

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

Riordan, Lewis & Haden, Inc.
Part 2A of Form ADV
The Brochure

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This brochure provides information about the qualifications and business practices of Riordan, Lewis & Haden, Inc. ("RLH"). If you have any questions about the contents of this brochure, please contact Murray Rudin, Managing Director and Chief Compliance Officer at (949) 428-2200 or mrudin@rlhequity.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 Riordan, Lewis & Haden, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

Riordan, Lewis & Haden, Inc. ("RLH") is required to identify and discuss any material changes made to its Brochure since the last annual update, which was effective March 2012. RLH's prior brochure was the firm's initial Form ADV Part 2A submitted to the SEC pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, which required certain investment advisers to private funds such as RLH to register with the SEC. The only material change to that Brochure is a decrease in the total regulatory assets under management as a result of the net effect of (a) sales of portfolio companies and related distributions to partners of the Funds and (b) additional new investment commitments made to RLH Investors III, LP, the only Fund which was open for investment at December 31, 2012.

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Item 4 Advisory Business

RLH (the "Management Company") is a private equity firm based in Southern California with offices in Los Angeles and Orange County. RLH was founded in 1982 by J. Christopher Lewis and Richard J. Riordan. RLH is currently owned by J. Christopher Lewis, Murray E. Rudin, Robert A. Zielinski and Michel Glouchevitch. Richard Riordan and Patrick Haden are no longer active in the business of RLH.

RLH's advisory services are limited to providing investment management to pools of private investment capital (i.e. private equity funds) structured as limited partnerships. The Investment Professionals of RLH devote substantially all of their time and attention to the management of the private equity funds. RLH currently provides investment advisory services to (i) four private equity funds - RLH Investors, L.P., RLH Investors II, L.P., RLH Investors III, L.P., and R&M Venture Associates and (ii) the parallel investment vehicles (where applicable) of those funds (collectively, the "Partnerships" or "Funds").

RLH sources, evaluates, structures, manages, and monitors the investments made on behalf of the Funds. The General Partner of each of the Funds has caused each such Fund to enter into a management services agreement with the Management Company to manage and monitor investments made by the Funds. Details of these arrangements are included in the governing documents for each of the Partnerships.

The Partnerships are California or Delaware limited partnerships, as the case may be, formed for the purpose of seeking opportunities to invest equity and debt capital in rapidly growing, profitable, lower middle market companies seeking recapitalization and/or expansion capital and, less frequently, unique investment opportunities such as undermanaged businesses. Additionally, the Partnerships may provide or arrange bridge financing for portfolio companies and may also cause portfolio companies to borrow or guarantee borrowings in connection with the Partnerships' acquisition of portfolio securities. RLH generally invests the capital of the Funds in enterprises based in North America which operate within the sectors of business services, healthcare and government services.

RLH Investors III, L.P., is the only Fund currently open for investment. The Fund is structured as a limited partnership that is exempt from registration as an investment company under U.S. law by virtue of Section 3(c)(7) of the Investment Company Act of 1940. Accordingly, limited partnership interests in the Fund are available only to qualified purchasers as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940.

As of December 31, 2012, the total regulatory assets under management of the Funds is approximately \$594 million, and the Funds collectively have investments in 12 portfolio companies. RLH is actively evaluating new portfolio companies, manages assets on a fully discretionary basis, and does not have non-discretionary assets under management.

Item 5 Fees and Compensation

Management Fees

As the Management Company to the Funds, RLH receives a Management Fee. RLH Investors III, L.P., is the only Fund currently open for investment. The Management Fee arrangements for RLH Investors III, L.P., and the Funds that are closed for investment are discussed in the applicable Partnership governing documents for each Fund.

Where applicable, limited partners of each Fund remit Management Fees to the Fund's bank account six months in advance and the Fund retains such amounts until collected from it by RLH quarterly in advance. In addition to a Management Fee paid to RLH, the General Partner may receive performance-based compensation from the Partnerships calculated in accordance with the terms of the governing documents of the particular Partnership. A more detailed discussion of the performance fee arrangement is listed below in Item 6.

A Limited Partner in an RLH-managed Partnership generally does not have the ability to withdraw from the Partnership until the dissolution of the Partnership, as specified in the governing documents of each Partnership.

Fees, costs, and expenses

RLH receives reimbursement of certain expenses from the Funds, as described in the governing documents of the Funds. These reimbursements are for expenses deemed by RLH in its discretion to have been incurred in exchange for services which are beneficial to the Funds.

More specifically, a Partnership will pay all costs and expenses relating to its activities (to the extent not reimbursed by a portfolio company) including, but not limited to: (a) Management Fees; (b) Organizational Expenses (up to a cap specified in the Partnership's governing documents) and (c) all expenses of the Partnership (other than those for which the General Partner and the Management Company are responsible), including, but not limited to (i) legal, accounting, audit, consulting, and other third party expenses; (ii) expenses associated with the preparation of Partnership financial statements, tax returns and K-1s; (iii) expenses of the Advisory Committee; (iv) expenses related to the delivery of reports, certificates, statements, opinions to the Partners or to governmental authorities; (v) costs and expenses associated with the acquisition, holding and disposition of its proposed or actual portfolio companies; (vi) any expenses related to unconsummated transactions; (vii) interest on and fees and expenses arising out of any permitted borrowings made by the Partnership; (viii) all expenses of liquidating the Partnership; (ix) any taxes, fees and other government charges levied against the Partnership and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Partnership; and (x) all extraordinary liabilities and expenses of the Partnership (such as indemnification payments, costs and expenses and litigation expenses, if any).

The General Partner, the Management Company, and their respective affiliates may receive certain fees from portfolio companies in connection with the purchase, monitoring or disposition of investments or in connection with unconsummated transactions (e.g., transaction, directors', break-up and monitoring fees). In certain RLH-managed Funds, Limited Partners will receive

partial or complete benefit from such fees. The governing documents of each of the Partnerships provide more details concerning these arrangements.

Notwithstanding the above, there are certain organizational expenses and placement agent fees incurred by the Management Company which are not borne by the Limited Partners, as specified in the governing documents for each of the Partnerships.

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

In addition to Management Fees charged to the Funds, the General Partner may receive performance based fees if certain rate of return performance hurdles are exceeded. Generally, and subject to the governing documents of each Fund, Limited Partners will first receive a return of capital on each realized investment and any written-down investment amounts, plus the return of management fees and other expenses theretofore incurred. In certain Funds, the Limited Partners also receive a Preferred Return on the above amounts, and after such Preferred Return, the General Partner receives 100% of proceeds until the General Partner has received a certain percentage carried interest with respect to the Preferred Return. Thereafter, generally, proceeds are divided between the Limited Partners in proportion to funded Commitments and the General Partner as specified in the applicable Partnership governing documents. The governing documents of each Partnership provide more detailed information concerning performance fee arrangements.

With regard to concurrent management of multiple funds, new Funds are generally established only after the amount of capital invested (and reserved) in the most recent prior fund exceeds a threshold percentage of total capital commitments. Such threshold is specified in the applicable Fund's governing documents. Specifically, without the approval of the Advisory Committee or the consent of a majority in interest of the Limited Partners, neither the General Partner nor any affiliated entity will act as general partner, manager or the primary source of transactions on behalf of another pooled investment partnership (a "New Fund"; provided that New Fund will not include any Parallel Investment Entity, any Alternative Investment Vehicle or the predecessor investment partnerships or funds of affiliates of the General Partner) until the earlier of: (i) the expiration of the Commitment Period; or (ii) such time as a specified percentage (typically 70%) of the aggregate Commitments have been drawn down or reserved for follow-on investments.

If a New Fund is organized after at least 70% of the aggregate total Commitments have been drawn, then until the end of the Commitment Period, the New Fund may only co-invest alongside the Partnership on the same terms and conditions in all material respects, with amounts for investment allocated between the Partnership and the New Fund on a basis that the General Partner believes in good faith to be fair and reasonable, unless the investment by the Partnership is legally or contractually prohibited or, as a result of the application of law, could have a material adverse effect on the Partnership or the General Partner.

Item 7 Types of Clients

Investors (i.e. limited partners) in the Funds are primarily pension plans, endowments, insurance companies and high net worth individuals.

The minimum capital commitment of a Limited Partner to a Partnership is \$10 million. The General Partner reserves the right, in its sole discretion, to accept capital commitments of lesser amounts. Subscriptions for capital commitments from prospective Limited Partners may be accepted or rejected at the sole discretion of the General Partner. RLH Investors III, L.P., ("Fund III") is the only Partnership open for new commitments. Fund III is expected to receive capital contributions aggregating at least \$250 million from investors (the "Limited Partners") and the General Partner (together, the "Partners"). The General Partner reserves the right in its sole discretion to accept total commitments in an amount which is less than or in excess of \$250 million, but no more than \$350 million. All of the Funds with the exception of Fund III are closed to new commitments.

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

Methods of Analysis

Screening: RLH screens prospective investments quickly and efficiently by applying the Firm's proven investment criteria, which include quantitatively determinable factors as well as the application of well-honed judgment. RLH ensures that an opportunity meets these criteria prior to committing significant time and resources to pursue the investment.

Review: Once a potential investment opportunity passes initial screening, the Investment Professionals begin a process to promptly understand the key business issues and transactional concerns (such as valuation) to ensure that RLH's resources are deployed in the most promising opportunities. To that end, RLH conducts a series of on-site meetings with the management team and a preliminary review of the operations. In addition, a high-level evaluation of the marketplace (e.g., size, growth rate, and competitive landscape) may be performed at this stage through discussions with knowledgeable experts that are part of the RLH network. The Investment Professionals then apply their collective experience to evaluate the key strategic, operational and financial elements of the investment and, if appropriate, to determine a valuation range and structure.

Diligence: RLH focuses on understanding the critical attributes and risks associated with each potential investment, as well as verifying the information upon which the initial favorable assessment was based. The process may include validation by a major accounting firm of historical financial results together with an analysis of financial projections and key business performance metrics, reference calls with respect to customer relationships and senior management, a review of risk and insurance exposures, legal and tax diligence, and background investigations of key executives. RLH also gathers insights from publicly available information, research analysts and industry experts regarding the key issues of the investment's market opportunity. Typical marketplace issues may include the identity and reputation of competitors, key attributes of competitive differentiation, the potential for structural changes in the industry, and possible exit opportunities. Concurrently, RLH devotes substantial time to building a strong relationship with the senior management team with the goal of ensuring that the philosophies of RLH and the team are aligned. Forming an alliance with the management of a portfolio company is a critical element in the RLH investment philosophy.

Investment Strategy

RLH seeks significant capital appreciation through equity investments in sectors in which the firm has significant prior investing experience, including business services, government services and healthcare. RLH pursues recapitalization, acquisition, and growth equity investments through both equity and related securities, including preferred stock, common stock and junior capital. RLH's investment strategy is to invest capital in partnership with management, typically in healthy, growing, and profitable businesses with EBITDA ranging from \$5 million to \$20 million and with compound annual revenue growth rates in excess of 20%. These investments will typically range from \$10 million to \$50 million (which may include co-investment from certain Limited Partners), utilizing prudent capital structures and low leverage. Portfolio

company investments included both control and non-control positions.

RLH primarily invests across industries in which RLH's Investment Professionals possess extensive experience:

- Business Services – IT consulting, specialized staffing, business intelligence and analytics, business process outsourcing, and more.
- Healthcare – Efficiency in care delivery, wellness, patient and regulatory compliance, pharmacy services, outcomes data, revenue cycle solutions, and more.
- Government Services – Data and network security, IT services, C4ISR, information analytics, and more.

RLH's investment strategy is based upon the following principles:

High-Growth Companies. RLH seeks to invest in high-growth enterprises in partnership with owners who view the capabilities, history, and reputation of RLH as a key consideration in selecting a private equity investor.

Exceptional and Incentivized Management Teams. RLH will evaluate potential portfolio companies in significant part based upon the capabilities of the management team, or RLH's ability to augment the team, as well as the strength of management's financial commitment to their company. Quality management teams typically reduce execution risk and increase the probability of success. RLH seeks to partner with highly motivated management teams with a proven history of successful leadership and extensive experience and involvement in their respective industries.

Identifiable Competitive Advantages. RLH seeks to invest in businesses with identifiable competitive advantages. These advantages may result from having a leading market share, first-mover advantage, strong positive brand recognition, a loyal customer base, geographic exclusivity, proprietary products, or other factors.

Consistent Market Focus. RLH believes that companies with revenues ranging from \$20 million to \$200 million and enterprise values between \$15 million and \$150 million present an opportunity for attractive risk adjusted returns because operational risk has been mitigated while substantial upside potential through organic growth remains.

Flexible Structuring. RLH has made, and expects to continue to make, both majority recapitalizations and non-control investments, pursuing these opportunities with a flexible approach to investment structure, ownership position and the use of leverage.

Value Added Experience. RLH maintains a focused strategy of growth investing and building strong partnerships with management, thereby accumulating valuable experience in dealing with the many issues facing rapidly growing companies today. Through its focus on lower middle-market growth companies in three sectors, RLH has developed sector-specific expertise and connections that (i) enable the Firm to significantly assist portfolio companies and (ii) are utilized across multiple investments.

Opportunities for Liquidity. RLH assesses the availability of potential ultimate acquirers of the business by considering industry sector trends, strategic rationales of future suitors, recent acquisition transactions in the industry, and valuation multiples reflected in publicly traded peers.

General Investment Risks

An investment in a Partnership involves significant risks. Investment in a Partnership is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in such investment. Investors in a Partnership must be prepared to bear such risks for an indefinite period of time. No assurance can be given that a Partnership's investment objective will be achieved or that investors will receive a return of their capital. In making an investment decision, investors must rely on their own examination of the particular Partnership and the terms of the offering, including the merits and risks involved. Prospective investors should not construe the contents of the governing documents of a Partnership as legal, tax, investment, or accounting advice, and each prospective investor is urged to consult with its own advisors with respect to legal, tax, regulatory, financial and accounting consequences of its investment in a Partnership.

The success of a Fund's investments may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the valuation and liquidity of the investments held by a Fund.

Additional risks of investing in a Fund are further detailed in the private placement memorandum for each Fund.

Item 9 Disciplinary Information

RLH has not been involved in any legal or disciplinary events since its inception that would be material to a client's evaluation of the company or its personnel. In addition, RLH employees have not been involved in any legal or disciplinary events in the past 10 years (and, to the best of our knowledge and belief, in years preceding that 10-year period) that would be material to a client's evaluation of the company or its personnel.

No RLH principals have been named as parties to litigation in relation to portfolio company business activities.

Item 10 Other Financial Industry Activities and Affiliations

RLH's sole business is providing investment advisory services to the Funds. The Investment Professionals of RLH devote substantially all of their business time and attention to the Funds. Accordingly, none of the Investment Professionals engages in any significant outside business activities.

RLH shares personnel, office space, facilities and systems with the General Partners of the Funds. RLH is a related person to the General Partners of the Funds.

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

RLH has adopted a Code of Ethics (the "Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940. A copy of the Code is available upon request.

The Code outlines RLH's policies and procedures regarding standards of conduct and personal investing, including general prohibitions on transactions in securities which are on RLH's restricted list or respect to which the RLH employee possesses inside information. The Code also contains policies for the handling of material, non-public information and requires reporting on holdings of certain securities as required by Rule 204A-1.

The Code also contains:

- General principles of conduct for all RLH personnel.
- A policy statement on insider trading that provides generally that no employee of RLH (a) may buy or sell a security either for themselves or others while in possession of material non-public information about an issuer, or (b) communicate material, non-public information to others who have no official need to know. The policy statement provides guidance about what is material non-public information, lists common examples of situations in which RLH personnel could obtain that information, and describes RLH's procedures regarding securities maintained on its Restricted List. It also identifies parties to contact for questions in connection with the requirements of the policy statement.
- A policy governing gifts and entertainment received or provided by employees of RLH.
- A policy governing an employee's activities outside of their employment with RLH, including third party employment, service as a director or in a similar capacity, and fiduciary appointments.
- A policy on political activities and contributions, containing general rules governing contributions and solicitation, responsibility of individuals for personal contribution limits, and pre-clearance of certain contributions to state and local candidates.
- Confidentiality requirements.
- A policy requiring employees to report activities not in compliance with RLH's Code of Ethics.

Conflicts of Interest

- The General Partner of each of the Funds is an affiliate of RLH. Each General Partner has hired RLH to select and manage the investments in its respective Fund. The General Partner receives a performance fee if certain rate of return hurdles are exceeded. Accordingly, RLH has a financial incentive to take on risk in an attempt to generate returns in excess of the performance hurdle. However, in all of the Funds except one, performance hurdles are measured against aggregate returns on all investments in the Fund so that RLH's balancing of risk and return in investment selection is aligned with the incentives of the Limited Partners in the Funds. Furthermore, since all of the investment professionals of RLH are also investors of their personal capital in the Funds, such individuals also have countervailing incentives to mitigate risk. Accordingly, RLH

believes its risk management procedures are prudent.

- The Funds pay fees for various services as described in Item 5. RLH is solely responsible for hiring service providers for the Funds (e.g., consultants, accountants, attorneys, etc.) and determining the reasonableness of the fees charged and ensuring that only permitted fees are allocated to the Funds. RLH has procedures in place to ensure that only permissible expenses are allocated to the Funds. Moreover, since expenses are required to be reimbursed to the Limited Partners before RLH can earn a performance fee, RLH is incentivized to hire service providers that maximize value.
- In addition, in the unlikely event that distributions are made in property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property, as determined in accordance with procedures specified in the Partnership Agreement. An independent appraisal generally will not be required and is not expected to be obtained.

Item 12 Brokerage Practices

RLH primarily invests in private companies and as such does not utilize traditional brokerage services. RLH will work with investment banks to help achieve value maximization in the following investment-related activities:

- On behalf of RLH, identifying potential portfolio companies that meet RLH's investment criteria and are seeking an equity capital partner for growth and recapitalization.
- On behalf of RLH portfolio companies, managing the process of executing a change of control transaction, including positioning the company's value, identifying prospective acquirers, and facilitating the completion of a transaction which maximizes value for the Funds.

RLH selects providers for such services based upon its assessment of their ability to contribute to the process of generating superior investment returns rather than based upon lowest cost.

Item 13 Review of Accounts

RLH investment professionals are responsible for monitoring the underlying portfolio companies in RLH's Funds. These professionals interact with the portfolio companies on a regular basis, including the review of monthly financial reporting, participation in quarterly Board of Directors meetings, and frequent informal collaboration with portfolio company leaders on strategic matters. One or more principals of RLH sit on the Board of each portfolio company. Also, RLH's Operating Professionals assist RLH and its portfolio companies in executing strategies to maximize exit value.

Item 14 Client Referrals and Other Compensation

Capital commitments for the Partnerships have been sourced primarily through relationships and marketing efforts of the principals of RLH, as well as more recently through an unaffiliated intermediary, acting as a placement agent, as described in the offering documents of the Funds. Placement agents may be compensated with a non-contingent fee as well as a fee based on a percentage of the capital commitments obtained by the Fund which they are assisting (except with respect to commitments from entities which prohibit the payment of contingent fees to placements agents with respect to their commitment). Limited Partners do not incur any incremental cost or expense by virtue of the compensation of the placement agent. The cost of the placement agent is borne by the Management Company.

Item 15 Custody

Where applicable, the Limited Partners of the Funds remit investment advisory fees to the Fund's bank account six months in advance and the Fund retains such amounts until collected from it by RLH quarterly in advance. In addition, as required by the applicable Fund governing documents, each Partnership will furnish to its Limited Partners: (a) audited financial statements annually, (b) unaudited financial statements quarterly, (c) reports on the status of each portfolio company quarterly, and (d) information necessary for each Partner's tax returns annually.

Item 16 Investment Discretion

RLH has full investment discretion with respect to the investments of the Funds, subject to certain diversification requirements as well as limitations on portfolio concentration, industry sectors, and specific types of transactions, all of which are set forth in the governing documents of each Fund.

Item 17 Voting Client Securities

The Funds generally hold securities in private companies and as such do not have proxy voting rights. In those rare instances when portfolio companies are brought public through an initial public offering and RLH continues to hold such securities, RLH will generally vote proxies with management. The Investment Professionals of RLH typically sit on the Boards of portfolio companies; it is therefore expected that proxies sent by portfolio companies will address issues that RLH will have already sanctioned and the dissemination and voting of proxies will be primarily a procedural issue. However, the Investment Professionals of RLH will independently review each proxy in those limited instances when RLH has the right to vote a proxy on behalf of a Fund. Accordingly, RLH reserves the right to vote such proxy in favor of, or against, the recommendation of management.

RLH has in place procedures to identify conflicts it may have in voting proxies. In the event of a conflict, RLH will either: (a) abstain from voting if the vote is not likely to be affected; (b) retain an disinterested third party adviser to advise on the vote; (c) vote the shares in proportion to other “yes” and “no” votes received by the issuer; or (d) take such other actions, as may be appropriate in the particular context.

A copy of RLH's proxy voting policy and a complete record of how RLH has voted proxies are available upon request.

Item 18 Financial Information

RLH does not receive pre-payment from the Funds of \$1,200 or more of fees per client six months or more in advance. There is no financial condition that is reasonably likely to occur that would impair RLH's ability to meet contractual commitments to clients.

Item 19 Requirements for State-Registered Advisers

N/A - RLH is not a state-registered adviser.