

**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)

**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 (5,000)

**Cash flows from investing activities:**

Purchases of property and equipment (493)

Net cash used in investing activities (493)

**Cash flows from financing activities:**

Capital contributions 5,375

Net cash provided by financing activities 5,375

**Net decrease in cash (118)**

**Cash and cash equivalents, beginning of period 3,567**

**Cash and cash equivalents, end of period \$ 3,449**

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