

SANDERS MORRIS HARRIS LLC

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015
(in thousands)

Cash flows from operating activities:

Net loss	\$ (4,350)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization	278
Loss on sales/disposals of assets	33
Realized losses on investments	3,479
Losses on settlement of notes receivable	1,416
Deferred income taxes	(577)
Net change in:	
Receivables	304
Receivable from parent and affiliates	(1,358)
Other assets and prepaid expenses	620
Accounts payable and accrued liabilities	(801)
Accrued compensation	(1,417)
Net cash used in operating activities	<u>(2,373)</u>

Cash flows from investing activities:

Capital expenditures	(28)
Proceeds/distributions from investments, net	5,958
Proceeds from notes receivable	4,676
Net cash provided by investing activities	<u>10,606</u>

Cash flows from financing activities:

Distributions to equity members	<u>(10,425)</u>
Net decrease in cash and cash equivalents	(2,192)
Cash and cash equivalents at beginning of year	9,183
Cash and cash equivalents at end of year	<u>\$ 6,991</u>

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for income taxes	<u>\$ 7</u>
Cash paid for interest	<u>\$ 3</u>

The accompanying notes are an integral part of this consolidated financial statement.