

**Form ADV Part 2A**

**Tailwater GP-I, LLC**

3006 Cole Avenue

Dallas, TX 75205

214-954-0035

November 8, 2012

**This brochure provides information about the qualifications and business practices of Tailwater GP-I, LLC. If you have any questions about the contents of this brochure, please contact us at 214-954-0035. 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.**

**Additional information about Tailwater GP-I, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**We refer to ourselves as a “registered investment adviser”. Registration does not imply a certain level of skill or training.**

**Item 2.   Material Changes**

This is our initial brochure.

### **Item 3. Table of Contents**

Item 1.	Cover Page.....	1
Item 2.	Material Changes.....	2
Item 3.	Table of Contents.....	3
Item 4.	Advisory Business .....	4
Item 5.	Fees and Compensation .....	4
Item 6.	Performance-Based Fees and Side-By-Side Management .....	5
Item 7.	Types of Clients.....	5
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss .....	5
Item 9.	Disciplinary Information .....	6
Item 10.	Other Financial Industry Activities and Affiliations .....	6
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ..	6
Item 12.	Brokerage Practices .....	7
Item 13.	Review of Accounts.....	7
Item 14.	Client Referrals and Other Compensation.....	7
Item 15.	Custody.....	8
Item 16.	Investment Discretion.....	8
Item 17.	Voting Client Securities.....	8
Item 18.	Financial Information .....	8
Item 19.	Requirements For State-Registered Investment Advisers.....	8

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

Tailwater GP-I, LLC (“us,” “we,” and “our”), was formed as a Texas limited liability company in 2012 by our principal owners and Managing Partners, Jason Downie and Edward Herring (collectively, our “Managing Partners”).

We have been formed for the purpose of serving as the general partner to, and providing discretionary investment advice on behalf of, two private equity funds that intend to acquire an investment interest in an off-gas processing plant and related businesses (the “Business”). Upon the closing and admission of investors in the private equity funds and the commencement of our operations as general partner, the private equity funds will be our “Clients.” The investors that may be admitted in the private equity funds are referred to in this brochure as “investors”.

The investment management services that we will provide to our Clients consist primarily of the initial investment in the Business, overseeing and monitoring the investment in the Business, and the disposition by our Clients of the investment in the Business. We will provide advice to our Clients taking into account their specific investment objectives and the investment restrictions contained in their limited partnership agreements and other governing documents.

#### ***Wrap Fee Programs***

We do not participate in wrap fee programs.

#### ***Assets Under Management***

We are a newly formed business. As of the date of this brochure, we do not have assets under management.

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

#### ***Management Fees***

Our Clients will pay us, in our capacity as general partner of the Clients, semi-annual management fees in exchange for our investment management services. The management fees are provided for in each of our Client’s amended and restated limited partnership agreements (collectively, the “Client LP Agreements”). Until the earlier of (a) the fourth anniversary of the execution date of the Client LP Agreements and (b) the date on which we release the investors from further capital commitments under the Client LP Agreements (the “Release Date”), the semi-annual management fee will be equal to one half of one percent (0.5%) of the aggregate committed capital of the investors. On and after the Release Date, the semi-annual management fee will be equal to one half of one percent (0.5%) of the aggregate capital actually contributed by the investors to the Clients. The semi-annual management fees will generally be payable on January 1 and July 1 of each year, subject to customary pro rations.

We do not anticipate receiving fees from our Clients other than the management fees described above and the performance-based fees described in Item 6 below.

Each Client will typically pay all expenses incurred in connection with the acquiring, holding, and the sale of the Business. In addition, each Client will typically pay all expenses related to its organization and operations, including without limitation administrative expenses; the cost of the preparation audits as well as financial and tax reports to investors; expenses of any consultants, custodians, outside counsel, accountants; expenses in connection with government or regulatory filings (including to the extent applicable preparation of Form PF), returns or reports; taxes, fees or other governmental charges levied against such Client; litigation or other extraordinary expenses; insurance and indemnity expenses; and expenses of liquidating the Client. If and to the extent that we pay such expenses on behalf of a Client, the Client will reimburse us for the payment of such expenses.

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

As the general partner of each Client, we are entitled to a “carried interest” on each Client’s profits in accordance with the provisions of each Client’s limited partnership agreement. The “carried interest” is generally equal to 15% of the Clients’ distributions in excess of distributions to investors in return of capital contributions, subject to first meeting the 1.25x return on investment performance hurdle applicable to the investors.

The existence of the carried interest may create an incentive for us to be more speculative with the investment on behalf of our Clients than we might otherwise be in the absence of such performance-based arrangement.

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

It is our current intention to provide discretionary investment advice solely to the Clients. We do not have any requirements for opening or maintaining an account.

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

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

We have been formed for the purpose of serving as the general partner to, and providing discretionary investment advice on behalf of the Clients. Our investment management services to our Clients will consist primarily of the initial investment, overseeing and monitoring the investment and the disposition of the investment by our Clients in the Business.

***Risk of Loss of Capital.*** Investing in securities involves the risk of loss of capital. Investors that cannot bear the loss of their entire investment should not make such an investment. While we believe that our investment processes, strategy and research techniques mitigate the investment risk through a careful selection of the investment opportunity, no guarantee or representation is made that we will achieve a Client’s investment objectives or that we will be successful.

## **Item 9. Disciplinary Information**

None.

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

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

See *Conflicts of Interest* in Item 11 below.

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

### **Code of Ethics**

We have adopted a code of ethics in accordance with Rule 204A-1 under the Advisers Act and policies and procedures which are designed to detect and mitigate conflicts of interest. Our code of ethics is documented in our Compliance Manual (“Manual”), a copy of which (and any amendments) is provided to each employee. Each employee must certify that he or she has read, understands and agrees to comply with our Manual. Furthermore, each employee must certify annually that he or she has complied with the Manual. We review our compliance policies and procedures with all new employees and conduct periodic compliance training sessions with employees, either individually or in groups, as necessary or appropriate. Our Manual requires all of our employees to conduct themselves with integrity and dignity, to act in a professional and ethical manner in all dealings on our behalf and to comply with all applicable federal securities laws.

Our Manual also requires all of our employees (except for certain employees involved only in clerical and administrative activities) (“Access Persons”) to notify us of all of their securities holdings and accounts and submit to us within 30 days after the end of each calendar quarter securities transaction reports identifying all securities purchased and sold. Furthermore, we require that each Access Person re-affirm the accuracy of his or her list of accounts on record with us at least annually. The policy does not apply to transactions involving, among other limited exceptions, open-end mutual funds or other instruments which afford the investor no discretion over individual securities transactions.

Our Manual also requires that employees obtain our approval before investing in any initial public offering of securities or in any private placement of securities.

A copy of our code of ethics will be provided to any client or prospective client upon request.

## **Conflicts of Interest**

*Principal Transactions.* We do not anticipate entering into principal transactions, where we or any of our affiliates purchase or sell any security for our own account from or to the account of any Client. In the event that we (or our affiliate) may engage in a principal transaction, we will obtain the approval of the Chief Compliance Officer, who would, among other things, ensure compliance with all requirements imposed by Section 206(3) of the Advisers Act and compliance with each Client LP Agreement.

*Cross Transactions.* We are not affiliated with a registered broker-dealer and as such cannot engage in agency cross transactions. While unlikely, we may engage in a cross transaction, where one Client purchases or sells any security for its account from or to the account of another Client. In the event of a cross transactions, we will obtain any required Client approvals, including that of the Chief Compliance Officer who would, among other things, ensure that the transaction was at a demonstrably fair price and in each participating Client's best interests and was made in accordance with each Client LP Agreement.

### **Item 12. Brokerage Practices**

We do not make regular use of brokers for the purposes of purchasing or selling securities on behalf of the Clients because the proposed investment in the Business will be acquired and/or disposed of in a privately negotiated transaction.

From time to time, we may use a broker to effect transactions in public securities resulting from, or in connection with, the disposition of the portfolio investment. In those instances, we have full discretionary authority with respect to the selection of, and commissions paid to, brokers. If we determine to engage a broker, we will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility and responsiveness to us, and the value to us of research provided, if any.

We do not receive soft dollar benefits or client referrals from broker-dealers in connection with Client transactions.

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

Our Managing Partners are responsible for oversight of the investment process. In addition, our investment professionals will meet regularly to review our investment in the Business.

Investors will be provided with audited annual financial reports and quarterly unaudited summary financial information. This information may be provided electronically. Investors will also be provided with written annual tax information.

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

We do not engage or compensate third party referral agents to solicit for us new Clients.

**Item 15. Custody**

We will engage a third party to serve as qualified custodian for the Clients' funds and certificated securities. Additionally, each Client (within 90 days of the end of its fiscal year) will circulate to its investors audited annual financial reports prepared in accordance with generally accepted accounting principles.

**Item 16. Investment Discretion**

Pursuant to the authority granted to us as the general partner of the Clients, we have full discretion to complete the investment by the Clients in the Business to determine the structure of that investment and to determine the terms and disposition of that investment. Limitations on our investment discretion are set forth in the Client LP Agreements.

**Item 17. Voting Client Securities**

While the securities evidencing the Clients' investment in the Business will not likely be the subject of proxies, there could be certain circumstances where we, having discretionary authority, may be asked to vote the securities of the Clients on restructuring or other corporate matters. In that event we will ensure that we receive all relevant information, disclosure materials and such proxies or consents as are necessary for us to be able to cast votes in a timely manner. Each Client will be made aware of how we voted with respect to its securities.

A copy of our proxy voting policies and procedures will be provided to any Client and prospective Client upon request.

**Item 18. Financial Information**

Not Applicable.

**Item 19. Requirements For State-Registered Investment Advisers**

Not applicable.