

**PRV MANAGEMENT, L.P.  
(PLATTE RIVER EQUITY)**

**200 FILLMORE STREET  
SUITE 200  
DENVER, COLORADO 80206  
WWW.PLATTERIVEREQUITY.COM**

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**CONTACT: GREGORY A. SISSEL  
303-292-7300  
GSISSEL@PLATTERIVEREQUITY.COM**

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This brochure provides information about the qualifications and business practices of PRV Management, L.P. If you have any questions about the contents of this brochure, please contact us at 303-292-7300 or [gsissel@platteriverequity.com](mailto:gsissel@platteriverequity.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about PRV Management, L.P. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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#### **Item 4 – Advisory Business**

- A. PRV Management, L.P. (“PRV”) is a Denver, Colorado-based private equity investment advisory firm that provides portfolio management and investment advisory services to Platte River Ventures I, L.P., CCF/PRV Co-Investment Holdings, L.P., Platte River Ventures II, L.P., Platte River Ventures II-A, L.P., Platte River Equity III, L.P., Platte River Equity III-A, L.P., Platte River Equity III-B, L.P., and Platte River Equity III-Affiliates, L.P., each a private equity fund, and other investment vehicles formed from time to time (each a “PRV Fund” and collectively, the “PRV Funds”). The general partner of Platte River Ventures I, L.P. and CCF/PRV Co-Investment Holdings, L.P. is PRV Investors I, LLC. The general partner of Platte River Ventures II, L.P. and Platte River Ventures II-A, L.P. is PRV Investors II, LLC. The general partner of Platte River Equity III, L.P., Platte River Equity III-A, L.P., Platte River Equity III-B, L.P. and Platte River Equity III-Affiliates, L.P. is Platte River Investors III, LLC (collectively with PRV Investors I, LLC and PRV Investors II, LLC, “the “General Partners”). PRV was founded in 2005 and focuses primarily on recapitalizations and buyouts of small and middle market companies in North America. PRV’s principal owners are J. Landis Martin, through Platte River Ventures, LLC, and Gregory A. Sissel.
- B. PRV’s investment advice is limited to the investments made by the PRV Funds. PRV’s advisory services include the acquisition, monitoring, managing and disposition of investments made by the PRV Funds. See also Item 4.A above.
- C. PRV’s advisory services are tailored to the investment strategies of the PRV Funds. The investment strategy of the PRV Funds is to invest in private equity and equity related investments in small and middle market companies primarily in North America. See also Item 4.A above.
- D. PRV does not participate in wrap fee programs.
- E. As of December 31, 2011, PRV manages approximately \$399,484,300 of client assets on a discretionary basis. PRV does not manage client assets on a non-discretionary basis.

#### **Item 5 – Fees and Compensation**

- A. PRV receives a management or investment monitoring fee from each of the PRV Funds, and the General Partners receive a “Carried Interest” or performance allocation from each of the PRV Funds, other than Platte River Equity III-Affiliates, L.P. Management and similar fees are typically 2.0% of capital commitments but may vary. Performance allocations are generally 20.0% of profits but may vary above and below that level based on a sliding scale.
- B. Management or investment monitoring fees are payable by each of the PRV Funds on a semi-annual basis. PRV Funds may pay an investment transaction fee whenever they make an investment. “Carried Interest” or performance allocations are assessed periodically, typically after the receipt by the PRV Funds of proceeds from a portfolio investment, and are paid out of gains otherwise allocable to the PRV Funds’ investors.

In addition, PRV or its affiliates may receive transaction fees, topping and break-up fees, portfolio company monitoring fees or other fees in connection with portfolio investments or prospective portfolio investments of the PRV Funds. Typically, the management fees payable by each investor in the PRV Funds will be reduced by a percentage of its pro rata share of any transaction fees, topping and break-up fees, portfolio company monitoring fees or other fees received by PRV or its affiliates in connection with portfolio investments or prospective portfolio investments of a PRV Fund.

- C. The PRV Funds pay certain organizational expenses, which generally are out-of-pocket expenses, including legal, travel, accounting, filing, and certain capital raising expenses. In addition, the PRV Funds pay fund expenses that are not reimbursed by portfolio companies, including legal, auditing, consulting, financing, accounting and custodian fees and expenses; expenses associated with preparation of financial statements, tax returns and K-1s; expenses of the advisory board meetings and the annual limited partner meeting; insurance; expenses associated with proposed investments and the acquisition, holding and disposition of portfolio companies investments, including brokerage commissions (if applicable) and extraordinary expenses such as litigation, if any; and any taxes, fees or other governmental charges levied against the PRV Funds.
- D. Management fees paid by the PRV Funds are payable in advance for each period as described above in 5.B. PRV's services may be terminated under very limited circumstances. Should PRV's services be terminated before services are provided for the applicable period, fees that have been paid in advance would generally be pro-rated and returned to the PRV Funds that paid those fees in advance.
- E. Neither PRV nor its supervised persons accepts compensation for the sale of securities or other investment products.

#### **Item 6 – Performance-Based Fees and Side-by-Side Management**

The General Partners of the PRV Funds are compensated in the form of "Carried Interest" or performance allocations tied to positive performance. PRV receives management or investment monitoring fees based upon capital commitments as described in Item 5.B above, investment monitoring fees from portfolio companies and may receive investment transaction fees. PRV does not believe the existence of a performance allocation gives rise to any conflicts of interest, in that PRV does not manage clients that do not pay a performance allocation other than Platte River Equity III-Affiliates, L.P., which invests pro rata with Platte River Equity III, L.P., Platte River Equity III-A, L.P. and Platte River Equity III-B, L.P.

#### **Item 7 – Types of Clients**

PRV provides investment advice only to the PRV Funds, which are its only clients. Interests in the PRV Funds are offered privately to a limited number of sophisticated investors, including institutional investors and individuals who qualify to invest in the PRV Funds because they have sufficient income or net worth. PRV typically imposes a minimum investment in connection with investing in a PRV Fund, often in the range of \$1.0 million to \$5.0 million, although such minimums may be waived at the discretion of PRV.

## Item 8 – Methods of Analysis, Investment Strategies and Risks of Loss

- A. The PRV Funds make investments primarily in small and middle market companies. PRV's investment strategy involves identifying companies in that PRV believes (i) PRV has relevant operating and investing experience, (ii) have favorable macro-economic trends, (iii) are positioned to benefit from consolidation, (iv) possess compelling characteristics for the execution of a buy-and-build strategy and/or (v) have management team members with whom PRV has existing relationships. PRV's investment strategy for each industry sector combines the operating expertise and knowledge of its principals with customized third party independent research, which may include direct contact with companies and subject matter experts.

Investments in the PRV Funds involve significant risks, including the risk of losing the entire investment, and investors in the PRV Funds should be prepared to bear these risks. Please see Items 8.B and 8.C for additional risks associated with investments in the PRV Funds. In addition, prospective investors in PRV Funds are provided with more detailed information about risks before they invest in any PRV Fund.

- B. *Business Risks.* Investments by the PRV Funds will consist primarily of securities issued by privately-held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

*Past and Future Performance.* The prior performance of the PRV Funds is not necessarily indicative of future results. While PRV intends for the PRV Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that such returns will be achieved. On any given investment, loss of principal is possible.

*Investment in Junior Securities.* The securities in which the PRV Funds will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment.

*Concentration of Investments.* The PRV Funds will participate in a limited number of investments and may seek to make several investments in one industry or one industry sector. As a result, each of the PRV Funds' investment portfolios could become highly concentrated, and their aggregate returns may be affected substantially by the performance of this limited number of holdings.

*Lack of Sufficient Investment Opportunities.* It is possible that the PRV Funds will never be fully invested if enough investments are not identified and consummated. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. However, the PRV Funds will be required to pay annual fees during the commitment period based on the entire amount of their capital commitments.

*Illiquidity; Lack of Current Distributions.* Investments in the PRV Funds are illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful portfolio company investments may be realized before gains on successful portfolio company investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of a portfolio company investment. While a portfolio company investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Prior to such time, there may be no current return on portfolio company investments. Furthermore, the expenses of operating the PRV Fund (including the semi-annual management or investment monitoring fees) may exceed its income, thereby requiring that the difference be paid from the PRV Funds' capital.

*Leveraged Investments.* The PRV Funds will generally make use of leverage by incurring debt to finance a portion of an acquisition of a given portfolio company. Leverage generally magnifies both the PRV Funds' opportunities for gain and its risk of loss from a particular investment. In addition, this portfolio company leverage could accelerate and magnify declines in the value of the PRV Funds' investment in the leveraged portfolio companies in a down market.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for a substantial number of the PRV Funds' investments. As a result, most of the PRV Funds' investments will be difficult to value. Certain investments may be distributed in kind to the limited partners.

*Limited Transferability of PRV Fund Interests.* Limited partner interests in the PRV Funds have not been registered under the Securities Act of 1933, as amended, or any other applicable securities laws. There will be no public market for the PRV Funds' interests, and none is expected to develop. There are substantial restrictions upon the transferability of the PRV Funds' interests under the fund partnership agreements and applicable securities laws. In general, withdrawals of PRV Funds' interests are not permitted. In addition, PRV Funds interests are not redeemable. Limited partners generally may not withdraw capital from the PRV Funds. Consequently, investors in the PRV Funds may not be able to liquidate their investments prior to the end of the PRV Funds' terms.

*Reliance on the Key Personnel, General Partner and Portfolio Company Management.* Control over the operation of the PRV Funds will be vested entirely with the General Partners, and the PRV Funds' future profitability will depend largely upon the business and investment acumen of PRV and its principals. The loss of service of key personnel of PRV could have an adverse impact on the PRV Funds' ability to realize their investment objectives. Limited partners generally have no right or power to take part in the management of the PRV Funds, and as a result, the investment performance of the PRV Funds will depend largely on the actions of PRV. Although PRV monitors the performance of each of the PRV Funds' investments, it will be the primary responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although PRV intends to invest in companies with strong management

or recruit strong managers to such companies, there can be no assurance that the managers of these companies will operate such companies successfully.

*Risks Upon Disposition of Investments.* In connection with the disposition of an investment in a portfolio company, the PRV Funds may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. The PRV Funds may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the PRV Funds. Also, the partnership agreement for each of the PRV Funds contains provisions to the effect that if there is any such claim in respect of a portfolio company, it will be funded by the limited partners of the PRV Funds to the extent that they have received distributions from the PRV Funds, subject to certain limitations.

*Projections.* Projected operating results of a company in which the PRV Funds invest normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be realized, and actual results may differ significantly from the projections. Also, general economic factors, which are not predictable, can have a material impact on the company's future performance.

*Need for Follow-On Investments.* Following its initial investment in a given portfolio company, the PRV Funds may decide to provide additional capital to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that the PRV Funds will make follow-on investments or that the PRV Funds will have sufficient funds to make all or any of such investments. Any decision by the PRV Funds not to make follow-on investments or its inability to make such investments may have a substantial negative impact on a portfolio company in need of such an investment or may result in a lost opportunity for the PRV Funds to increase its participation in a successful operation.

*Foreign Investments.* The PRV Funds may invest in portfolio companies that are organized and/or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the PRV Funds) and the application of complex tax rules to cross-border investments.

*Significant Default Penalties.* The partnership agreement for each of the PRV Funds contains significant penalties in the event a limited partner defaults on its capital commitment or other payment obligations. In addition to losing its right to potential distributions from the PRV Funds, a defaulting limited partner may be forced to transfer

its interest in the PRV Funds for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

*General Partner's Carried Interest.* The fact that the General Partners' "Carried Interest" is based on a percentage of net profits may create an incentive for the General Partners to cause the PRV Funds to make riskier or more speculative investments than would otherwise be the case.

*Director Liability.* The PRV Funds will often obtain the right to appoint one or more representatives to the boards of directors of the companies in which it invests. Serving on the board of directors of a portfolio company exposes the PRV Funds' representatives, and ultimately the PRV Funds, to potential liability. Although portfolio companies sometimes have insurance to protect directors and officers from such liability, not all portfolio companies may obtain such insurance, which may be insufficient if obtained.

*Public Company Holdings.* The PRV Funds' investment portfolio may contain securities issued by publicly held companies. Such investments may subject the PRV Funds to risks that differ in type or degree from those involved with investments in privately-held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the PRV Funds to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, and increased costs associated with each of such risks.

*Communications Regulatory Considerations.* Certain communications and media companies are subject to extensive U.S. federal, state and local regulatory requirements. Certain regulations that are intended to limit the concentration of ownership and control of communications and media companies may prevent one of the PRV Funds from making certain investments that it would otherwise make. Other regulations may cause the PRV Funds to incur substantial additional costs or lengthy delays in connection with the completion or disposition of an investment. Regulations may also attribute an ownership interest in some or all of communications and media companies to some or all of the PRV Funds' limited partners. While the partnership agreements of the PRV Funds contain provisions intended to insulate the limited partners from such attributed ownership, no assurance can be given that the Federal Communications Commission or other domestic or foreign regulatory authorities would not assert that some or all of the limited partners are deemed to have an ownership interest in some or all of such companies.

*Potentially Delayed Schedule K-1s.* The PRV Funds might provide final Schedule K-1s to limited partners for any given fiscal year after April 15 of the following year. The PRV Funds' General Partners will endeavor to provide limited partners with final Schedule K-1s on or before such date, but final Schedule K-1s will not be available until the PRV Funds have received tax reporting information from its portfolio companies necessary to prepare final Schedule K-1s. Limited partners may be required to obtain extensions of the filing dates for their income tax returns at federal, state and local levels.



Each prospective investor should consult with its own adviser as to the advisability and tax consequences of an investment in the PRV Funds.

- C. The PRV Funds have and will continue to seek to invest in portfolio companies involved in several industry sectors including, but not limited to, aerospace, industrial services, energy services, metals, chemicals, agriculture and natural resources. These companies may be subject to regulatory oversight and macroeconomic cycles. Changes in laws, regulations or macroeconomic factors relating to these industries could have an adverse effect on the portfolio companies of the PRV Funds. Please see Items 8.A and 8.B for additional risks associated with investments in the PRV Funds. In addition, prospective investors in the PRV Funds are provided with more detailed information about risks before they invest in any of the PRV Funds.

#### **Item 9 – Disciplinary Information**

After having conducted due diligence of PRV and its management persons, PRV is not aware of any legal or disciplinary events that would be material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

- A. Neither PRV nor its management persons are registered or are applying to be registered as a broker-dealer.
- B. Neither PRV nor its management persons are registered or are applying to be registered as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. PRV does not have relationships that are material to its business with any related persons of the type required to be disclosed under this Item 10.C.
- D. PRV does not recommend or select other investment advisers for its clients.

#### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

- A. PRV has adopted the PRV Code of Ethics (the "Code"), which sets forth standards of conduct that are expected of PRV principals and employees and addresses conflicts that arise from personal trading. The Code requires certain PRV personnel to report their personal securities transactions, prohibits or requires pre-clearance for PRV personnel directly or indirectly acquiring beneficial ownership of securities in an initial public offering, and prohibits PRV personnel from directly or indirectly acquiring beneficial ownership of securities in private placements, without first obtaining approval from PRV's Chief Compliance Officer. A copy of the Code will be provided to any client or prospective client upon request.

- B. None of PRV or its related persons recommends to its clients, or buys or sells for its clients, any security in which PRV or its related persons has a material financial interest.
- C. Principals and employees of PRV and its affiliates may directly or indirectly own interests in the PRV Funds or vehicles created to co-invest with one or more of the PRV Funds. To the extent that co-investment vehicles exist, such vehicles may invest in one or more of the same portfolio companies as the PRV Funds.

From time to time, the PRV Funds, affiliates of PRV (subject to the requirements below), and/or other persons may co-invest side-by-side with the PRV Funds in portfolio companies. Co-investment opportunities for investors generally arise when PRV determines that (i) the PRV Funds' allocation to a portfolio company has been fully met under the Funds' investment guidelines, (ii) PRV has determined that the amount available for investment in a portfolio company exceeds a prudent allocation to the PRV Funds and/or (iii) PRV determines that an allocation to an investor or third party would provide a strategic benefit with respect to a portfolio company and, accordingly, to the PRV Funds' ownership interest in the portfolio company. In determining which investors will be eligible for co-invest opportunities, PRV considers a variety of factors, including (i) the ability of the investor to provide strategic benefits to a portfolio company (such as specific industry or operational knowledge and/or expertise and access to additional financing), which are expected to benefit the PRV Funds' ownership interest in a portfolio company, (ii) the investor's ability to evaluate and consummate a transaction on the timeline of the PRV Funds and (iii) the size of an investor's commitment to one of the PRV Funds.

- D. See answer to Item 11.C above.

## **Item 12 – Brokerage Practices**

- A. Given the nature of the investments held by the PRV Funds, PRV does not usually transact business through broker-dealers. However, in situations where PRV may need to select a broker-dealer, PRV will consider the broker's execution capabilities, fees, and ability to obtain best execution for all client securities transactions. PRV does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions.
- B. PRV generally will aggregate the purchase or sale of securities for client accounts when (i) such accounts hold the same securities and (ii) a determination is made to effect a transaction in such securities at the same time for each client account.

## **Item 13 – Review of Accounts**

- A. The Investment Committee of PRV, composed primarily of senior officers, generally monitors and reviews investments on a regular basis. If developments at a portfolio company warrant closer monitoring, reviews may be undertaken more frequently. Such developments may include matters relating to operations of the portfolio company, as well as liquidity opportunities for the owners of the portfolio company. In addition, the

Chief Compliance Officer also periodically checks to confirm that each investment is maintained in accordance with its stated objectives.

- B. See answer to Item 13.A above.
- C. Generally, within 60 days after the end of each of the first three quarters of each fiscal year of the PRV Funds, PRV delivers to each investor in the PRV Funds: (i) unaudited quarterly financial statements, (ii) an unaudited schedule of the investor's capital account, (iii) an unaudited schedule of investments including the PRV Fund's cost and the value of its investments, and (iv) an overview of the PRV Fund's investment activities for the fiscal year, including narrative descriptive investment information for each of its portfolio investments.

Generally, within 90 days after the end of each fiscal year, PRV delivers to each investor in each of the PRV Funds: (i) financial statements for such year audited by a firm of independent certified public accountants of recognized national standing and that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules, (ii) an unaudited schedule of the investor's capital account, (iii) a schedule of investments including each of the PRV Funds' cost and the estimated value of its investments, and (iv) an overview of the PRV Funds' investment activities for the fiscal year, including narrative descriptive investment information for each of its portfolio investments.

In addition, the PRV Funds hold an annual meeting offering the investors in the PRV Funds the opportunity to review and discuss the investment activities of the PRV Funds.

#### **Item 14 - Client Referrals and Other Compensation**

- A. PRV does not accept economic benefits from a person who is not a client for providing investment advice or other advisory services to the PRV Funds.
- B. PRV does not compensate any person who is not a supervised person for client referrals.

#### **Item 15 - Custody**

PRV maintains custody of client funds and securities with qualified custodians. Clients of PRV will receive quarterly account statements from the qualified custodian that the client should carefully review and compare with any account statements from PRV.

#### **Item 16 – Investment Discretions**

PRV has discretionary authority to manage the portfolios of each of the PRV Funds. Investment restrictions, if any, are typically set forth in the offering documents for each of the PRV Funds and may be negotiated with the investors in each of the PRV Funds prior to an investor making a capital commitment.

#### **Item 17 – Voting Client Securities**

- A. PRV does not typically have authority to vote securities held by the PRV Funds, as such authority is retained by the General Partners of each of the PRV Funds. Because each of the PRV Funds (either alone or together with other PRV Funds) generally controls a portfolio company, voting decisions by the General Partners in those cases are ancillary to the PRV Funds' control of the portfolio company.

The General Partners of the PRV Funds and PRV will act in the best interest of the PRV Funds in determining whether and how to exercise the PRV Funds' rights as securities holders, including whether and how to vote on any proxy voting matter and how to respond to corporate actions. The General Partners and PRV will vote proxies on a case-by-case basis. In general, proxy votes for or against corporate actions will be based on the probable financial impact to the PRV Funds.

- B. Not applicable.

#### **Item 18 – Financial Information**

- A. PRV does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure.
- B. PRV is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the PRV Funds.
- C. PRV has not been the subject of any bankruptcy petition at any time during the past ten years.