

RIPPLEWOOD

Form ADV Part 2A: Firm Brochure

Ripplewood Holdings. L.L.C.

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Principal Office

Ripplewood Holdings L.L.C.

One Rockefeller Plaza
32nd Floor
New York, NY 10020
212-218-2705 phone
212-218-2778 fax

This brochure provides information about the qualifications and business practices of Ripplewood Holdings L.L.C. and its affiliates (collectively “Ripplewood” or “Advisor”). For more information on the disclosure requirements required for Part 2A see the “General Instructions for Part 2 of Form ADV” by visiting www.sec.gov/rules/final/2010/ia-3060.pdf. If you have any questions about the contents of this Brochure, please contact Ripplewood Holdings L.L.C. at 212-218-2705 or email investor_relations@ripplewood.com.

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

Ripplewood is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Item 2: Material Changes

In February 2012, Ripplewood filed its initial application to register as an investment adviser with the SEC. Accordingly, pursuant to disclosure rules under the Advisers Act, this is the first Brochure compiled by Ripplewood. We encourage all recipients of this Brochure to read it carefully in its entirety.

In the future, this Item will identify and discuss the material changes since the prior year's Brochure.

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Item 4: Advisory Business

Founded in 1995, Ripplewood is a private equity firm organized as a limited liability company under the laws of the State of Delaware, to make direct investments in leveraged acquisitions of companies which provide opportunities for significant growth, consolidation and high rates of return.

Ripplewood serves as an investment manager and provides discretionary advisory services to pooled investment vehicles, including private investment partnerships; together with any respective parallel funds, special purpose and/or subsidiary investment vehicles (the “Fund” or collectively the “Funds”). Each Fund has a general partner or manager (the “General Partner(s)”). Unless and only to the extent that the context otherwise requires, references to Ripplewood includes the General Partner(s).

The Funds primarily seek to obtain controlling positions in companies, which are achieved using leveraged acquisitions, build-ups, recapitalizations, restructurings and growth equity transactions. As of December 31, 2012, the Advisor managed approximately \$557,422,472 of assets on a discretionary basis on behalf of the Funds.

In providing services to the Funds, Ripplewood formulates each Fund’s investment objectives, directs and manages the investment and reinvestment of each Fund’s assets, and provides reports to investors. Investment advice is provided directly to the Funds and not individually to the Limited Partners of the Funds (the “Investors” or “Limited Partners”). Ripplewood manages the assets of the Funds in accordance with the terms of each Fund’s confidential offering and/or private placement memoranda, individual limited partnership agreements or as otherwise amended and other governing documents applicable to each Fund (the “Governing Fund Documents”). All terms are generally established at the time of the formation of a Fund, and are only terminable once the applicable Fund is dissolved, wound up, and terminated. The Investors may not restrict investments by the Funds in any capacity, and except in limited circumstances, Limited Partners are not permitted to withdraw from a Fund prior to the Fund’s dissolution.

Shares or limited partnership interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests or shares in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements, either in private transactions within the United States or in offshore transactions.

Item 5: Fees and Compensation

General

Ripplewood typically receives compensation from fees based on a percentage of assets under management, carried interest allocations and certain other fees or expenses related to transactions (see below). Each Fund’s Governing Fund Documents describes in greater detail the fees and expenses paid by each Fund and, indirectly, by its Limited Partners.

Management Fee

During the investment period, the Funds pay Ripplewood an annual management fee (the

“Management Fee”) which is based on one of the following Limited Partner election options: (i) 2% of total Base Commitments and 2% of Supplemental Commitments which have been invested in portfolio investments; (ii) 1.75% of total Base and Supplemental Commitments; or (iii) 2% of total Base and Supplemental Commitments. Subsequent to the investment period, the Management Fee will equal 1.7%, on an annual basis, payable quarterly in advance, of the capital contributions of such Limited Partner that were used to fund the cost of, and remain invested in, portfolio investments. The Management Fee percentage will be reduced by 0.3% on each anniversary of the day following the last day of the investment period.

The Management Fee in any year will be reduced (but not below zero) by an amount equal to 100% of placement fees payable for the period and an amount ranging from 20% to 80% of the excess of (i) break-up, transaction, director, consulting and closing fees paid to Ripplewood in the prior year over (ii) broken deal expenses paid by Ripplewood.

Carried Interest Allocations

Carried interest is a share of the net profits realized on the disposition of investments that is paid to the Funds’ General Partner as an incentive for the manager to maximize performance of the Fund. The General Partner’s carried interest allocation is in addition to any investment that the General Partner may have in the fund.

Each Limited Partner must irrevocably elect upon making its commitment to invest in a Fund to be designated either as (i) a “20% Override Partner” that is entitled to an 8% annually compounded preferred return and subject to a 20% carried interest or (ii) a “30% Override Partner” that is entitled to a 20% annually compounded preferred return and subject to a 30% carried interest. As is the case with Management Fees, Ripplewood and its affiliates reserve the right to waive or reduce carried interest for certain investors, including employees, a limited number of strategic partners, advisors and consultants and others as may be determined in Ripplewood’s sole discretion.

Cash and marketable securities with respect to any portfolio investment will initially be allocated to the Limited Partners in proportion to their capital contributions to such portfolio investment. Subject to tax distributions, the amount allocated to the General Partner and each Limited Partner will be distributed in accordance with the terms of the Governing Fund Documents.

Other Fees Earned by Ripplewood

Ripplewood may from time to time receive transaction, consulting, advisory and other similar fees associated with investments or proposed investments or commitments made by each Fund, fees in connection with transactions that are not completed (i.e., break-up fees) and directors’ fees and/or monitoring fees from portfolio companies (i.e. fees for monitoring or participating in the management of the portfolio company). A percentage of these Other Fees are generally applied to reduce the quarterly Management Fee, in accordance with the Fund’s governing documents.

Other Expenses

The Funds paid certain of its organizational and start-up expenses, including legal, accounting, filing, travel, capital raising (other than placement fees) and other organizational expenses.

The Funds will bear all expenses related to its operations, including fees, costs and expenses directly related to the purchase and sale of securities, financing expenses for transactions not completed by the Funds, taxes, fees of auditors and counsel, expenses of the annual informational meetings, insurance, litigation expenses, damages and any extraordinary expenses.

The Governing Fund Documents describe the fees charged by Ripplewood, its affiliates, and others to the Fund and its portfolio companies. .

Item6: Performance Based Fees and Side-by-Side Management

As described above, Ripplewood or its affiliates receive performance-based compensation in the form of “carried interest”, which calculation is based on the profits generated on the sale or disposition of Fund assets.

Item 7: Types of Clients

Ripplewood provides discretionary management and advisory services to the Funds directly, subject to the direction and control of the General Partner of each Fund, and not individually to the Limited Partners. Investors in the Funds may include, but are not limited to, insurance funds, pension funds, high net worth individuals and banks.

The minimum commitment for a Limited Partner is outlined in the Governing Fund Documents; however Ripplewood maintains discretion to accept less than the minimum investment threshold. Investors will be required to meet certain suitability qualifications, such as being an “accredited investor” within the meaning set forth in Rule 501(a) of Regulation D under the Securities Act. Also, Investors will be required to make certain representations when investing in a Fund, including, but not limited to that (i) they are acquiring an interest for their own account, (ii) they received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment and that (iii) they have the ability to bear the economic risk of an investment in the Fund. Details concerning applicable Investor suitability criteria are set forth in the respective Governing Fund Documents and subscription materials, which are furnished to each Investor.

The Funds may enter into separate agreements, commonly referred to as “side letters”, or other similar agreements with a particular Limited Partner in connection with its admission to one of Ripplewood’s private investment funds without the approval of any other Limited Partner, which would have the effect of establishing rights under or supplementing the terms of the applicable fund’s Partnership Agreement with respect to such Limited Partner in a manner more favorable to such Limited Partner than those applicable to other Limited Partners.

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

Analysis and Strategies

Since inception, Ripplewood has focused on the Industrial Partner approach to investing, which leverages relationships with senior operating executives in specific industries (“Industrial Partners”). Ripplewood’s industry-focused approach seeks investments in enterprises which offer the potential for significant value creation for customers and the opportunity to create sustainable competitive advantages. Ripplewood is a disciplined value investor who focuses a

disproportionate amount of its effort on minimizing the downside risk. Ripplewood seeks to generate superior returns based on operational improvements at the enterprise level. The critical elements of the Industrial Partner style of investing include: (i) assessing industry trends and environment; (ii) engaging Industrial Partners and assessing the potential for value creation through operational improvement; (iii) defining post-acquisition value enhancement; (iv) following a focused strategy and (iv) maintaining value discipline.

All investing involves a risk of loss and the investment strategy offered by the Advisor could lose money over short or even long periods. An investment in the Funds may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in the Funds. No guarantee or representation is made that a Fund will achieve its investment objective or that Limited Partners will receive a return of their capital.

Identifying and participating in portfolio company investments and assisting in building successful enterprises is challenging. Many investment decisions made by Ripplewood will be dependent upon the ability of its members to obtain relevant information predominantly from non-public sources, and reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond the control of the Advisor.

Key risk areas inherent to investing in portfolio companies include operational, investment and market risks. Ripplewood seeks to mitigate these risks through a variety of mechanisms, including operational due diligence, risk modeling, physical and financial hedging where possible and appropriate investment structuring.

More detailed disclosures concerning these and other risks (including the risks associated with investing in a pooled investment vehicle as opposed to a separate managed account) are set forth in the disclosure documents related to each Fund.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or investor's evaluation of the adviser or the integrity of the adviser's management. Neither Ripplewood nor any of its officers, directors, employees or other management persons, have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Pooled Investment Vehicles

Ripplewood organizes and sponsors the Funds, which are private investment companies. These pooled investment vehicles managed by Ripplewood are controlled by affiliated General Partner entities ("GP Entities"). Ripplewood or the GP Entities will be responsible for all decisions regarding portfolio transactions of the Funds and have full discretion over the management of the Funds' investment activities. While the GP Entities are not separately registered as investment advisers with the SEC, all of their investment advisory activities are subject to the Investment Advisers Act of 1940, as amended (the "Advisers Act") and the rules thereunder. In addition,

employees and persons acting on behalf of the GP Entities are subject to the supervision and control of Ripplewood. Thus, the GP Entities, all of its employees and the persons acting on its behalf would be “persons associated with” the registered investment adviser so that the SEC could enforce the requirements of the Advisers Act on the GP Entities.

Portfolio Company Representation

Employees of the Advisor may serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of the Fund, and vice versa. Accordingly, in these situations, there may be conflicts of interest between such individual’s duties as an employee of the Advisor and such individual’s duties as a director or officer of such portfolio company.

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

Pursuant to Rule 204A-1 of the Advisers Act, Ripplewood has adopted a written Code of Ethics (the “Code”) predicated on the principal that the Advisor owes a fiduciary duty to the Funds and its Investors. The Code is designed to address and avoid potential conflicts of interest and is applicable to all officers, directors, members, partners or employees of Ripplewood (the “Employees” as well as each other individuals designated in writing by a compliance officer as being subject to all or a portion of the compliance procedures or policies adopted by the Advisor collectively the “Access Persons”). The Advisor requires its Employees to act in the Funds’ best interests, abide by all applicable regulations and avoid any action that is, or could even appear to be, legally or ethically improper.

Ripplewood maintains restrictions on Access Persons’ trading in securities of fund portfolio companies and affiliates. Absent an available exemption in Rule 204A-1, an Access Person must follow the pre-clearance procedures as detailed in the Advisor’s Code and receive approval before transacting in a security that is generally prohibited.

Ripplewood maintains a restricted list that prohibits Access Persons from trading in certain securities under a variety of circumstances. The restricted list consists of any securities that may pose a conflict of interest for Ripplewood’s Access Persons. The restricted list is maintained and updated by the CCO.

Ripplewood requires Access Persons to provide periodic reports regarding transactions in any Security, as defined by the Code. A copy of Ripplewood’s Code is available to Limited Partners upon request.

Item 12: Brokerage Practices

The Advisor focuses on making investments in private securities, and does not ordinarily deal with any financial intermediary such as a broker-dealer; therefore commissions are not ordinarily payable in connection with such investments. To the limited extent Ripplewood transacts in

public securities, or other non-private equity investments (e.g., currency hedging), Ripplewood will seek to obtain best execution. In general, this means obtaining the best net results so that the Fund's costs or amounts received are most favorable under all of the circumstances. Best execution does not require that the Fund pay the lowest possible commission rates. Ripplewood intends to select brokers based upon the broker's ability to provide best execution for the Funds. Ripplewood and/or the General Partner is generally authorized to make the following determinations, subject to each Fund's investment objectives and restrictions, without obtaining prior consent from the relevant Fund or any of their Investors: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

The Advisor does not participate in any soft dollar arrangements outside of receiving research available to other institutional investors. Research services received from brokers and dealers are supplemental to Ripplewood's own research effort. To the best of Ripplewood's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. The Advisor does not separately compensate such broker-dealers for the research and does not believe that it "pays-up" for such broker-dealers' services due to the difficulty associated with the broker-dealers not breaking out the costs for such services.

Item 13: Review of Accounts

All investments are carefully reviewed and approved by Ripplewood's investment team. The portfolio companies are reviewed on a continuous basis and the investment personnel meet regularly to discuss investment ideas, economic developments, industry outlook and other issues related to current portfolio holdings and potential investment opportunities.

Ripplewood provides each Limited Partner with the following reports in accordance with the terms of the applicable Governing Fund Documents: (i) audited annual financial statements; (ii) unaudited quarterly financial statements together with an investment memorandum describing the major events that occurred and an overview of the portfolio; and (iii) annual tax information necessary to complete any applicable tax returns.

Item 14: Client Referrals and Other Compensation

Not applicable.

Item 15: Custody

Ripplewood has access to client accounts (i.e., the Funds) since it or an affiliate serves as the General Partner of the Funds. Limited Partners will not receive statements from any custodians. Instead, the Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the annual audited financial statements are distributed to each Limited Partner. As of December 31, 2012 audited financial statements are prepared in accordance with generally accepted accounting principles and distributed within 120 days of each Fund's fiscal year end.

Item 16: Investment Discretion

In accordance with the terms and conditions of the Governing Fund Documents, and subject to the direction and control of the General Partner of each Fund, the Advisor generally has discretionary authority to determine, without obtaining specific consent from the Funds or its Limited Partners, the securities and the amounts to be bought or sold on behalf of the Funds, and to perform the day-to-day investment operations of the Funds.

Item 17: Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, Ripplewood has adopted and implemented written policies and procedures governing the voting of client securities.

Ripplewood's Funds are primarily invested in privately-held portfolio company investments which typically do not issue proxies. However, upon occasion, Ripplewood may receive proxies in connection with its publicly traded portfolio companies, in which case it is the Advisor's policy to exercise the proxy vote in the best interest of its Funds, taking into consideration all relevant factors, including without limitation, acting in a manner that Ripplewood believes will (i) maximize the economic benefits to the relevant Fund and (ii) promote sound corporate governance by the issuer. Ripplewood may be required to exercise a vote for a privately-held portfolio company, in which case the same procedures shall apply.

Ripplewood will seek to avoid material conflicts of interest between its own (or its affiliates) interests on the one hand, and the interests of its Funds on the other. In situations where Ripplewood is required to vote the proxy for a company in which employees of Ripplewood serve on the board of directors, Ripplewood has determined that this does not inherently present a conflict of interest, as the sole purpose of this representation is to maximize the return on the Funds' investment in such portfolio company. Accordingly, while Ripplewood is generally, but not automatically, fully supportive of recommendations made by a portfolio company's board of directors with respect to proxy votes related to that issuer, it will review all proxies in accordance with its proxy voting guidelines and may or may not vote in favor of the board's recommendation.

All conflicts of interest will be resolved in the interests of Ripplewood's Funds. In situations where Ripplewood perceives a material conflict of interest, Ripplewood may defer to the voting recommendation of an independent third party provider of proxy services, or take such other action in good faith, which would protect the interests of Ripplewood's Funds.

All proxies that Ripplewood receives will be treated in accordance with these policies and procedures. A copy of Ripplewood's written proxy voting policies and procedures, as well as a record of how Ripplewood has voted in the past, will be maintained and available for review upon written request.

Item 18: Financial Information

Not applicable.