

**SC Distributors, LLC**  
**Statement of Cash Flows**  
**Year Ended December 31, 2015**

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*(dollars in,000s)*

**Cash flows from operating activities:**

Net loss	\$ (5,572)
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**Adjustments to reconcile net loss to net cash used in operating activities:**

Depreciation and amortization	89
Equity based compensation	16
Allowance for Bad Debt	277

**Increase (decrease) resulting from changes in:**

Fees and commissions receivables	(53)
Reimbursable expenses receivable	(1,332)
Due from/to affiliates, net	394
Prepaid insurance and other	56
Accounts payable and accrued expenses	842
Accrued compensation and benefits	283
Net cash used in operating activities	<u>(5,000)</u>

**Cash flows from investing activities:**

Purchases of property and equipment	<u>(493)</u>
Net cash used in investing activities	<u>(493)</u>

**Cash flows from financing activities:**

Capital contributions	<u>5,375</u>
Net cash provided by financing activities	<u>5,375</u>

<b>Net decrease in cash</b>	<b>(118)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b><u>3,567</u></b>
<b>Cash and cash equivalents, end of period</b>	<b><u>\$ 3,449</u></b>

The accompanying notes are an integral part of the financial statements.