

**Item 1 Cover Page**

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**This brochure provides information about the qualifications and business practices of Forstmann Little & Co. If you have any questions about the contents of this brochure, please contact us at 212-355-5656. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as a registered investment advisor does not imply a certain level of skill or training.**

**Additional information about Forstmann Little & Co. also is available on the SEC's website at <http://www.adviserinfo.sec.gov>.**

## **Item 2 Material Changes**

The enactment of the Dodd-Frank Act in 2011 requires certain investment advisors of private equity funds that were previously exempt from registration under the Investment Advisers Act of 1940 to become registered. Forstmann Little & Co. is one of these advisors who were previously exempt from such registration, but now must register because of the amount of private equity fund assets it manages.

The material changes discussed above are only those changes that have been made to this brochure since the firm's last annual update of the brochure. The date of the last annual update of the brochure was September 24, 2012.

### Item 3 Table of Contents

#### Brochure

Item 2 Material Changes .....	ii
Item 3 Table of Contents .....	iii
Item 4 Advisory Business.....	1
Item 5 Fees and Compensation .....	1
Item 6 Performance-Based Fees and Side-by-Side Management .....	1
Item 7 Types of Clients .....	2
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss .....	2
Item 9 Disciplinary Information.....	3
Item 10 Other Financial Industry Activities and Affiliations.....	4
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	4
Item 12 Brokerage Practices.....	4
Item 13 Review of Accounts .....	5
Item 14 Client Referrals and Other Compensation .....	5
Item 15 Custody .....	5
Item 16 Investment Discretion .....	5
Item 17 Voting Client Securities .....	5
Item 18 Financial Information.....	6

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

Forstmann Little & Co. (“Forstmann Little” or the “Advisor”) is an investment advisor firm to private equity funds and has a registration pending with the Securities Exchange Commission (“SEC”).

The principal owner of Forstmann Little is Winston Hutchins, General Partner.

##### Advisory Services

Forstmann Little’s principal service is providing fee-based investment advisory services to private equity funds, specializing in leveraged buyouts, through two special purpose vehicles under the control of Forstmann Little (FLC XXXII Partnership, L.P., and FLC XXXIII Partnership, L.P.)

Forstmann Little does not tailor its advisory services to its client’s individual needs and does not allow clients to place restrictions on investing. Rather, Forstmann Little implements the investment strategy defined for each fund in the partnership agreements.

Forstmann Little does not provide portfolio management services to wrap fee programs.

As of December 31, 2011, Forstmann Little managed \$1.9 billion on a discretionary basis for its private equity fund clients.

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

##### Asset Management Fees

Pursuant to the partnership agreement, the limited partnerships will pay Forstmann Little a 0.50% per annum management fee, in advance, either quarterly or semi-annually, depending on the agreement with the private fund client. The fee is based on the portfolio assets managed by the Advisor as of the opening of business on the first business day of each quarter.

These fees may be negotiated at the sole discretion of Forstmann Little. The private fund clients will be invoiced for the management fee by Forstmann Little.

Forstmann Little’s management fee is payable in advance.

Neither Forstmann Little nor its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Forstmann Little’s clients are private funds that meet the definition of qualified clients, in accordance with Rule 205-3 of the Investment Adviser’s Act. Such clients may enter into advisory agreements where Forstmann Little is entitled to a performance fee as part or all of its compensation. Qualified clients must meet the following requirements: (a) have at least \$1 million in assets under management with the adviser; or (b) have a net worth of at least \$2

million in order to enter into performance based compensation agreements with Forstmann Little. Suitability will be determined through due diligence inquiries determined to be appropriate in the circumstances by Forstmann Little. Forstmann Little, at its sole discretion, may reject any client application where the above financial standards are not met and/or where it reasonably believes the investor lacks the necessary financial sophistication, who purport to not fully understand Forstmann Little's method of compensation and the nature of its risks, or who are otherwise deemed to be unsuitable for such an arrangement.

For certain funds, the firm receives a performance fee, or "carried interest", in addition to the Management Fee based upon any gains obtained on each investment in the fund portfolio. This carried interest is equal to 20% of any gains realized on the liquidity event of each portfolio investment. Carried interest is paid to the Advisor when the portfolio investment is liquidated or partially sold.

A conflict of interest concerning accounts with performance-based fees is that the advisor is incented to use higher risk investments than called for by the client risk profile. Such investments may generate higher returns, which in turn would generate higher performance-based fees for the advisor. Forstmann Little has a fiduciary obligation to its clients to put the interest of their clients first over and above the interest of the firm and its supervised persons. In addition, Forstmann Little attempts to further mitigate this conflict by maintaining suitability and employing trading policies and procedures designed to assist the advisor in further meeting its fiduciary obligations to adhere to the partnership agreement.

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

The Advisor only offers its services to private equity funds.

The Advisor does not have a minimum account requirement.

The Advisor requires that their clients and the investors in those Funds be qualified clients by investing either \$1 million in the Fund or that they have a net worth of at least \$2 million. In addition, the minimum investment for the Funds is \$50 million for institutions, and less for individuals.

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

The Advisor may utilize fundamental analysis techniques in formulating investment advice or managing assets for clients.

Fundamental analysis of businesses involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives; to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk.

The investment strategies the Advisor will implement consist of long-term purchases of securities held at least for one year.

Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals.

Investing includes the risk that the value of an investment can be negatively affected by factors specifically related to the investment (e.g., capability of management, competition, new inventions by other companies, lawsuits against the company, labor issues, patent expiration, etc.), or to factors related to investing and the markets in general (e.g., the economy, wars, civil unrest or terrorism around the world, concern about oil prices or unemployment, etc.). Clients need to be aware that investing in securities involves risk of loss of some or all of their investment that clients need to be prepared to bear.

Risks of fundamental analysis may include risks that market actions, natural disasters, government actions, world political events or other events not directly related to the price or valuation of a specific company's fundamental analysis can adversely impact the stock price of a company causing a portfolio containing that security to lose value. Risks may also include that the historical data and projections on which the fundamental analysis is performed may not continue to be relevant to the operations of a company going forward, or that management changes or the business direction of management of the company may not permit the company to continue to produce metrics that are consistent with the prior company data utilized in the fundamental analysis, which may negatively affect the Advisor's estimate of the valuation of the company.

The Advisor does not primarily recommend a particular type of security. However, clients are advised that many unexpected broad environmental factors can negatively impact the value of portfolio securities causing the loss of some or all of the investment, including changes in interest rates, political events, natural disasters, and acts of war or terrorism. Further, factors relevant to specific securities may have negative affects on their value, such as competition or government regulation. Also, the factors for which the company was selected for inclusion in a client portfolio may change, for example, due to changes in management, new product introductions, or lawsuits.

### **Item 9 Disciplinary Information**

Neither Forstmann Little nor its management persons have had any legal or disciplinary events, currently or in the past.

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

Neither Forstmann Little nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Forstmann Little nor any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Forstmann Little does not currently have any relationships or arrangements that are material to its advisory business or clients with either a broker-dealer, municipal securities dealer, or government securities dealer or broker, investment company, other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer or sponsor of syndicator of limited partnerships.

Forstmann Little does not recommend or select other investment advisers for clients.

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

Forstmann Little is registering with the SEC and maintains a Code of Ethics pursuant to SEC rule 204A-1. Forstmann Little has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of Forstmann Little deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Forstmann Little are conducted in a manner that avoids any conflict of interest between such persons and clients of the adviser or its affiliates. Forstmann Little collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. Forstmann Little will provide a copy of the Code of Ethics to any client or prospective client upon request.

Forstmann Little requires that its investment advisory representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

## **Item 12 Brokerage Practices**

Forstmann Little does not select or recommend broker-dealers for client transactions.

Forstmann Little does not receive research or other products or services other than execution from a broker-dealer or third party as a result of client securities transactions.

Forstmann Little does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

Forstmann Little does not recommend, request or require that a client direct it to execute transactions through a specified broker-dealer.

Forstmann Little does not permit clients to direct brokerage.

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

Investment advisory client accounts are monitored on an ongoing basis. Client accounts are reviewed by Winston Hutchins, General Partner.

The client will receive written statements no less than quarterly from the custodian and the Advisor.

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

Forstmann Little is not compensated by anyone for providing investment advice or other advisory services except as previously disclosed in this Brochure.

Forstmann Little does not directly or indirectly compensate any person who is not a supervised person for client referrals.

### **Item 15 Custody**

As General Partner of the private equity funds, Forstmann Little has custody of client funds and securities in that it has physical access to client funds and securities and the control to invest in or divest from portfolio investments, and pay the fees and expenses incurred by the funds.

### **Item 16 Investment Discretion**

Forstmann Little has sole discretion over the selection of investments to be bought or sold without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Forstmann Little.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of a partnership agreement containing all applicable limitations to such authority.

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

Forstmann Little has adopted and implemented written Proxy Voting Policies and Procedures ("Proxy Voting Procedures") designed to reasonably ensure that Forstmann Little votes proxies in the best interest of its clients where the adviser has voting authority.



The Proxy Voting Procedures describes how Forstmann Little addresses voting authority, material conflicts of interest, voting decisions, notification to the client, and books and records requirements, and ensures that proxies are voting in the best interest of its clients.

Forstmann Little acknowledges and agrees that it has a fiduciary obligation to its clients to ensure that any proxies for which it has voting authority are voted solely in the best interests and for the exclusive benefit of its clients. The Proxy Voting Procedures are intended to guide Forstmann Little and its personnel in ensuring that proxies are voted in such manner without limiting Forstmann Little or its personnel in specific situations to vote in a predetermined manner. These policies are designed to assist Forstmann Little in identifying and resolving any conflicts of interest it may have in voting client proxies.

### **Item 18 Financial Information**

Forstmann Little does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and is not required to file a balance sheet.

Forstmann Little is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If Forstmann Little does become aware of any such financial condition, this brochure will be updated and clients will be notified.

Forstmann Little has never been subject to a bankruptcy petition.