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**Item 1 – Cover Page**

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**Part 2A of Form ADV  
Brochure for:**

**Content Partners LLC**

**10877 Wilshire Blvd., Suite 1404  
Los Angeles, California 90024  
(310) 208-7300**

**October 4, 2012**

**This brochure provides information about the qualifications and business practices of Content Partners LLC. If you have any questions about the contents of this brochure, please contact us at 310-208-7300. 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 of an Investment Adviser does not imply any certain level of skill or training.**

**Additional information about Content Partners LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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## **Item 2 – Material Changes**

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This brochure was prepared for Content Partners LLC's initial registration with the Securities and Exchange Commission. There have been no amendments and no material changes.

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**Item 3 – Table of Contents**

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## Item 4 – Advisory Business

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Content Partners LLC, a Delaware limited liability company ("Content Partners"), together with Content Partners GP, LLC, a Delaware limited liability company (the "General Partner") sponsor and manage Content Partners Fund 2, LP (the "Fund"), a Delaware limited partnership. Content Partners GP is owned by Steven E. Blume and MAX MMC, Inc., which is controlled by Steven H. Kram (Mr. Blume and Mr. Kram are together referred to as the "Principals"), for whom information can be found in ADV Part 2B brochure supplements. Content Partners also serves as the investment manager to a separately managed account.

Content Partners advises its clients primarily in seeking long-term capital appreciation through investments in passive revenue interests and participation interests (collectively, "Participations") in feature films and television series.

Content Partners was formed in October 2005. However, the Principals have more than 50 years combined experience in the entertainment industry, including financing, producing and distributing Film and Television Series, talent representation and business affairs. As a result of these many years of high-level involvement in the entertainment industry, the Principals have developed a network of relationships that Content Partners believes will serve as the foundation of the Fund's deal flow. In addition, these many years of experience in the entertainment industry positions the Principals with the necessary expertise to meet the unique challenges of valuing Participations in entertainment properties.

Content Partners does not tailor its advisory services to individual clients or participate in wrap fee programs.

As of September 19, 2012, Content Partners had \$234,000,000 in assets under management.

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## Item 5 – Fees and Compensation

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### Management Fee

The Fund pays a management fee (the "Management Fee") to Content Partners quarterly in advance during the term of the Fund, starting on the Initial Closing Date. With the exception of one Limited Partner, the Management Fee is equal to (A) 1.5 % per annum of the total capital commitments of the Limited Partners until the earlier of (1) March 9, 2014, (2) the termination of the Fund Commitment Period, and (3) the date on which Management Fees accrue under a successor fund, and (B) 1.25% of the net funded capital of the Limited Partners thereafter until the termination of the Fund.

For the remaining Limited Partner, the annual Management Fee payable to Content Partners beginning on the initial closing date for investment in the Fund and continuing throughout the term of the Fund shall be an aggregate amount equal to the sum of the following:

(i) 1% of the net funded capital attributable to certain assets initially acquired by the Fund and held in a subsidiary of the Fund (the "SPV1 Investment"), multiplied by a fraction, the numerator of which is such limited partner's allocated

portion of the capital attributable to the SPV1 Investment and the denominator of which is the total allocation of such net funded capital for all partners, and

(ii) 1.5% per annum of (x) the total capital commitments of the Limited Partners (excluding capital commitments of the Limited Partners attributable to the SPV1 Investment) until the earlier of (1) March 9, 2014, (2) the termination of the three year period commencing on the final closing date for an investment in the Fund, and (3) the date as of which management fees accrue under any successor fund, and (y) the net funded capital of the Limited Partners (excluding net funded capital of the Limited Partners attributable to the SPV1 Investment) thereafter through the termination of the Fund.

Please see the Fund's Private Placement Memorandum for a full description of the Management Fee and its associated terms and conditions.

### **Performance Compensation**

Content Partners does not receive a performance fee from the Fund.

The General Partner is entitled to receive from the Fund a performance fee equal to 65% of net cash flow apportioned to all Limited Partners except for one Limited Partner with respect to all assets of the Fund after payment to all such Limited Partners of (1) certain taxes paid or incurred by such Limited Partners, (2) an aggregate amount equal to the funded commitments of all such Limited Partners, and (3) cumulative preferred return equal to 10% (compounded annually) of such Limited Partners' funded commitments. After such Limited Partners have received such amounts and the General Partner has received cumulative distributions equal to 20% of the sum of all amounts distributed to such Limited Partners, in respect of the above described 10% preferred return, the General Partner receives 20% of the Fund's net cash flow and such Limited Partners receive 80% of such net cash flow.

In the case of the remaining Limited Partner of the Fund:

(1) With respect to the profits generated by the SPV1 Investments ("SPV1 Cash Flow"), the General Partner will be entitled to receive 20% of such SPV1 Cash Flow after payment to this Limited Partners of an aggregate amount equal to (a) such Limited Partner's allocated SPV1 Investment funded commitments, plus (b) a 15% non-compounded annual preferred return on the unreturned portion of such Limited Partner's allocated SPV1 Investment funded commitments

(2) With respect to cash flow s generated by Investments of the Fund other than the SPV1 Investment (The "Non-SPV1 Cash Flow"), the General Partner will be entitled to receive 100% of the Non-SPV1 Cash Flow allocated to this Limited Partner, after payment to this Limited Partner of an aggregate amount equal to (a) 100% of such Limited Partner's allocated Non-SPV1 Investment funded commitments, plus (b) a compounded annual preferred return of 8% on the unreturned portion of such Limited Partner's allocated Non-SPV1 Investment funded commitment until the General Partner has received 20% of Non-SPV1 Cash Flow distributed to such Limited Partner in respect of the above-described 8% preferred return pursuant to the foregoing provisions, following which the General Partner shall receive 20% of Non-SPV1 Cash Flow.

For a more detailed description, see the Fund's Private Placement Memorandum.

Content Partners, in its sole discretion, may agree with certain Limited Partners to a variation of certain of the terms set forth in the Fund's Private Placement Memorandum

including, but not limited to, the Management Fee and the profits allocation payable to Content Partners.

### **Expenses**

The Fund bears all of their respective ongoing operating costs. These include, among other things, interest on margin and other borrowings; custodial fees; bookkeeping, accounting and audit fees and expenses; legal fees (including fees paid to Content Partners' counsel for services for the benefit of the Fund); expenses incurred by Content Partners for investment research and due diligence; tax preparation fees; other professional fees; governmental fees and taxes; other expenses incurred by Content Partners in connection with investment activities; costs of reporting to investors; cost of governing activities (such as obtaining investor consents); fees of a third-party administrator; and all other reasonable expenses related to the management and operation of the Fund or the purchase, sale, monitoring and collection of amounts payable with respect to Fund assets, all as Content Partners determines in its sole discretion.

Content Partners may, in its discretion, bear all or a portion of the Fund's operating expenses, either directly or through a waiver of a portion of fees to which it would otherwise be entitled.

Content Partners may, out of its own assets or revenues, make payments to persons or entities that provide various investor relations and related services to Content Partners, the Fund, including the introduction of investors to the Fund.

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

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Please see Item 5 for a discussion of Content Partners' and the General Partner's performance compensation structure.

As discussed under "Fees and Compensation," the General Partner has the right to receive compensation based on the performance of the Fund.

The performance compensation provisions could, in certain circumstances, create an incentive for Content Partners to make client investments that are riskier or more speculative than would be the case in the absence of compensation based on performance of the client's portfolio.

Differences in the firm's compensation arrangements with its clients and/or Fund investors, particularly because some clients or Fund investors pay performance-based compensation and others may not, could create incentives for the firm to manage client portfolios so as to favor those portfolios of clients paying performance-based compensation, as could Content Partners' ownership interest (e.g., as the general partner or limited partner) in some client accounts. Notwithstanding these potential conflicts, and pursuant to the Fund's organizational documents, each of the Fund's investors will share in all transactions and opportunities of the Fund on a pro-rata basis based upon the capital commitments made to the Fund, except in certain limited circumstances. Therefore, currently Content Partners does not face any conflicts of interest associated with differing fee arrangements among the Fund investors. It may, however, advise additional funds or clients in the future. If and when it does, its compensation arrangements with the Fund may differ from that of the other clients. As a result of such differences in compensation arrangements, Content Partners may, at that

time, face a conflict of interest in managing the Fund on the one hand, and the investments of such additional funds or clients. Content Partners will address any such conflict of interest at that time.

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## **Item 7 – Types of Clients**

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Content Partners provides investment advisory services to one pooled investment vehicle and a separately managed account as described in Item 4 above.

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

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Content Partners advises its clients primarily on the acquisition of Participations in theatrical-length motion pictures and television series. Current and future motion picture Participations will be primarily in theatrically released films that are, in most cases, cash flow positive to the Participation holder. Television Participation investments will in most cases involve television series that have had 65 or more episodes produced and have enjoyed demonstrable ratings success. All of the film and television properties in which the Fund has a Participation investment will be distributed by a major or mini-major studio or certain other approved distributors. In addition to Participations in film and television series, the Fund may, in the future, acquire interests in senior debt, mezzanine and equity financings that are secured or otherwise supported by film or television series Participations. Subject to approval by the Fund's advisory committee, the Fund may also invest in Participations in other types of entertainment revenue sources, including music.

### **Market Themes**

Participations represent an interest in the adjusted gross or net revenues generated from the exploitation of Film and Television Series properties. Participations are accounted for and paid by the studios, networks or, in some cases, by distributors who have secured the rights to exploit the properties. The film and television industry has evolved over the years such that there can be numerous participants in the economics of each Film or Television Series property. Participations in the revenues of a Film or Television Series are typically individually crafted so as to be tailored to the services rendered or the financial contributions of the individuals and/or investors involved in the production and finance of the underlying Film or Television Series property. Generally, holders of Participations fall into two categories: (1) service participants and (2) financial participants.

### **Service Participants.**

Service participants include writers, producers, directors, actors and other individuals who receive Participations for services performed in connection with the production of film and television properties. Generally, Participations take the form of a contractual right granted to the participant entitling the participant to share in the revenues generated by the Film or Television Series for which they rendered services. Participations may be in the net profits received by the distributor after payment of the distributor's distributor fee and recoupment of production, distribution and other distributor costs and expenses, or in the gross revenues received from distribution and other exploitation of the property after recoupment of specified costs and expenses. The variations and permutations on the rights accorded to participants is complex and extensive and substantial expertise is required to analyze the potential revenues that are likely to be received under a specific Participation.

It is the nature of the film and television industry that service participants can find themselves “deal rich, but cash poor.” Participations in revenues from Film and Television Series properties are paid over a period of many years and can vary in amount from year to year. This lack of current liquidity can be further complicated for service participants because in some cases Participation revenues for a particular property may be difficult to forecast until accountings for a previous year's revenues are completed. This uncertainty makes managing service participants' personal finances difficult and borrowing against the Participations challenging. Service participants in need of liquidity or who desire a greater degree of certainty with respect to future earnings have limited options. Conventional lenders typically lack the expertise to value these types of assets and are frequently unwilling to lend against Participations relating to a single entertainment property. Further, studios and networks, which have historically been willing to consider buying back Participations (often at significant discounts), may at any given time be reluctant to deploy their capital for this purpose. Content Partners believes that this lack of liquidity options for service participants creates a market opportunity for the Fund.

**Financial Participants.**

Financial participants include financial investors, banks, private equity investors, hedge funds and other investors and financing sources who have obtained interests in Films or Participations through co-financing the production and/or exploitation of entertainment properties. In some cases, the financial investor has acquired an undivided copyright interest in the Film or Television Series financed, and in other cases a contractual right to receive a defined share of the revenues generated by a film or slate of films. The interest held by the financial investor is generally passive (i.e., the investor plays no role in production or distribution of the Film or Television Series), although investment agreements may specify budget and other restrictions or specifications with respect to the properties financed. As has always been the case with the film and television industries, studios and production companies are continually pursuing additional sources of capital and financing. As the breadth of financing sources has expanded, the varieties of interests in revenue of entertainment properties have also expanded. Financial participants now include hedge funds and private equity investors, insurance companies, institutional investors, sovereign and private wealth investors and other financial institutions. Each financial participant has its own targeted returns and investment horizons and portfolio diversification requirements. The structure and formulation of Financial Participations often varies dramatically from one entertainment property to another and one studio to another. Participation structures and formulations may even differ among participants in the same entertainment property. As a result, there exists no standard formulation and this lack of standardization creates an obstacle for investors who desire to evaluate current values for these economic relationships. This, in turn, has created an opportunity for Content Partners to capitalize on the Principals' extensive experience in the entertainment industry to value these interests. Through the years, the Principals have negotiated and/or reviewed numerous and varied studio and network accountings and so-called “ultimates” (i.e. the aggregate projected revenues and costs for particular properties from all sources as computed by a studio distributor) projections and have analyzed and collected data with respect to hundreds of Films and dozens of Television Series, in the process, developing a database of statistics to provide the basis for future valuations. In addition, the Principals have broad experience in the negotiation of talent deals, production and distribution contracts, as well as the pursuit and settlement of audit claims.



## **Risks**

Investing in the Fund and in Participations involves a risk of loss that investors should be prepared to bear. The following are some of the risks associated with an investment in the Fund. For a complete description of risks, please see the Fund's Private Placement Memorandum.

### **Investment Risks**

**Investment Judgment; Market Risk.** The profitability of investing in a Participation depends to a great extent upon correctly assessing the future net cash flow that the client expects to receive from a Participation. There can be no assurance that Content Partners will be able to predict accurately these cash flows.

**Forward-Looking Returns.** The return goals for the Fund are dependent, among other things, on building a portfolio of investments in Participations and other investments and on numerous investment-specific assumptions that may not be consistent with future market conditions that may significantly negatively affect actual investment results. These assumptions may involve a significant element of subjective judgment and may be adversely affected by post-investment changes in market conditions. There can be no assurance the investment return goals will be achieved.

**Concentration of Investments.** Because as much as 20% of available capital of the Fund may be invested in a single film or television series, any single loss may have a significant adverse impact on the Fund's profitability. In addition, the Fund is not required to diversify by industry or region. Because of these factors, the Fund's portfolio may be subject to more rapid change in value than would be the case if the Fund were required to maintain a wider diversification among types of properties, securities and other instruments, countries and industries.

**Intellectual Property Infringement Claims.** There can be no assurance that infringement or misappropriation claims will not be asserted or prosecuted with respect to films, television or music in which the Fund has acquired a Participation, or that any assertions or prosecutions will not materially adversely affect the Fund's revenue from such investment.

**Nature of Investments.** An investment in the Fund requires a long-term commitment, with no certainty of return. As with other types of instruments, film and television Participations and the other anticipated investments of the Fund involve the risk of loss in the case of default or insolvency of the party obligated to pay the Participation since most Participation obligations provide for recourse only to specific assets.

**Availability of and Ability to Acquire Suitable Investments.** The success of the Fund as a whole depends on the identification and availability of suitable investment opportunities. The availability of investment opportunities will be subject to market conditions and other factors outside the Fund's control. There can be no assurances that that Fund will be able to identify additional sufficient attractive investment opportunities to meet its investment objectives. However, Limited Partners will be required to pay annual management fees based on aggregate capital commitments during the commitment period (see the Fund's Private Placement Memorandum for more details).

While Content Partners believes that many attractive investments of the type in which the Fund intends to invest are currently available, there can be no assurance that available investments will meet the Fund's investment criteria. The Fund may compete for attractive investments with other public or private investment funds, corporations, financial institutions or wealthy individuals or groups, some or all of which may have more capital and resources than the Fund. These entities may invest in promising opportunities

before the Fund is able to do so or their competitive offers may drive up the prices of prospective investments, thereby potentially lowering returns.

**Success Primarily Dependent on Audience Acceptance of Films and Television.** The revenue derived from the distribution of a motion picture or television series depends primarily upon its acceptance by the public, which cannot be accurately predicted. The economic success of a motion picture or a television series also depends upon the public's acceptance of competing films or television series, the availability of alternative forms of entertainment and leisure-time activities, general economic conditions and other tangible and intangible factors, all of which can change and cannot be predicted with certainty.

The following are some of the additional risks associated with an investment in the Fund. For a complete description of risks, please see the Fund's Private Placement Memorandum.

#### **Fund Risks**

**Limited Operating History.** The Fund and the General Partner were both formed in March of 2011 and have limited operating and investing history. The past investment performance of the Principals or entities with which they have been associated should not be construed as an indication of the future results of an investment in the Fund. The Fund's investment program should be evaluated on the basis that there can be no assurance that Content Partners' assessments of the short-term or long-term prospects of Investments will prove accurate or that the Fund will achieve its investment objective.

**Reliance on Key Persons.** The Fund are substantially dependent on the services of the Principals. In the event of the death, disability, departure or insolvency of the Principals, or the complete transfer of the Principals' direct or indirect interests in Content Partners or the General Partner, the business of the Fund may be adversely affected. The Principals have generally agreed to devote such time and effort as they deem necessary for the management and administration of the Fund's business, and have agreed to devote substantially all of their business time to the management of the Fund for a period of four years from the earlier of (i) closing of the initial investment in the Fund and (ii) any removal of the General Partner, subject to certain rights to manage the investments of certain other funds and/or other investors.

**Asset Valuations.** In most cases, there is no readily available market for the Fund's investments and, hence, most of the Fund's investments will be difficult to value. However, Content Partners and the General Partner have agreed to cause an annual valuation to be made of the Fund's assets by a third-party valuation firm with expertise in valuing entertainment properties.

**Leverage on Investments.** The Fund's organizational documents do not permit the General Partner to incur indebtedness on behalf of the Fund, except that in connection with the disposition of a portfolio of investments, the General Partner may cause the Fund to enter into a liquidity transaction of the Fund's portfolio of investments which may be structured as a loan secured by those investments subject to a disposition, securitization, or any similar financial arrangement.

**Illiquidity of Investment; No Withdrawals.** An investment in the Fund will be a highly illiquid investment that may not be sold, assigned or hypothecated. There is currently no public market for the Interests and it is not anticipated that any market for the Interests will develop. In addition, the transferability of the Fund Interests is restricted by applicable securities laws and the terms of the Partnership Agreement, including provisions that no Limited Partner may assign its interest in the Fund (except by operation of law or to

certain affiliated entities of certain assigning investors) in whole or in part without the prior written consent of Content Partners, which may be withheld for any reason in its sole and absolute discretion. Unless otherwise determined by Content Partners, a Partner may not withdraw capital or seek a redemption of its Interest.

**Business and Regulatory Risks of Private Investment Funds.** Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund or. The regulatory environment for private equity funds is evolving, and changes in the regulation of private equity funds may adversely affect the value of investments held by the Fund and the ability of the Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategies. The SEC and other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The effect of any future regulatory change on the Fund or on Content Partners could be substantial and adverse.

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

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Content Partners or the integrity of Content Partners' management. Content Partners has no information applicable to this Item.

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

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Neither Content Partners nor any of Content Partners' principals are registered or have an application pending to register as:

- i. a broker-dealer or a registered representative of a broker-dealer; or
- ii. a futures commission merchant, commodities pool operator, a commodity-trading advisor, or an associated person of the foregoing entity

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

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Content Partners has adopted a Code of Ethics ("Code") that describes the standards of business conduct that it requires of employees and accounts owned predominantly by persons associated with Content Partners, and establishes procedures intended to prevent Content Partners, and its personnel and certain of their relatives, from inappropriately benefiting from Content Partners' relationships with its clients.

The Code provides that:

- i. Content Partners' clients' interests come before Content Partners' or employees' interests;
- ii. Content Partners must disclose to clients all material facts about conflicts of which it is aware between Content Partners' and its employees' interests on the one hand and clients' interests on the other;

- iii. Employees must operate on Content Partners' and their own behalf consistently with Content Partners' disclosures to and arrangements with clients regarding conflicts and its efforts to manage the impacts of those conflicts;
- iv. Content Partners and its employees must not take inappropriate advantage of Content Partners' clients or their positions of trust with or responsibility to clients; and
- v. Content Partners and its employees must comply with all applicable securities laws. The Code generally prohibits employees from trading in any securities held by client accounts and requires employees to report personal securities holdings on an annual basis.

Content Partners will provide a copy of its Code of Ethics to any client or prospective client upon request. Such a request may be made by submitting a written request to Content Partners at the address on the cover page to this brochure.

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### **Item 12 – Brokerage Practices**

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The Fund does not transact through a broker, so there is no information applicable to this item.

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### **Item 13 – Review of Accounts**

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The Fund's investments are fairly illiquid. However, the investments of these client's investments are reviewed periodically by Content Partners with respect to payments required to be paid by third-party obligors under the terms of Participations and other investments and the value of the overall portfolio of investments held by the Fund. In addition, an annual valuation of the Fund's investments is made by a third-party valuation firm experienced in valuing entertainment assets. The Principals do routinely seek attractive investment opportunities for the Fund.

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

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Content Partners does not compensate, or receive compensation from, anyone for client referrals.

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### **Item 15 – Custody**

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Content Partners' cash and securities are held at a qualified custodian. At the end of each Fiscal Year, each of Content Partners' funds has its financial statements examined and certified by an independent certified public accountant. Copies of the audited financial statements are furnished to each limited partner or investor of a fund as soon as practicable after the end of each Fiscal Year. Unaudited quarterly performance reports also will be provided to each limited partner or investor in a Content Partners fund.

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**Item 16 – Investment Discretion**

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Content Partners has broad discretion, subject to certain restrictions set forth in the Fund's Limited Partnership Agreement, to determine the:

- i. securities to be bought or sold for the Fund account(s);
- ii. amount of securities to be bought or sold for the Fund account(s);
- iii. broker, dealer, or placement agent to be used for a purchase or sale of securities for the Fund account(s) (if applicable);
- iv. commission rates to be paid to a broker, dealer, or placement agent for the Fund's securities (if applicable).

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**Item 17 – Voting Client Securities**

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Content Partners does not invest in equity securities and, therefore, does not have any client securities to vote.

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**Item 18 – Financial Information**

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Content Partners has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. Content Partners has not been the subject of a bankruptcy petition.

Content Partners does not require or solicit prepayment of more than \$1,200 in fees six months or more in advance.