

**Item 1. Cover Page**

**Seavest Capital Partners, LLC**

707 Westchester Avenue, Suite 401  
White Plains, NY 10604

[www.seavestcp.com](http://www.seavestcp.com)

Part 2A of Form ADV: Firm Brochure  
February 2012

**This brochure provides information about the qualifications and business practices of Seavest Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (914) 683-8474. 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.**

**Additional information about Seavest Capital Partners, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser's registration with the SEC does not imply a certain level of skill or training.**

**Item 2. Material Changes**

Item 2 is not applicable to Seavest Capital Partners, LLC (“Seavest Capital Partners”).

**Item 3. Table of Contents**

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#### **Item 4. Advisory Business**

Seavest Capital Partners provides investment advisory services to separate accounts and pooled investment vehicles (each a “Client”). Seavest Capital Partners identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of, the investments of each Client.

Seavest Capital Partners focuses on providing non-discretionary investment advisory services across a range of asset classes, with a primary focus on private equity related investments. Such investments may include unregistered equity from both U.S. and non-U.S. issuers consistent with the investment strategy and objectives of each Client.

Seavest Capital Partners provides investment management and advisory services to Clients pursuant to individual investment and advisory agreements (each, an “Advisory Agreement”). Investment advice is provided by Seavest Capital Partners directly to Clients on a non-discretionary basis.

Any investment restrictions are established by the applicable Client and are set forth in the applicable Advisory Agreements.

Seavest Capital Partners was founded in 2011 and is based in White Plains, New York. Seavest Capital Partners is a Delaware limited liability company owned Rick Segal and Douglas Ray. As of December 31, 2011, Seavest Capital Partners managed approximately \$127mm of Client assets, all of which are managed on a non-discretionary basis.

#### **Item 5. Fees and Compensation**

As compensation for the non-discretionary investment advisory services rendered to its Clients, Seavest Capital Partners receives annual management fees, payable quarterly on terms established with each Client. The negotiable annual fee for advisory services ranges between 1% and 2% of assets under management with such Client. Fees are calculated based on portfolio valuations conducted by Seavest Capital Partners or the Client’s custodian, as agreed upon with the Client.

The fees are collected from each Client in advance of each applicable quarter. In the event that an advisory agreement is terminated, such Client would be credited with a pro rata portion of the management fee previously collected based upon the portion of the quarter that had not elapsed. The management fee is generally subject to waiver or reduction by Seavest Capital Partners in its sole discretion.

To the extent provided in the Advisory Agreements and the governing documents of each Client, Seavest Capital Partners will pay out of its management fees certain operating expenses, including expenses on account of rent, utilities, office supplies, office equipment, travel, entertainment, compensation of its employees, and other routine administrative expenses relating to the services and facilities provided by Seavest Capital Partners to its Clients.

Although Seavest Capital Partners does not generally utilize the services of broker-dealers for transaction related services, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Client, such Client will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

#### *Other Fees and Expenses*

Seavest Capital Partners and its affiliates will typically perform transaction-related services, and other ancillary services (“Related Services”) for, and will receive fees from, Clients. The fee charged to Clients for any Related Service is negotiated in advance with each Client prior to the delivery such service. Related Services fees are typically in the form of a fixed cost on a project or service basis.

Seavest Capital Partners fee schedules reflect only the advisory fees payable to Seavest Capital Partners. Other fees and expenses, payable to other parties associated with Client investments, including, but not limited to, custodian fees, brokerage commissions, transaction fees, transfer other taxes, exchange fees, regulatory fees and fees for professional services such as audit, tax and legal services. These other fees are solely the responsibility of each Client. Seavest Capital Partners does not receive any portion of these other fees and expenses.

### **Item 6. Performance-Based Fees and Side-By-Side Management**

Item 6 is not applicable to Seavest Capital Partners.

### **Item 7. Types of Clients**

Seavest Capital Partners provides non-discretionary investment advisory services to high net-worth individuals and pooled investment vehicles.

Seavest Capital Partners does not require a minimum dollar amount for advisory services Clients; however, Seavest Capital Partners has the right, at its sole determination, to terminate a Client if the Client’s portfolio becomes too small to effectively advise.

### **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

#### **Methods of Analysis and Investment Strategies**

Prior to advising a Client with respect to an investment, Seavest Capital Partners carries out an extensive fundamental analysis of a target investment’s position and prospects. Understanding the market, the sustainability of the business, and the competitive environment is an integral element to Seavest Capital Partners’ investment approach.

The dimensions of such due diligence analysis include the following:

*Management.* Seavest Capital Partners evaluates members of the management team, including previous work history, educational background, and current business execution.

*Market Definition.* Market definition delineates the boundaries where competitive advantage can be established and sustained. Market definition is based on the business's economics, overlap with other businesses, and the dynamics of customer behavior.

*Market Segmentation.* Within a defined market, market segments present vulnerabilities as well as opportunities.

*Customer Value Proposition.* Determining the true value that a company's product or service creates for its customers.

*Competitive Position.* A thorough analysis of each competitor's market and segment shares, technology, management, financial capability, cost position and implicit future strategy.

*Financial Position and Prospects.* Evaluation of the allocation of capital to various functional areas of each potential investment.

*Intellectual Property, Regulatory, Tax, Legal, Accounting.* Seavest Capital Partners and an experienced team of outside professionals, as needed, perform a full review of intellectual property, regulatory, tax, legal, and accounting contingencies prior to making an investment.

*Exit Analysis.* Prior to making an investment, Seavest Capital Partners fully explores the alternative options for future liquidity. Businesses with few liquidity alternatives are more heavily discounted than those with more options.

### **Material Risks**

Investing in securities involves a substantial degree of risk. The investments of a Client may lose all or a substantial portion of its investment value, and Clients must be prepared to bear the risk of loss of their investments therein.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by Clients in connection with those strategies and methods, include the following:

#### *Nature of Investments*

The securities in which the Clients invest may be among the most junior in a company's capital structure, and thus subject to the greatest risk of loss. Investments may be in minority positions in companies, without power individually to exert significant control over such portfolio companies' boards of directors and management. Companies may also be at a relatively early stage of development, thus entailing significant operating risk.

#### *Financial Market Fluctuations*

General fluctuations in the market prices of securities and economic conditions generally may affect the value of the investments held by Clients. Instability in the securities markets and economic conditions generally may also increase the risks inherent in investments. There can be no assurance that the market will, in the future, become more liquid than it is at present and

it may well continue to be volatile for the foreseeable future. Clients may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market.

### *Illiquidity of Investments*

Investments held by Clients may consist of securities that are subject to restrictions on sale under U.S. securities laws. Generally, a Seavest Capital Partners Client will not be able to sell these securities publicly in the United States without the expense and time required to register the securities under the Securities Act of 1933, as amended (the "Securities Act") or will be able to sell the securities only under Rule 144 or other rules under the Securities Act that permit only limited sales under specified conditions. When restricted securities are sold to the public, the applicable Client may be deemed an "underwriter," or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under that Act. The sale of investments may be subject to restrictions imposed by the applicable securities laws of the countries in which a Client invests or in which it wishes to publicly list securities, if applicable. In addition, practical limitations may inhibit a Client in its ability to liquidate certain of its investments in the portfolio companies since the issuer will be privately held and the Client may own a relatively large percentage of the issuer's equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The limitations on liquidity of an investment held by a Client could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

### *General Risks Associated with Non-U.S. Investments*

Investment in foreign issuers or securities principally traded overseas may involve certain special risks due to foreign economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of taxes on dividends, interest payments, or capital gains, the need for approval by government or other authorities to make investments, and possible difficulty in obtaining and enforcing judgments against foreign entities. Furthermore, issuers of foreign securities are subject to different, often less comprehensive accounting reporting and disclosure requirements than domestic issuers. The securities of some foreign governments and companies and foreign securities markets are less liquid and at times more volatile than comparable U.S. securities and securities markets. Foreign brokerage commissions and other fees are also generally higher than in the United States. There is also special tax considerations which apply to investments in securities of foreign issuers and securities principally traded overseas. Moreover, the expenses normally associated with foreign investments often exceed those associated with domestic investments.

## **Item 9. Disciplinary Information**

No material items exist as of this time.

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

## **Affiliated Entities**

- Seavest Family Office, LLC is an affiliate of Seavest Capital Partners and is an investment advisory firm that provides investment advice to estate-planning vehicles, separate accounts and other entities related to a single high net-worth family. Seavest Capital Partners and Seavest Family Office each provide investment advisory services to such family. All private equity related investments of the family are sourced, secured, managed, and sold by Seavest Capital Partners.
- Seavest Healthcare Properties, LLC is an affiliate of Seavest Capital Partners and is a real estate investment manager. Seavest Capital Partners Clients also invest with Seavest Healthcare Properties, LLC. Seavest Capital Partners does not advise these Clients with respect to such real estate investments.
- Seavest Inc. is an affiliate of Seavest Capital Partners and serves as the non-member manager to our Clients that are pooled investment vehicles.
- Seavest Investor Services, Inc. is an affiliate of Seavest Capital Partners and provides back-office administrative services to Seavest Capital Partners, Seavest Family Office, LLC and Seavest Healthcare Properties, LLC. Seavest Investor Services may also provide accounting, tax preparation, bill paying and other support services to one or more of Seavest Capital Partner Clients for an additional fee that is paid directly to Seavest Investor Services from such Client(s).

## **Sources of Conflicts of Interest**

The material conflicts of interest encountered by a Seavest Capital Partner Client include those discussed below, although the discussion below does not describe all of the conflicts that may be faced by Clients. Other conflicts may be disclosed throughout this document and the document should be read in its entirety for other conflicts.

### *Conflicts Relating to Seavest Capital Partner Clients and Seavest Capital Partners*

One of the principals of Seavest Capital Partners also serves as attorney-in-fact for one or more Clients, and as such, makes the investment decisions on behalf of such Clients. Because Seavest Capital Partners' management fee is based on the value of Clients' assets, the principal could have an incentive to approve more speculative investments on behalf of a Client than it would otherwise make in the absence of such a fee. Such conflict is mitigated by the fact that the principal also has a significant investment in the Clients.

It is expected that the officers and employees of Seavest Capital Partners responsible for managing a particular Client will have responsibilities with respect to other Clients, including accounts that may be obtained in the future. Conflicts of interest may arise in allocating time, services, or functions of these officers and employees.

Seavest Capital Partners receives fees in connection with its performance of Related Services. Seavest Capital Partners will determine the amount of these fees for Related Services in its own discretion, subject to agreements with sellers, buyers and management teams, the boards of directors of, or lenders to, portfolio companies, and/or third-party co-investors in its



transactions. Seavest Capital Partners is not required by the Advisory Agreements of Clients to share information regarding the amounts of these fees, although such fees will be disclosed to the extent required. Although Seavest Capital Partners receives these fees from actual or prospective portfolio companies of Clients, the opportunity to earn these fees creates a conflict of interest between Seavest Capital Partners and Clients because the amounts of such fees may be substantial, the Clients do not have an interest in Seavest Capital Partners.

#### *Conflicts Relating to the Purchase and Sale of Investments*

The officers and employees of Seavest Capital Partners and its affiliates, and certain related persons, may invest in other transactions in which a Seavest Capital Partners Client participates on the basis described in the Seavest Capital Partners Clients' advisory services governing documents. In addition, other Clients may invest in assets eligible for purchase by a Seavest Capital Partners Client. The investment policies, fee arrangements, investments owned by employees of Seavest Capital Partners or the other Affiliated Advisers with respect to a Client, and other circumstances of a Client, may vary from those with respect to other Clients. These relationships may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Seavest Capital Partners Client.

The following factors alleviate, but do not eliminate, conflicts of interest between a Client and Seavest Capital Partners:

- Each Client maintains ultimate investment authority with respect to its investments.
- Many conflicts of interest will generally be resolved by set procedures contained in the applicable advisory agreement and the governing documents of Seavest Capital Partners.
- Seavest Capital Partners may retain a third party to help resolve conflicts such as fairness of a purchase or sale price of an investment.

Please contact the Seavest Capital Partners' Compliance Department with any additional questions or concerns.

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

#### **Code of Ethics**

Seavest Capital Partners has adopted a Code of Ethics (the "Code") for its employees. The Code describes expected employees' standard of conduct and fiduciary duties, and limits personal trading by its employees and their immediate family/household members in a wide range of securities. Employees must report every account that they or their immediate family/household member uses for trading securities covered by the policy and, if they directly or indirectly influence or control trading in the account, they must generally pre-clear covered securities transactions and have copies of trade confirmations and periodic account statements sent by their broker to the Compliance Department. Controlled trading by employees and their

immediate family/household members is prohibited in a wide range of securities that appear on restricted lists and confidential watch lists, and additional steps are taken to ensure that employees and their immediate family/household members are not permitted to trade for their personal account in securities selected for Clients and to ensure employees do not engage in “front-running” of Clients’ investment opportunities. A detailed summary of Code is available to investors and prospective investors during the investment due diligence process. A copy of the Code may be obtained by Seavest Capital Partners’ Compliance Department.

Existing clients may obtain a copy of the Code upon written request to: Seavest Capital Partners, LLC, 707 Westchester Avenue, Suite 401, White Plains, NY, 10604. Attn: Compliance Department.

### **Related Person Investment**

Related persons to Seavest Capital Partners may investment in securities recommended to Clients in circumstances approved by the Chief Compliance Officer. Allocations in investments are only made available to related persons in the event that there is excess capacity in an investment after all Client investment requests have been fulfilled.

It is the policy of Seavest Capital Partners to limit the number of principal transactions that a Client enters into. In the event that a Client enters into a principal transaction, it will only do so with the approval of the Chief Compliance Officers and in accordance with all of the requirements of the Advisors Act.

It is the policy of Seavest Capital Partners to not engage in any agency cross-trading transactions.

## **Item 12. Brokerage Practices**

### **Selection of Brokers and Dealers**

Although Seavest Capital Partners does not generally utilize the services of broker-dealers for transaction related services, in the event that it chooses to use a broker-dealer for limited purposes, Seavest Capital Partners seeks to obtain best execution of transactions. In doing so, Seavest Capital Partners seeks to execute securities transactions for the Clients in such a manner that the Clients’ total costs or proceeds in each transaction are the most favorable under the circumstances. In assessing whether that standard is met, Seavest Capital Partners shall consider the full range and quality of a counterparty’s services when placing orders, including, among other things, execution capability, commission rate or spread, financial responsibility, responsiveness and the value of any research services provided. Seavest Capital Partners’ Compliance Department monitors and reviews order allocations on an ongoing basis. Any suspicious allocation activities shall be investigated promptly. Seavest Capital Partners’ Chief Operating Officer, in consultation with its investment team, executes trades. As noted above, Seavest Capital Partners rarely conducts trades in public markets.

Seavest Capital Partners does not participate in any soft-dollar arrangements.

### **Trade Aggregation**

Although Seavest Capital Partners does not generally utilize the services of broker-dealers, in the event it chooses to use a broker-dealer, Seavest Capital Partners will aggregate such orders as it deems appropriate and in accordance with each Client's advisory agreements and in the best interest of each Client.

### **Item 13. Review of Accounts**

#### **Oversight and Monitoring**

Seavest Capital Partners closely monitors the investments of each Client and generally maintains an ongoing oversight position in any portfolio investments. The portfolios of Clients are reviewed by a team of investment professionals on a continuous basis. The team generally includes management and other investment professionals of Seavest Capital Partners.

#### **Reporting**

Seavest Capital Partners reports to Clients on a quarterly basis utilizing a net worth based on a market valuation calculation of all investments. These reports are distributed to Clients within 90 to 120 days of the end of each reporting period. Seavest Capital Partners also distributes to its Clients an annual report which lists all investments as well as costs and fair value of each investment.

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

Seavest Capital Partners does not pay a third party for client referrals and does not receive economic benefit from any other person for providing investment advice or any other advisory services to its clients.

### **Item 15. Custody**

Client assets are maintained with qualified custodians, who send quarterly account statements to each Client. Seavest Capital Partners also sends quarterly account statements, and such investors and owners should compare the account statement received from the custodian to the account statements distributed by Seavest Capital Partners.

### **Item 16. Investment Discretion**

Seavest Capital Partners provides non-discretionary investment advisory services to each Client pursuant to an Advisory Agreement.

### **Item 17. Voting Client Securities**

Seavest Capital Partners are not able to direct the vote of their Clients. Each Client votes proxies or similar corporate actions taking into account such factors as it deems relevant in its sole discretion.

**Item 18. Financial Information**

Item 18 is not applicable to Seavest Capital Partners.