

American Securities LLC

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of American Securities LLC. If you have any questions about the contents of this brochure, please contact us at 1-212-476-8000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC as an investment adviser does not imply any certain level of skill or training.

Additional information about American Securities LLC is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

American Securities LLC (“American Securities” or the “Company”) prepared this brochure in connection with its registration with the SEC as an investment adviser in February 2012. In future years this section will be used to highlight material changes to the Company’s operations.

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Advisory Business

American Securities, a New York limited liability company, serves as an investment manager to related private investment vehicles (the “ASP Funds”) organized primarily to make private equity and equity-like investments in established businesses in the United States and Canada. The Company seeks to generate long-term capital appreciation for the ASP Funds currently by making value-oriented investments generally of \$100 million to \$500 million in companies with annual revenues typically ranging between \$100 million and \$1 billion. As of December 31, 2011, the ASP Funds had \$8,857,315,445 in aggregate capital commitments and assets managed on a discretionary basis by American Securities.

The predecessor of the Company was founded as a family office in 1947 by William Rosenwald to invest his share of the Sears, Roebuck & Co. fortune. In 1994, Charles D. Klein and Michael G. Fisch formalized the Company's private equity investment activities and opened them to outside investors. David L. Horing joined Messrs. Klein and Fisch in early 1995. The principal owner of the Company is Mr. Fisch.

Investment advice is provided directly to each ASP Fund and not individually to the limited partners or investors in the ASP Funds. The Company has discretion to invest in a range of investment instruments consistent with the respective investment programs of each ASP Fund. American Securities provides, either directly or through its related entities, investment advice regarding private equity and equity-like securities. The Company also provides certain management consulting and advisory services, including the evaluation, structuring, and negotiation of potential investments, the direction and oversight of the ASP Funds' portfolio companies (each a "Portfolio Company") following an acquisition, and analyses regarding potential disposition opportunities. The terms by which American Securities provides investment advice to the ASP Funds are described in each ASP Fund's governing documents, which may include a confidential offering memorandum, an investment management agreement, and a limited partnership agreement, among other things.

American Securities does not manage any assets on a non-discretionary basis. In addition, American Securities does not participate in any wrap fee programs.

Fees and Compensation

As described in each ASP Fund's confidential offering materials, American Securities or an affiliate receives a management fee and may receive performance-based fees or carried interest. Annual management fees typically equal a specified percentage of aggregate capital commitments during a commitment period, and a lower percentage of invested capital after the commitment period for the remaining life of the ASP Fund. Management fees are generally collected semi-annually, partially in arrears and partially in advance. The governing documents for the ASP Funds do not provide for any refunds for pre-paid management fees. American Securities deducts management fees from the account of each ASP Fund.

Carried interest generally equals a specified percentage of realized fund profits net of all expenses and is subject to preferred return and catch-up provisions described in each ASP Fund's confidential offering materials.

The management fee and carried interest distributions may be waived or reduced at the discretion of American Securities or its affiliates. As described in each ASP Fund's governing documents, the general partner of each ASP Fund, which is an affiliate of American Securities, may admit certain investors, including employees and those who, in the judgment of the general partner, potentially add value to the ASP Funds. These investors may receive terms that are more favorable than those offered to other investors, including, among other things, reduced carried interest, management fees, and/or organizational expenses.

In addition to management fees and carried interest distributions, investors will bear indirectly the expenses charged to each ASP Fund. Those expenses will vary, but typically will include legal, auditing, consulting and accounting expenses (including expenses associated with the preparation of

partnership financial statements, tax returns (including K-1s)), expenses of any limited partner advisory board and annual meetings of the investors, insurance and other expenses associated with the acquisition, holding, monitoring and disposition of its investments, all third-party expenses in connection with transactions not consummated (i.e., broken deal expenses) and extraordinary expenses (such as indemnification and litigation expenses), as determined by American Securities in its sole discretion. The organizational expenses of each ASP Fund (including legal, accounting, filing, capital raising, travel and accommodation expenses, printing expenses and other similar costs) are generally paid by such ASP Fund. Other expenses associated with the offering of the ASP Funds and sale of their interests such as commissions, costs, fees, and expenses of placement agents or finders will be borne by American Securities or its related entities from its own resources, as further described in the governing documents of the respective ASP Fund.

In some cases, expenses might be attributable to more than one ASP Fund, or to American Securities or an affiliate and one or more ASP Funds. In such cases, American Securities and its affiliates will apply an expense allocation methodology that is believed to be fair to all affected ASP Funds. American Securities and its affiliates may experience a conflict of interest when determining and applying an allocation methodology.

American Securities utilizes its Resources Group to provide industry expertise to Portfolio Companies. The Resources Group has expertise in areas such as operations, information technology, legal matters, strategy and growth, human capital, sourcing, and pricing, including a Shanghai office with distinctive capabilities in Asia-Pacific growth and competitive strategy. Certain ASP Funds, either directly or through Portfolio Companies, reimburse American Securities for cash compensation and other expenses attributable to the Resources Group's work regarding current or prospective portfolio investments. In addition, each ASP Fund is responsible for its respective expenses for research and/or due diligence expenses including digital information sources (i.e., licenses and user fees for electronic research software, subscription fees, and travel expenses incurred while visiting prospective or existing underlying Portfolio Companies). ASP Funds may also reimburse the Company for licensing and user fees for accounting, pricing, trading, and investor communication software or programs utilized by the Company's employees or affiliated persons.

Investors admitted to an ASP Fund after an initial closing may be required to pay fees and expenses retroactively, as described in each ASP Fund's confidential offering materials.

See "Brokerage Practices" for a discussion of the payment of brokerage fees.

Performance Based Fees and Side-by-Side Management

Carried interest fees from the ASP Funds may create an incentive for American Securities or an affiliate to make more speculative decisions regarding the purchase, management or sale of an ASP Fund's assets. American Securities seeks to mitigate this potential conflict of interest through personal investments in the ASP Funds by the Company's employees.

American Securities may simultaneously manage and provide investment advice to ASP Funds with different fee structures for the payment of carried interest or performance based fees. While such differing fee structures could create the appearance of a conflict of interest, giving the Company an incentive to favor one ASP Fund over another, American Securities seeks to mitigate this risk by generally having only one ASP Fund in its active investment period at a time. In addition, to the

extent set forth in the limited partnership agreements governing each ASP Fund, American Securities may establish one or more co-investment vehicles that may or may not bear carried interest to invest alongside an ASP Fund in one or more investments.

Types of Clients

The Company provides investment advice to private investment vehicles, which are structured as US limited partnerships or limited liability companies, all of which are pooled investment vehicles that are exempt from the requirement to register as an investment company under Section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940.

In order to facilitate investment by foreign and certain other investors, the general partner of an ASP Fund may create one or more parallel investment entities (“Parallel Investment Vehicles”). Such Parallel Investment Vehicles will invest and divest side-by-side with the respective parallel partnership vehicle at the same time and on the same terms and conditions, will share in each portfolio investment pro rata in proportion to their commitments and similarly will share any related investment expenses.

Subject to the discretion of American Securities to accept less, the minimum investment threshold for investment in the ASP Funds ranges from \$5 million to \$10 million.

Methods of Analysis, Investment Strategies and Risk of Loss

The Company’s investment activities include (i) conceiving and creating new market opportunities, (ii) providing capital to meet the needs of growing businesses, and (iii) investing in growth-oriented later-stage buyouts and special situations.

The Company seeks to leverage its proprietary deal flow, and operational focus, as well as the continuity and experience of its Managing Directors and its affiliated entities. These sources of deal flow fall into four main categories: (i) investment, industry and restructuring relationships, (ii) proprietary relationships of American Securities and its related entities, (iii) proprietary research conducted by members of the Company, and (iv) external research. Investment professionals within the Company and its related entities have close relationships with investment banking firms, advisory firms, law firms, and other industry participants, all of which are potential sources of deal flow.

Acquiring an interest in an ASP Fund involves a number of risks. An investment in an ASP Fund may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk. No guarantee or representation is made that an ASP Fund will achieve its investment objective or that investors will receive a return of their capital.

All investing involves a risk of loss and the investment strategy offered by American Securities could lose money over short, or even long, periods. The description contained below is a brief overview of different risks related to the private equity investments made by ASP Funds.

Reliance on Key Personnel. Each of the ASP Funds has certain key man provisions, which are set forth in the governing documents related to such ASP Fund. If Mr. Fisch or Mr. Horing ceased to be actively involved in the business of the Company or ceased to be managing members of the general

partner, whether by death, disability, resignation, withdrawal or removal, then the effect on the management of the ASP Funds could be adverse.

General Business and Management Risk. Investments in Portfolio Companies subject the ASP Funds to the general risks associated with the underlying businesses, including market conditions, changes in regulatory requirements, reliance on management at the company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations and other factors. With respect to management at the Portfolio Company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the Portfolio Company's performance.

Lack of Liquidity. The ASP Funds invest in instruments where there is likely to be no actively traded market. Moreover, many of the ASP Funds' investments may be held by relatively few other investors. Under adverse market or economic conditions or in the event of adverse changes in the financial condition of an issuer or of an asset, an ASP Fund may find it more difficult to sell such instruments when American Securities believes it advisable to do so or may be forced to sell them at prices lower than if the instruments were widely held. Thus, the range of disposal strategies available to the ASP Funds may be limited. Finally, dispositions of investments may be subject to contractual and other limitations on transfer, or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms obtainable upon a disposition.

There is no public market for the interests in any ASP Fund, and one is not expected to develop. Investors in the ASP Funds will not be permitted to sell, transfer, assign, pledge or otherwise dispose of their interest in the ASP Funds without the prior written consent of the general partner of such ASP Fund, which may be given or withheld in such general partner's sole and absolute discretion.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. The ASP Funds face competition from numerous competitors in all fields of activity. The ASP Funds will be competing for investments with a variety of other investment vehicles, as well as individuals, financial institutions and other institutional investors. There can be no assurance that the ASP Funds will be able to locate and complete investments that satisfy their investment objectives or permit the full investment of all available capital.

Leverage. The ASP Funds' investments are expected to include Portfolio Companies whose capital structures may have significant leverage. Although the Company will seek to use leverage in a manner it believes is appropriate under the then circumstances, the leveraged capital structure of such Portfolio Companies will increase the exposure of the Portfolio Companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the Portfolio Company or its industry. In the event that such a Portfolio Company is unable to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness, the value of the applicable ASP Fund's investment in such Portfolio Company could be significantly reduced or even eliminated.

Valuation of Assets. Most of the securities owned by the ASP Funds are not publicly traded and are required to be fair valued. When estimating fair value, the Company will apply a methodology based on generally accepted accounting practices. To the extent there is any public market for the securities

held by an ASP Fund, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies.

Prospective investors in an ASP Fund should review the confidential offering documents and other governing documents for a more extensive discussion of risks and potential conflicts of interest. However, such documents are not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operation of the ASP Funds.

Disciplinary Information

American Securities and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's or prospective client's evaluation of the Company or its personnel.

Other Financial Industry Activities and Affiliations

American Securities and its employees are not registered, nor do they have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. American Securities and its employees are also not registered, nor do they have any application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.

American Securities serves as the investment adviser to the following private funds:

- American Securities Partners III, L.P.
- American Securities Partners III(B), L.P.
- American Securities Partners IV, L.P.
- American Securities Partners IV(B), L.P.
- American Securities Partners IV(C), L.P.
- American Securities Partners V, L.P.
- American Securities Partners V(B), L.P.
- American Securities Partners V(C), L.P.
- American Securities Partners VI, L.P.
- American Securities Partners VI(B), L.P.
- American Securities Partners VI(C), L.P.

- American Securities Partners VI(D), L.P.
- Capital Yuan Tao, L.P., a China-focused private equity fund-of-funds
- Capital Yuan Tao(B), L.P. (together with Capital Yuan Tao, L.P., “CYT”)

American Securities is under common control with each of the general partners to the private funds listed above. These general partners include:

- American Securities Associates III, LLC
- American Securities Associates IV, LLC
- American Securities Associates V, LLC
- American Securities Associates VI, LLC
- Capital Yuan Tao Associates, LP

The affiliations between American Securities, the private funds for which it provides investment advice, and the general partners to the private funds are disclosed in the ASP Funds’ confidential offering materials. American Securities believes that the structure of these entities reflects common industry practice and does not pose a material conflict of interest.

Certain American Securities personnel are involved in the investment committees, management, and/or operations of the following investment advisers that are material to the firm’s advisory business or to its clients:

- American Securities Opportunities Advisors, LLC (“ASOA”), a private fund adviser that specializes in distressed debt investments
- ICV Capital Partners, LLC (“ICV”), a private fund adviser that specializes in the acquisition of majority ownership interests in middle-market private companies
- Sterling American Property, Inc. (“SAP”), an adviser to real estate focused private funds

American Securities is under common control with ASOA and ICV (the “Related Firms”). Possession of material non-public information about a company by a Related Firm may, in certain circumstances, prevent the Company and the ASP Funds from trading in the securities of such company. The ASP Funds, CYT, ASOA, ICV and SAP typically invest in distinct asset classes, so the investment opportunities of American Securities are generally not limited by the activities of the other investment advisers listed above. To the extent that American Securities and another adviser listed above both believe that an investment is suitable for their respective funds, an ASP Fund may invest alongside the other adviser’s fund. Such co-investments will be reviewed by American Securities’ Chief Compliance Officer for fairness to the affected ASP Fund.

Note that American Securities personnel devote portions of their time and professional energies to the activities of the advisers listed above, which could pose a conflict of interest between American Securities and the other advisers. However, the governing documents of each ASP Fund may provide the limited partners with certain rights if certain principals of American Securities fail to devote the amount of time specified in the relevant governing documents, partially mitigating this risk.

Capital Yuan Tao Advisors, LLC is a “relying adviser” which has filed together with American Securities a single Form ADV in reliance on the position expressed in the letter issued to the American Bar Association, Business Law Section by the Office of Investment Adviser Regulation, Division of Investment Management of the U.S. Securities and Exchange Commission on January 18, 2012.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

American Securities’ employees are subject to a Code of Ethics (the “Code”) in accordance with Rule 204A-1 under the Investment Advisers Act of 1940. The Code is available upon written request of ASP Funds and their current or prospective investors.

The Code reflects the fiduciary duty owed by American Securities to its clients and sets out standards of business and personal conduct for each employee. Guidelines and reporting requirements for personal trading in the Code are intended to mitigate and monitor potential conflicts of interest. A related Insider Trading policy prohibits employees from trading securities personally or on behalf of an ASP Fund while in possession of material non-public information.

American Securities, its employees, executives of Portfolio Companies, and/or other affiliated persons may invest in the ASP Funds, Parallel Investment Vehicles, or, subject to limitations contained in an ASP Fund’s governing documents, directly in Portfolio Companies. Such investments may be on the same or different terms as those obtained by the ASP Funds, but are generally structured with the intention of achieving an alignment of interests that is believed to be in the ASP Funds’ best interests. American Securities’ Chief Compliance Officer monitors any such investment structures for potential conflicts of interest. Material conflicts of interest may be disclosed to the applicable ASP Fund’s limited partner advisory board or to all investors depending on the nature and severity of the conflict.

Brokerage Practices

The Company focuses on making investments in private securities, thus it does not ordinarily deal with any financial intermediary such as a broker-dealer, and commissions are not ordinarily payable in connection with such investments. Nonetheless, the Company may invest assets in market traded securities, including debt instruments, for which there may be a broker-dealer or counterparty involved in the transaction to affecting a trade. However, there are no restrictions on the Company’s authority to determine, without obtaining specific client consent, the brokers or dealers used for this purpose. Thus, to the limited extent the ASP Funds engage in transactions other than investments in a Portfolio Company, the Company or its related entities has the authority to determine the financial intermediaries to be used in connection with such transactions and to negotiate the amount of commission or other compensation to be paid to such intermediaries in connection with such

transactions. If the Company determines to engage a broker, it will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility and responsiveness, and the value of research provided, if any.

The Company does not participate in any soft dollar arrangements. However, the Company, in the ordinary course of its business, receives from brokers and dealers research available to other institutional investors. Research services received from brokers and dealers are supplemental to the Company's own research efforts. To the best of American Securities' knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. The Company does not separately compensate such broker-dealers for the research and does not believe that it "pays-up" for such broker-dealers' services.

Counterparties involved with ASP Fund transactions could also be involved in the offering of ASP Funds, or of funds managed by the Related Firms. The sale of those fund interests may result in commissions or fees as placement agents or finders.

American Securities may pay for referral or lead databases that provide information about accredited investors who are interested in private fund investments similar to the ones advised by American Securities. Such databases may be obtained from financial institutions that provide services to the ASP Funds.

In order to minimize execution costs and obtain best execution for all clients, American Securities may aggregate orders for multiple ASP Funds and/or related Parallel Investment Vehicles. Orders will only be aggregated if they are in the best interests of each participating entity.

Review of Accounts

American Securities' investment professionals monitor Portfolio Company investments on an ongoing basis. Each investment under American Securities' management is led by a Managing Director who has primary responsibility for ongoing monitoring and management of the Portfolio Company. Focused reviews, which may include input from numerous investment professionals, may be triggered by Portfolio Company-specific performance metrics, economic developments, changes in staffing, and changes in the competitive environment, among other things.

On a quarterly basis, the Company, on behalf of the ASP Funds, distributes a letter to all private fund investors that includes a market outlook and an analysis of each ASP Fund's Portfolio Companies, unaudited quarterly financial statements and a capital account analysis. On an annual basis, investors are sent their respective ASP Fund's audited financial statements. Limited partners also receive annual tax information reported on Schedule K-1.

Client Referrals and Other Compensation

American Securities and its affiliates do not directly or indirectly compensate any person who is not a supervised person of the Company for client referrals. However, American Securities has in the past and may in the future enter into placement agent or solicitation agreements pursuant to which it or the ASP Fund will compensate third-party intermediaries for investor referrals. Such compensation may take the form of a retainer and/or a percentage of introduced capital.

American Securities or its affiliates may earn monitoring fees and other compensation from Portfolio Companies, purchasers, sellers and other parties to transactions involving Portfolio Company securities as compensation for services, including advice on structuring, negotiating and arranging financing for transactions in which ASP Funds or other clients participate. American Securities or its affiliates may also earn fees in connection with unconsummated transactions. American Securities or its employees may receive compensation for serving on Portfolio Companies' boards of directors. This compensation may or may not be shared with ASP Funds through reductions or off-sets against management fees that would otherwise be applicable. The receipt of fees and other compensation described above may pose a conflict of interest between the Company and its clients. American Securities seeks to address these potential conflicts of interest through disclosures regarding fee arrangements in each ASP Fund's confidential offering materials.

Custody

In order to comply with SEC requirements and ensure that the ASP Funds' assets are appropriately protected, American Securities and its affiliates have arranged for annual audits of the ASP Funds' financial statements. The limited partnership agreement of each ASP Fund states that these audits are to be distributed to investors by American Securities within 120 days of each ASP Fund's fiscal year-end. American Securities and its affiliates have also arranged for all of the ASP Funds' cash and any certificated securities to be held with qualified custodians.

Investment Discretion

American Securities serves as the ASP Funds' investment adviser with discretionary authority to implement investment decisions for each ASP Fund. This authority is described in advisory agreements with each ASP Fund, as well as the ASP Funds' other governing documents. The Company will recommend investments that are consistent with the mandates described in the ASP Funds' governing documents, but otherwise has broad authority to select investments on a discretionary basis.

Voting Client Securities

American Securities or its representatives may have the opportunity to vote on a variety of corporate actions on behalf of the ASP Funds. The Company has adopted written policies and procedures in an effort to ensure that any such voting opportunity is exercised with diligence, care, and loyalty. For corporate actions that do not pose a conflict of interest, the Managing Director with primary responsibility for overseeing the asset in question will determine how American Securities should direct the ASP Funds to vote. For corporate actions that pose an actual or apparent conflict of interest, the CCO will determine if another Managing Director is able to make an independent determination, and if not, the matter will be presented to the applicable ASP Fund's limited partner advisory board in accordance with the applicable ASP Fund's governing documents. Investors cannot direct the way in which the Company will vote on behalf of the ASP Funds.

Current and prospective investors in the ASP Funds may request a copy of American Securities' written policies and procedures governing the voting of corporate actions. Current investors may also request information about the way in which American Securities voted in connection with assets held by their respective ASP Funds.

The ASP Funds sometimes approve one or more American Securities employees to act as representatives on the board of directors of a Portfolio Companies. In situations where American Securities votes the proxy for a Portfolio Company in which an employee or employees serve on the board of directors, American Securities has determined that this does not inherently present a conflict of interest as the employee is on the board of directors as a representative of the ASP Fund. American Securities believes that the ASP Funds' and the representative's role are aligned with respect to voting opportunities.

Financial Information

American Securities has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to manage or meet its contractual commitments to the ASP Funds.

Requirements for State-Registered Advisers

Not applicable.