

Crestview Advisors, L.L.C.

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Crestview Advisors, L.L.C. (“**Crestview**”). If you have any questions about the contents of this brochure, please contact us at (212) 906-0700. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“**SEC**”) or by any state securities authority. Crestview is an investment adviser that is registered with the SEC. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Crestview is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

There have been no material changes to this brochure since it was last filed with the SEC in February 2012.

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Advisory Business

Crestview was founded in 2004 by Barry S. Volpert and Thomas S. Murphy, Jr. and is principally owned by entities controlled by them and certain of Crestview's other senior professionals. The firm's senior investment professionals with the title of Partner are Brian P. Cassidy, Quentin Chu, Robert V. Delaney, Jr., Richard M. DeMartini, Robert J. Hurst, Jeffrey A. Marcus, Mr. Murphy and Mr. Volpert. Mr. Volpert is the Chief Executive Officer, and Messrs. Delaney, DeMartini and Murphy also serve as officers of the company. In such capacity, such officers also have the title of Managing Director.

Crestview provides investment advisory services to Crestview Partners, L.P. and its affiliated co-investing funds (collectively, "**Fund I**") and to Crestview Partners II, L.P. and its affiliated co-investing funds (collectively, "**Fund II**"). All of the funds to which Crestview provides advice are privately offered. Fund I is principally composed of the following legal entities: Crestview Partners, L.P., Crestview Partners (TE), L.P., Crestview Partners (ERISA), L.P., Crestview Partners (PF), L.P. and Crestview Partners (Cayman), L.P. Fund II is principally composed of the following legal entities: Crestview Partners II, L.P., Crestview Partners II (TE), L.P., Crestview Partners II (FF), L.P., Crestview Partners II (Cayman), L.P., Crestview Partners II (FF Cayman), L.P. and Crestview Partners II (892 Cayman), L.P. The general partner of each of the Fund I entities listed above is Crestview Partners GP, L.P. ("**GP I**"), and the general partner of each of the Fund II entities listed above is Crestview Partners II GP, L.P. ("**GP II**" and, together with GP I, the "**General Partners**"). The general partner of each General Partner is Crestview, L.L.C.

Crestview Partners (Cayman), Ltd. is the administrative general partner of certain of the foregoing entities. In addition to the entities described above, certain other legal entities have been formed to serve as vehicles for the purpose of holding specific investments.

This brochure is not an offer to invest in any of Crestview's private funds. Any such offer would only be made through the provision of such fund's confidential offering materials. Information included in this brochure is intended to provide a useful summary about Crestview, but it is qualified in its entirety by information included in its private funds' confidential offering materials.

Crestview's private funds tend to invest in middle-market companies that are active in the financial services, media/cable, healthcare and energy sectors. Crestview's private funds target \$100 million to \$400 million equity investments in companies with enterprise values of up to \$2 billion.

Crestview's investment advice is carefully tailored to the objectives of each private fund but not to the objectives of underlying investors in those funds. From time to time, investors in the private funds may be offered an opportunity to make a co-investment with the funds. Each investor is individually responsible for determining whether it wants to participate in such a co-investment opportunity.

As of December 31, 2012, private funds advised by Crestview had regulatory assets under management of approximately \$4,692,235,000, which comprises assets with a fair value of approximately \$3,912,704,000 and uncalled capital commitments of approximately \$779,531,000. Crestview and the General Partners have discretionary authority over the private funds' investment activities.

Fees and Compensation

Management Fees and Carried Interest Distributions

Crestview receives management fees, and the General Partners may receive carried interest distributions, from Crestview's private funds. Management fees generally equal 2% of each investor's capital commitment during a fund's investment period and 1.5% of invested capital thereafter, subject to certain adjustments. For example, amounts equal to organizational expenses over a certain dollar amount, placement fees funded by the fund and a portion of transaction fees and special income received by Crestview (including financial advisory fees, break-up fees, monitoring fees, director fees and other similar fees) are reduction items in computing the management fee. In addition, amounts equal to a portion of the cost of investments funded (or to be funded) by the investors in the fund are reduction items in the computation of the management fee, and instead of the relevant portion of the management fee, the General Partner may receive a special profits allocation in respect of such amounts funded. Management fees generally are due in advance on a quarterly basis and are collected directly by Crestview from the private funds.

Carried interest distributions are typically 20% of the gains realized on the disposition of investments after returning invested capital, management fees and expenses and priority returns to the investors, subject to catch-up provisions that are described in detail in each private fund's confidential offering materials. Carried interest distributions are generally made at the time that a

private fund disposes of an investment and may be subject to a claw-back depending on the aggregate return of all of the fund's investments.

Crestview and the General Partners may reduce or waive management fees or carried interest distributions at their discretion.

Transaction Fees and Special Income Received by Crestview

Crestview receives all transaction fees and special income with respect to its private funds and their investments (including financial advisory fees, break-up fees, monitoring fees, director fees and other similar fees), but an amount equal to a portion of such fees and income received by Crestview is a reduction item in the computation of the management fee owed by the private funds. The amount equal to the portion of such fees and income that is considered a negative item in computing the management fee is described in detail in each fund's confidential offering materials.

Other Fees and Expenses Borne by the Private Funds

Crestview's private funds pay, and the investors in those funds indirectly bear, a number of other fees and expenses, including:

- out-of-pocket expenses, including travel and entertainment expenses (which may include commercial and private air travel), that are not reimbursed by portfolio companies incurred in connection with the identification, making, holding, sale or proposed sale of any investment, including any expenses associated with proposed investments that are ultimately not made by the funds;
- routine expenses of the funds that are not reimbursed by portfolio companies, including legal, auditing, consulting and financing fees and expenses associated with the funds' financial statements and tax returns, costs associated with investor relations (unless such costs are related solely or predominantly to the offering of interests in a new private fund), travel and entertainment expenses (including commercial and private air travel), insurance expense and other administrative expenses of the funds;
- litigation-related and indemnification expenses;
- placement fees payable in connection with the offering of interests in the private funds (*provided, however*, that amounts equal to such placement fees are reduction items in computing management fees); and
- organizational costs up to a certain dollar amount (*provided, however*, that amounts equal to excess organizational costs are borne by the General Partner in Fund I and considered a reduction item in computing the management fee in Fund II).

Performance Based Fees and Side-by-Side Management

As described above, the General Partners may receive carried interest distributions depending on the returns generated by the private funds' investments. This arrangement could give Crestview an incentive to invest in a speculative or imprudent manner in an effort to earn outsized returns.

Despite this potential conflict of interest, Crestview will always seek to manage its private funds in accordance with their stated investment objectives. Crestview and the General Partners have sought to further mitigate this risk by including claw-back provisions in the carried interest distribution structure, disclosing information about investments to investors and requiring the General Partners' limited partners to make personal investments in the funds through the General Partners.

To the extent that one or more of Crestview's private funds experiences gains and one or more other funds experience losses, Crestview could have an incentive to allocate a disproportionate amount of time and resources to the funds that are most likely to generate carried interest distributions. Crestview seeks to mitigate this risk by seeking capital commitments for a new fund complex only as it approaches the end of the investment period for an earlier fund complex.

Types of Clients

Crestview provides advisory services to privately offered pooled investment vehicles that make private equity investments. The minimum capital commitment to invest in one of the private funds advised by Crestview is typically \$1 million, but the General Partner for each fund reserves the right to reduce or waive this minimum.

Methods of Analysis, Investment Strategies and Risk of Loss

Crestview's private funds tend to invest in middle-market companies that are active in the financial services, media/cable, healthcare and energy sectors. Investments by Crestview's private funds have typically been made in amounts ranging from \$100 million to \$250 million in companies with enterprise values of up to \$7 billion.

Crestview often sources transaction opportunities from its extensive professional network and seeks to negotiate transactions on an exclusive basis. The private funds advised by Crestview generally make investments with a contrarian theme with the belief that assets or sectors that are out of favor can yield attractive opportunities for returns. Crestview evaluates more than 200 potential investment opportunities each year, with the expectation of completing three to five transactions annually.

Each potential investment is reviewed by one or more investment professionals, generally a Partner, Senior Advisor, Principal or Vice President, who make an initial determination regarding its attractiveness. These preliminary decisions are based on a number of important criteria, including an evaluation of the quality of the business, the competitive dynamic and fundamental position of the industry, competitive advantages and disadvantages, the management team, potential valuation, transaction dynamics, likely competition for the transaction, potential upside, downside risk and the private funds' relative advantages compared to other potential investors. In general, Crestview will not pursue an opportunity unless Crestview believes that its private funds have a significant edge—superior insight, information, relationships, potential value to add and/or ability to move quickly and decisively.

Potential investment opportunities that pass the initial review are discussed with the investment committee of a private fund's General Partner (each, an **"Investment Committee"**). The eight Partners of the firm (Messrs. Cassidy, Chu, Delaney, DeMartini, Hurst, Marcus, Murphy and

Volpert) currently comprise the Investment Committee for each of Fund I and Fund II. The approval of each member of the relevant Investment Committee is required to approve the making of any investment by Fund I or Fund II, as the case may be, other than a follow-on investment as defined in the constituent documents of those funds. The approval of a majority of the members of the relevant Investment Committee is required to approve (i) the making of any follow-on investment, (ii) the sale, disposition or other realization of any investment or (iii) any other matter relating to an investment held by any fund.

Approved potential investments are assigned to an investment team generally composed of one more Partners and additional investment professionals. The investment team is then responsible for Crestview's comprehensive due diligence efforts, budget, structuring, contract negotiations and financing. The team submits a report to the relevant Investment Committee for discussion regarding whether to proceed with the investment, and Investment Committee approval is required at each critical stage of a transaction, such as the decision whether to proceed with full due diligence (which generally entails engaging outside advisors) and whether to commit the private fund's capital to the investment.

Due diligence efforts are supported by industry consultants and advisers that, in Crestview's experience, add valuable perspectives and expertise. For previous investments, Crestview and its private funds have retained the services of Davis Polk & Wardwell LLP; Paul, Weiss, Rifkind, Wharton & Garrison LLP; PricewaterhouseCoopers LLP; KPMG LLP; Tudor, Pickering, Holt & Co., LLC; Lockton, Inc.; WSP Environment & Energy; Mercer LLC and Aon Inc., among others. Crestview often relies as well on the expertise of its Senior Advisors and selected limited partners of its advised funds.

Following an investment, the investment team responsible for such investment continues to have primary responsibility for monitoring the portfolio company's performance. Material events and disposition opportunities are discussed at Crestview's weekly staff meetings.

Despite Crestview's efforts to identify promising investment opportunities for its private funds, an investment in the private funds entails a high degree of risk. Risks associated with an investment in the private funds are described in detail in the funds' confidential offering materials. These risks include, but are not limited to, the following:

- *No assurance of return* – There can be no assurance that the private funds' investment objectives will be achieved or that there will be any return of capital.
- *Concentrated investments* – The private funds will make relatively few investments, so poor performance by any investment could have a materially adverse effect on the funds.
- *Long-term investment with limited transferability* – Capital committed to one of Crestview's private funds is expected to be invested in portfolio companies for many years. Interests in the private funds are highly illiquid, and investors may not withdraw capital from the funds.
- *Leverage* – The private funds may use leverage in connection with making investments, and their portfolio companies may incur a significant amount of leverage. This leverage

will increase the exposure of such investments to adverse economic factors and could result in the permanent loss of capital for the funds and their investors.

- *Reliance on key persons* – The success of the private funds will depend upon, among other things, the skill and expertise of Crestview’s Partners and employees, including the members of the Investment Committees. There can be no assurance, however, that such individuals will continue to be associated with Crestview throughout the life of the funds.
- *Tax risks* – Tax consequences to the investors from an investment in the private funds are complex. The structure of the funds’ investments, the timing of their disposition and other factors may result in different tax consequences and, therefore, different returns to different investors. Crestview will consider the investment and tax objectives of the funds and their investors as a whole and not the investment, tax or other objectives of any investor individually.
- *Control person liability* – Because Crestview’s private funds expect to obtain rights to participate in the management of their portfolio companies, including by appointing members to their boards of directors, the funds could be exposed to claims by a portfolio company, its security holders and its creditors, including claims for alleged violations of securities laws, breach of fiduciary or other duties and failure to exercise the appropriate levels of care under corporate, securities, environmental or other applicable laws.
- *Minority Investments* – The private funds may make minority investments in portfolio companies and, despite seeking representation on their boards of directors, may be unable to control the business and affairs of such companies. In such circumstances, there is a possibility that a portfolio company may have economic or business interests or goals that are inconsistent with those of the funds, and the funds may not be in a position to limit or otherwise protect the value of the funds’ investment in the portfolio company.
- *Indemnification* – Although Crestview and its private funds maintain insurance coverage, the funds will be required to indemnify their General Partners, affiliates of the General Partners and certain other persons for liabilities incurred in connection with the affairs of the private funds. Such liabilities may be material and have an adverse effect on the returns to the investors.

Disciplinary Information

Crestview and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to an investor’s evaluation of Crestview or its personnel.

Other Financial Industry Activities and Affiliations

Crestview is affiliated with GP I and GP II, which serve as the general partners, respectively, of the entities comprising Crestview’s Fund I and Fund II. Crestview is also affiliated with Crestview Partners (Cayman), Ltd., the Cayman Islands administrative general partner of the private funds that are organized in that jurisdiction, and Crestview, L.L.C., the general partner of the General Partners.

The private funds own interests in a number of legal entities that hold investments in portfolio companies, and the investors in the private funds may at times invest through special purpose vehicles for specific investments. More detailed information about the entities that may be used to structure specific investments is included in the private funds' confidential offering materials.

Crestview does not believe that its affiliates create a material conflict of interest with the private funds or with investors in those funds.

From time to time, Crestview may utilize the services of entities that have, directly or indirectly, or whose affiliates have, investments in private funds managed by the Crestview. Such services will only be used on an arm's length basis and when they are in the best interest of the private funds advised by Crestview.

The legal entities that principally comprise Fund I's private funds are as follows:

- Crestview Partners, L.P.
- Crestview Partners (TE), L.P.
- Crestview Partners (ERISA), L.P.
- Crestview Partners (PF), L.P.
- Crestview Partners (Cayman), L.P.

The legal entities that principally comprise Fund II's private funds are as follows:

- Crestview Partners II, L.P.
- Crestview Partners II (TE), L.P.
- Crestview Partners II (FF), L.P.
- Crestview Partners II (Cayman), L.P.
- Crestview Partners II (FF Cayman), L.P.
- Crestview Partners II (892 Cayman), L.P.

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

Crestview has adopted a written code of ethics that is applicable to all employees, including officers and principals. Among other things, the code requires Crestview and its employees to act in the private funds' best interests, abide by all applicable regulations, avoid even the appearance of insider trading and pre-clear and report on many types of personal securities transactions. Crestview's restrictions on personal securities trading apply to employees and certain of their family members living in the same household. A copy of Crestview's code of ethics is available upon request.

Crestview's employees and the General Partners (including the General Partners' affiliates) may make co-investments in portfolio companies alongside the private funds. Any such co-investment will be in the same portion of the capital structure and on the same terms as the private funds invest. Crestview's employees, a General Partner or its affiliates will not dispose of any co-investment ahead of the private funds, and concurrent dispositions will be on the same terms. Although Crestview believes that employee and General Partner (or General Partner affiliate) co-

investments align the interests of the employees or the General Partner with those of the private funds, co-investments could give the appearance that employees or the General Partner are taking investment opportunities that could be used by the funds. Crestview seeks to mitigate this potential conflict of interest by limiting the size of employees' and General Partner (or General Partner affiliate) co-investments, as described in the private funds' confidential offering materials.

In addition, the General Partner of a private fund may offer a co-investment opportunity to a third-party, including an investor in a private fund, in the event that the amount of an investment opportunity offered to the private funds exceeds the amount that the private funds have committed to invest.

Brokerage Practices

As an investment adviser to private equity funds, Crestview does not typically engage in active trading of publicly traded securities. When, on occasion, Crestview or the private funds that it manages transact in publicly traded securities, Crestview seeks to facilitate such transactions through the retention of professional services firms that provide high quality services at reasonable costs. Crestview may not always select the service provider with the lowest costs, particularly if other providers offer better services at costs that are believed to be reasonable relative to their value. Crestview's Best Execution Review Committee meets semi-annually to evaluate the quality and cost of transaction-related services obtained from third parties and to identify any actual or apparent conflicts of interest associated with the chosen third parties.

Crestview does not have formal soft-dollar arrangements, but from time to time, it may obtain proprietary research or market color from broker-dealers and other trading counterparties. Crestview does not believe that it pays higher commissions than those charged by other broker-dealers in exchange for such research; however, Crestview's receipt of such research from third-party service providers that are paid by the private funds that it advises could pose a conflict of interest because Crestview could have tried to use its own resources to generate similar research internally. This conflict of interest could give Crestview an incentive to choose third-party service providers for the private funds who include research as part of their service packages. Research costs borne by the private funds can be for market research, industry research and regulatory research, among other things. Research obtained as part of a package of services might be used for the benefit of all of Crestview's private funds, even if the services are paid for by just one fund.

Crestview typically has only one private fund that is making active investments at any given time, so there is generally not an opportunity to aggregate orders among the private funds. To the extent that more than one fund is active at the same time and an investment opportunity is suitable for multiple active funds, each Investment Committee will seek to allocate the opportunity in a manner that is fair to all potential participants.

Review of Accounts

Each of the private funds' investments is assigned to a team of investment professionals who have an ongoing responsibility to monitor the asset for any material developments. Additionally, Crestview's entire investment staff meets weekly to review the private funds' holdings. The eight

Partners of the firm (Messrs. Cassidy, Chu, Delaney, DeMartini, Hurst, Marcus, Murphy and Volpert) currently comprise the Investment Committee for each of Fund I and Fund II.

Crestview provides investors in its private funds with information about the funds' performance and investments during annual investor meetings. Information provided during the annual meetings may be provided during speeches and presentations and/or in written reports. Each Investor also receives quarterly financial information, annual audited financial statements and an annual tax Schedule K-1. Crestview and its affiliates may provide additional information to investors in oral or written format at their discretion.

Client Referrals and Other Compensation

Crestview's clients are its private funds. Crestview does not compensate any third parties for client referrals. However, Crestview and its affiliates may enter into placement agent agreements whereby third-party placement agents may introduce investors to the private funds. Placement agents may collect fees from the private funds, which will reduce the amount of capital available to the funds for making investments, but an amount equal to the payments made by the private funds to such placement agents is a reduction item in the calculation of the management fees paid by such funds. Although Crestview's existing funds do not use placement agents, new funds that Crestview may raise in the future may use placement agents, and in the past, placement agent fees totaled approximately 1.5% of the solicited investors' capital commitments and approximately 0.2% of the funds' overall capital commitments.

Crestview receives all transaction fees and special income with respect to its private funds and their investments (including financial advisory fees, break-up fees, monitoring fees, director fees and other similar fees), but an amount equal to a portion of such fees and income received by Crestview is a reduction item in the computation of the management fee owed by the private funds. The amount equal to the portion of such fees and income that is considered a negative item in computing the management fee is described in detail in each fund's confidential offering materials. Crestview's receipt of these fees may pose a conflict of interest because they can benefit Crestview while reducing the amount of resources available to portfolio companies owned by the private funds. Crestview seeks to reduce this conflict of interest by allowing an amount equal to a portion of these fees to be considered a reduction item in computing the management fee borne by the investors in the private funds.

Custody

In order to comply with SEC requirements and ensure that the private funds' assets are appropriately protected, Crestview and its affiliates have arranged for annual audits of the private funds' assets. These audited financial statements are distributed to all investors in a private fund within 120 days or less of such fund's fiscal year end. Crestview and its affiliates have also arranged for all of the private funds' cash and securities (other than privately offered, uncertificated securities with limited transferability) to be held with qualified custodians.

Investment Discretion

Crestview serves as the investment adviser, and the relevant General Partner has discretionary authority to implement investment decisions, for each of the funds which Crestview advises.

Crestview's investment decisions and advice with respect to each private fund are subject to investment advisory agreements between Crestview and such fund, such fund's limited partnership agreement and any side letters that such fund or its General Partner executes with investors.

Voting Client Securities

The General Partners may have the opportunity to vote on a variety of corporate actions on behalf of the private funds with respect to the private funds' investments in portfolio companies. Crestview has adopted written policies and procedures in an effort to ensure that any such voting opportunity is exercised with diligence, care and loyalty. For routine corporate actions that do not pose a conflict of interest, the investment professional with primary responsibility for overseeing a portfolio company will determine how the relevant General Partner should direct the funds to vote. For corporate actions that are non-routine, or that pose an actual or apparent conflict of interest, the responsible investment professional will prepare a written summary of the matter under consideration, any actual or apparent conflicts of interest, the professional's voting recommendation and the basis for such recommendation and will discuss the matter with the relevant Investment Committee. The investment professional will then arrange for the General Partner to vote based on the Investment Committee's consensus. In all cases, Crestview and the General Partner will seek to vote in a way that is believed to be in the best interests of the private fund holding the portfolio company in question. Investors cannot direct the way in which Crestview will vote on behalf of the private funds.

Current and prospective investors in the private funds may request a copy of Crestview's written policies and procedures governing the voting of corporate actions. Current investors may also request information about the way in which the General Partner voted in connection with assets held by their respective funds.

The private funds advised by Crestview sometimes approve one or more Crestview employees or advisors (including Partners, Senior Advisors, Principals and Vice Presidents) to act as representatives on the boards of directors of the funds' portfolio companies. In situations where Crestview votes the proxy for a company in which employees or advisors of Crestview serve on the board of directors, Crestview has determined that this does not inherently present a conflict of interest as such employees or advisors are on the board of directors as representatives of the funds advised by Crestview. Given these facts, Crestview believes that the funds' and the representatives' roles are aligned with respect to proxy voting and otherwise.

Financial Information

Crestview has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage the private funds.