</p>	<p>Certain advisors and other service providers, or their affiliates (including any accountants, administrators, lenders, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents) to a fund, the firm or their portfolio companies may also provide goods or services to or have business, personal, political, financial or other relationships with the firm. Such advisors and service providers may be investors in a fund, affiliates of a general partner and/or sources of investment opportunities and co investors or counterparties therewith. These relationships may influence a general partner in deciding whether to select or recommend such a service provider to perform services for a fund or a portfolio company (the cost of which will generally be borne directly or indirectly by a fund or such portfolio company, as applicable). Notwithstanding the foregoing, investment transactions for a fund that require the use of a service provider will generally be allocated to service providers on the basis of best execution, the evaluation of which includes, among other considerations, such service provider’s provision of certain investment-related services and research that the general partner believes to be of benefit to a fund. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to the firm and its affiliates as compared to services provided to a fund and its portfolio companies, which will result in more favorable rates or arrangements than those payable by a fund or such portfolio companies.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSNID=381047</p>
<p>MS Capital Partners Adviser Inc.</p>	<p>Certain advisors and other service providers to the Fund (including accountants, administrators, lenders, bankers, brokers, agents, attorneys, consultants, and investment or commercial banking firms), and/or their affiliates, also provide goods or services to or have business, personal, political, financial or other relationships with Morgan Stanley, the General Partner, the Adviser or their affiliates. Such advisors and other service providers may be investors in the Fund, affiliates of the General Partner, sources of investment opportunities or co-investors or counterparties therewith. These other services and relationships may influence the General Partner and the Adviser in deciding whether to select or recommend such a service provider to perform services for the Fund (the cost of which generally will be borne by the Fund and, indirectly, the Limited Partners). In certain circumstances, advisors and other service providers, or their affiliates, may charge different rates or have different arrangements for services provided to Morgan Stanley, the General Partner, the Adviser or their affiliates as compared to services provided to the Fund, which may result in more favorable rates or arrangements than those payable by the Fund. Item 10 further describes material relationships with Morgan Stanley and other affiliated entities.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSNID=379073</p>

<p>Freeman Spogli Management Co., L.P</p>	<p>The Firm and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there could be conflicts of interest. Members of the law firms engaged to represent the Funds are on occasion investors in a Fund, and could also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Firm and/or its affiliates, the parties will in the sole discretion of the Firm and its affiliates engage separate counsel, and in litigation and other circumstances separate representation will often be required. Additionally, the Firm and the Funds and the portfolio companies of the Funds have in the past and may in the future engage other common service providers. In such circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Firm, the Funds, and/or the portfolio companies. This may result in the Firm receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or the Firm receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Firm, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Firm will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=376961</p>
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<p>The Gores Group, LLC</p>	<p>Gores and the Partnerships will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there are conflicts of interest. Members of the law firms engaged to represent the Partnerships could be investors in a Partnership, and could also represent one or more portfolio companies or investors in a Partnership. In the event of a significant dispute or divergence of interest between Partnerships, Gores and/or its affiliates, the parties will at times engage separate counsel in the sole discretion of Gores and its affiliates, and in litigation and other circumstances separate representation will occasionally be required. Additionally, Gores and the Partnerships and the portfolio companies of the Partnerships will at times engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to Gores, the Partnerships, and/or the portfolio companies. This may result in Gores receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Partnerships and/or the portfolio companies, or Gores receiving a discount on services even though the Partnerships and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between Gores, on the one hand, and the Partnerships and portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that Gores will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Partnerships and/or the portfolio companies.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=375193</p>
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<p>Hellman & Friedman LLC</p>	<p>H&F and the Funds will generally engage common legal counsel and other advisors in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds also from time-to-time represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, H&F and/or its affiliates, the parties may engage separate counsel in the sole discretion of H&F and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, H&F and the Funds from time-to-time engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to H&F, the Funds, and/or the portfolio companies. This may result in H&F receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or H&F receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between H&F and the Funds in determining whether to engage such service providers, including the possibility that H&F may favor the engagement or continued engagement of such service provider if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds. In addition, H&F and its related persons, in certain instances, receive discounts on products and services provided by portfolio companies, customers and suppliers of such portfolio companies and/or service providers of Funds.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=374110</p>
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Cressey & Company LP	<p>C&C and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, C&C and/or its affiliates, the parties may engage separate counsel in the sole discretion of C&C and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, C&C and the Funds and the portfolio companies of the Funds will, from time to time engage other common service providers. Although typically it is not the case, in certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to C&C, the Funds, and/or the portfolio companies. This may result in C&C receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or C&C receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between C&C, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that C&C will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=372934</p>
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Appendix B
Procurement, CoreTrust & Group Purchasing Organization (GPO) Fees ADV Statements

Manager Name	ADV Statement	Source
Silver Lake Technology Management, L.L.C.	The Adviser and its related persons, in certain instances, receive favorable procurement terms, including fees, servicing payments, rebates, discounts and other financial benefits on products and services provided by portfolio companies of Funds and/or the customers or suppliers of such portfolio companies. Such discounts will also not be subject to the offset arrangements described above. The Adviser is often eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and any discounted amounts will not be subject to offsets or otherwise shared with the relevant Funds.	http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=378758
Golden Gate Private Equity, Inc	Certain portfolio companies of the Funds are, or have been, counterparties or participants in agreements, transactions or other arrangements with the Adviser, its affiliates, other portfolio companies of the Adviser's clients, to receive favorable procurement terms, including fees, servicing payments, rebates, discounts or other financial benefits. The Adviser is often eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and any discounted amounts will not be subject to Advisory Fee offsets or otherwise shared with the relevant Funds.	http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=372220
Hellman & Friedman LLC	Certain portfolio companies of the Funds are, have been, or may be counterparties or participants in agreements, transactions or other arrangements with H&F, its affiliates, portfolio companies of other Funds, and other third parties, to receive favorable procurement terms, including fees, servicing payments, rebates, discounts or other financial benefits. H&F is often eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and any discounted amounts will not be subject to management fee offsets or otherwise shared with the relevant Funds.	http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=374110
Madison Dearborn Partners, LLC	Certain portfolio companies of the Funds participate in a group purchasing organization pursuant to which they each receive favorable procurement terms, including fees, incentive payments, rebates, discounts or other financial benefits. The Adviser also participates in such group purchasing organization and is eligible to receive favorable terms that are consistent with those provided to all members of such group purchasing organizing, and any rebates, discounted amounts or other financial benefits received will not be subject to Management Fee offsets or otherwise shared with the relevant Funds.	http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=373931
GI Manager L.P.	Certain portfolio companies of the Clients are, or have been, counterparties or participants in agreements, transactions, or other	http://www.adviserinfo.sec.gov/IAPD/Co

	<p>arrangements with the Adviser, its affiliates, or other portfolio companies of the Adviser's clients, to receive favorable procurement terms, including fees, servicing payments, rebates, discounts, or other financial benefits. The Adviser is often eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and any discounted amounts will not be subject to Advisory Fee offsets or otherwise shared with the relevant Funds.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=386625</p>
<p>The Gores Group, LLC</p>	<p>Certain portfolio companies of the Partnerships are, or have been, counterparties or participants in agreements, transactions or other arrangements with Gores, its affiliates, other portfolio companies of Gores' clients, to receive favorable procurement terms, including fees, servicing payments, rebates, discounts or other financial benefits. Gores is often eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and any discounted amounts will not be subject to Management Fee offsets or otherwise shared with the relevant Partnerships.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=375193</p>
<p>Providence Equity Partners L.L.C.</p>	<p>Certain portfolio companies of the Funds are, or have been, counterparties or participants in agreements, transactions or other arrangements with the Adviser, its affiliates, other portfolio companies of the Adviser's clients, to receive favorable procurement terms, including fees, servicing payments, rebates, discounts or other financial benefits. The Adviser is often eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and only certain discounted amounts will be subject to management fee offsets or otherwise shared with the relevant Funds.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=379402</p>
<p>Cressey & Company LP</p>	<p>Certain portfolio companies of the Funds are, or have been, counterparties or participants in agreements, transactions or other arrangements with C&C, its affiliates, other portfolio companies of the C&C's clients, to receive favorable procurement terms, including fees, servicing payments, rebates, discounts or other financial benefits. C&C is often eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and any discounted amounts will not be subject to Advisory Fee offsets or otherwise shared with the relevant Funds.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=372934</p>
<p>BV Investment Partners, LLC</p>	<p>Certain portfolio companies of the Funds are, or have been, counterparties or participants in agreements, transactions or other arrangements with the Adviser, its affiliates, other portfolio companies of the Adviser's clients, to receive favorable procurement terms, including fees, servicing payments, rebates, discounts or other financial benefits. The Adviser is often eligible to receive favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and any discounted</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=372934</p>

	amounts will not be subject to Advisory Fee offsets or otherwise shared with the relevant Funds.	
Stonepeak Partners LP	Portfolio Company Relationships. The Fund Clients' portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other investment funds managed by Stonepeak, SAH and Stonepeak Advisors or other Stonepeak affiliates that, although Stonepeak determines to be consistent with the requirements of such funds' governing agreements, might not have otherwise been entered into but for the affiliation with Stonepeak, SAH and Stonepeak Advisors, and which may involve fees and/or servicing payments to Stonepeak-affiliated entities which are not subject to the management fee offset provisions. For example, Stonepeak, SAH and Stonepeak Advisors may cause portfolio companies to enter into agreements regarding group procurement (such as the Group Purchasing Organization), benefits management, and other similar operational initiatives that may result in commissions or similar payments, including related to a portion of the savings achieved by the portfolio company.	http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=385860
Acon Funds Management, L.L.C. and Acon Equity Management, L.L.C.	Recommendations of service providers to portfolio companies. ACON generally exercises discretion in recommending to an Investment Vehicle or to a portfolio company thereof that it contract for services with (i) ACON, its affiliates or a related person of ACON (which may include a portfolio company of an Investment Vehicle or other funds that ACON advises), (ii) an entity with which ACON or its affiliates or current or former personnel has a relationship or from which ACON or its affiliates or their personnel otherwise derives financial or other benefit, including without limitation a group purchasing organization or (iii) certain limited partners or their affiliates. For example, ACON or its Investment Vehicles or portfolio companies may be presented with opportunities to receive financing and/or other services from certain limited partners or their affiliates that are engaged in lending or related business.	http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=380113 and http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=380165
WCAS Management Corporation (dba: Welsh, Carson, Anderson & Stowe)	WCAS may receive certain other fees and participate in the same (but not more advantageous) vendor discounts offered to portfolio companies in connection with services provided to third parties, such as group purchasing organizations. Such fees will not be applied to reduce the quarterly management fee pursuant to the Partnerships' Agreement of Limited Partnership and may create a conflict of interest between WCAS and the Partnerships or the portfolio companies.	http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=374442
THL Managers VII, LLC and	Certain portfolio companies of Clients are, or have been, counterparties or participants in agreements, transactions or other arrangements with the Adviser, its affiliates, other portfolio companies of the Adviser's clients, and other third parties, to receive favorable procurement terms. The Adviser is often eligible to receive such	http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?

<p>THL Managers VI, LLC</p> <p>and</p> <p>THL Managers V, LLC</p> <p>(dba: Thomas H. Lee Partners)</p>	<p>favorable terms for its procurement due in part to the involvement of its portfolio companies in such arrangements, and any discounted amounts will not be subject to Advisory Fee offsets or otherwise shared with the relevant Clients.</p>	<p>BRCHR_VRSN_ID=381383</p> <p>and</p> <p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=381214</p>
<p>Carlyle Investment Management L.L.C</p>	<p>Carlyle has designed a group purchasing program whereby portfolio companies are afforded the option to participate in group purchasing arrangements with Carlyle, its affiliates and other portfolio companies. Companies that participate in the program are able to take advantage of group discounts which have been negotiated with various vendors and service providers. Portfolio companies voluntarily participate in the program, and Carlyle allocates aggregate ongoing third-party administration costs for the program among the applicable Advisory Clients (and Carlyle). Carlyle and its affiliates also participate in the program, are allocated a portion of the ongoing third-party administration costs, and receive substantially the same benefits and discounts as portfolio companies, and such benefit is not subject to any offset.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=383628</p>
<p>Blackstone Management Partners L.L.C.</p> <p>and</p> <p>Blackstone Management Partners IV L.L.C.</p>	<p>For example, certain portfolio companies of one or more Blackstone funds enter into agreements regarding group procurement (such as the group purchasing organization), benefits management, purchase of title and/or other insurance policies (which will from time to time be pooled across portfolio companies and discounted due to scale) and other operational, administrative or management related matters from a third party or a Blackstone affiliate, and other similar operational initiatives that result in fees, commissions or similar payments and/or discounts being paid to BMP L.L.C. or its affiliates, or a portfolio company, including related to a portion of the savings achieved by the portfolio company. To the extent that a portfolio company of an Other Blackstone Fund is providing such a service, such portfolio company will benefit. Further, the benefits received by the particular portfolio company providing the service may be greater than those received by the Fund(s) and their portfolio companies receiving the service.</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=381088</p> <p>and</p> <p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=381046</p>
<p>TPG Global Advisors, LLC</p> <p>and</p>	<p>Leveraged Procurement. Additionally, certain Portfolio Investments of Global Vehicles are also, or have been, counterparties or participants in agreements, transactions or other arrangements that involve payments, discounts, reimbursements or other benefits to us or our</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=381046</p>

<p>TPG Capital Advisors, LLC (dba: Texas Pacific Group)</p>	<p>affiliates. For example, we afford Portfolio Investments the option to participate in a program with us, our affiliates and other Portfolio Investments pursuant to which one of our affiliates negotiates favorable procurement arrangements. As part of this program, our affiliate receives reimbursements from Portfolio Investments choosing to participate in the program (such reimbursements being designed to cover some or all of the cost of administering the program) and we and our affiliates, together with participating Portfolio Investments, receive the favorable procurement terms. We are eligible to receive such favorable terms due in part to the involvement of our Portfolio Investments. These reimbursements are not subject to advisory fee offsets or otherwise shared with the relevant Global Vehicles.</p>	<p>BRCHR_VRSN_ID=381058</p> <p>and</p> <p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=381038</p>
<p>Kohlberg Kravis Roberts & Co. L.P.</p>	<p>Certain of these agreements, transactions, and arrangements involve fees, servicing payments, rebates, discounts and/or other benefits to KKR, its affiliates, KKR Capstone or RPM. For example, KKR encourages portfolio companies to enter into agreements regarding group procurement and/or vendor discounts. KKR and its affiliates, KKR Capstone and/or RPM may also participate in these agreements, and may realize better pricing or discounts as a result of the participation of portfolio companies. Certain of those agreements provide for commissions or similar payments and/or discounts or rebates to be paid (directly or indirectly) to KKR Capstone, a portfolio company, KKR (or one of its affiliates), RPM or another Technical Partner. Fees, payments, rebates, discounts and other benefits paid or otherwise provided by portfolio companies pursuant to these arrangements are not subject to management fee offsets or otherwise shared with KKR Funds or Other Clients. Under these arrangements, one particular portfolio company may benefit to a greater degree than the other participants, and the KKR Fund(s) and/or Other Client(s) that own an interest in the portfolio company will receive a greater relative benefit from the arrangement than other KKR Funds and Other Clients that do not own an interest in such portfolio company</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=380341</p>
<p>Vista Equity Partners Management, LLC</p>	<p>Additionally, portfolio companies of the Equity Funds have also been and may in the future become counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other Equity Funds that involve fees and/or servicing payments to Vista or its affiliates. For example, portfolio companies are generally afforded the option (but are not required to) participate in a program with Vista, its affiliates and other portfolio companies pursuant to which VCG negotiates favorable procurement arrangements. As part of this program, Vista and VCG have also from time to time and may in the future receive the favorable procurement arrangements. Fees associated with these programs are shared by the portfolio companies choosing to participate in the program, as well as Vista and VCG to the extent participating (such fees being designed to cover the cost of administering the program). These fees generally are</p>	<p>http://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=379601</p>

	not subject to Management Fee offsets or otherwise shared with the relevant Funds.	
Blackstone Property Advisors L.P.	In addition, certain of the Funds' portfolio entities are or will be counterparties or participants in agreements, transactions or other arrangements with portfolio entities of other investment funds managed by BPA or other Blackstone affiliates or certain third-party service providers that, although Blackstone determines to be consistent with the requirements of such funds' governing agreements, would not have otherwise been entered into but for the affiliation or relationship with Blackstone and which involve fees, commissions, servicing payments and/or discounts to Blackstone, a Blackstone affiliate or a portfolio entity which are not subject to the management fee offset provisions described herein. For example, certain portfolio entities enter into agreements regarding group procurement (e.g., CoreTrust), benefits management, purchase of insurance policies (which may be pooled across portfolio entities and discounted due to scale) and other operational, administrative or management related matters with a third party or a Blackstone affiliate that result in fees, commissions, servicing payments and/or discounts, including related to a portion of the savings achieved by the portfolio entity being paid to Blackstone, a Blackstone affiliate or a portfolio entity.	From the June 12, 2015 ADV. The reference to CoreTrust was removed in all subsequent ADVs.
WCAS Management Corporation (dba: Welsh, Carson, Anderson & Stowe)	WCAS may receive certain other fees in connection with non-investment advisory services provided to third parties, such as business development, support and consulting services provided to group purchasing organizations such as CoreTrust. Such fees will not be applied to reduce the quarterly management fee pursuant to the Partnerships' Agreement of Limited Partnership as a creditable fee if services were not directly related to a WCAS portfolio company.	From the September 2014 ADV. The reference to CoreTrust was removed in all subsequent ADVs.