

## Item 1 – Cover Page

# Alta Communications, Inc.

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March 31, 2014

This Brochure provides information about the qualifications and business practices of Alta Communications (“Alta Communications”, “us”, “we” or “our”). If you have any questions about the contents of this Brochure, please contact us at 617-956-1318 and/or [etoti@altacomm.com](mailto:etoti@altacomm.com). 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.

We are a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications presented to you by an investment adviser provide you with information which you may use to determine to hire or retain the adviser or invest in its managed funds.

Additional information about Alta Communications is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Alta Communications is 162041.

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission (the “SEC”) published “Amendments to Form ADV” which amended the disclosure required in our Firm Brochure. This Brochure, dated March 31, 2014, is a document prepared according to the SEC’s requirements and rules.

### **Changes Since the Last Update**

This Item of the Brochure will discuss only specific changes that are made to the Brochure and provide clients with a summary of such changes. The last update of our brochure was April 30, 2013. This version of our disclosure brochure, dated March 31, 2014, updates regulatory assets under management in Item 4. However, these changes are not material.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Eileen McCarthy Toti, our Chief Compliance Officer, at 617-956-1318 or [etoti@altacomm.com](mailto:etoti@altacomm.com). You can always receive the most recent version of this Brochure through the SEC’s public disclosure website (IADP) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Additional information about Alta Communications is available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 4 – Advisory Business

Alta Communications, Inc. a Massachusetts sub-chapter S Corporation, is based in Waltham, MA, and has been in business since 1996. Our principal owners are Brian W. McNeill and Timothy L. Dibble. Alta Communications, Inc. raised its last investment fund in 2003, and its principal focus remains on managing the remaining portfolio companies, while trying to maximize returns, understanding that liquidity is a primary goal. No new investments will be made in any of the remaining funds. The number of investment professionals and administrative staff has been downsized, since there is no longer a need to search for and perform due diligence on new portfolio investments.

Alta Communications provides investment advisory services to private pooled investment vehicles organized as limited partnerships or other entities (each, a “Fund” and, collectively, the “Funds”). The Funds are closed end and generally have a term of 10 years, with the possibility of extensions. The Funds are marketed primarily to institutional investors and high net worth individuals. These investors purchase interests in the Funds, and investments are made at the Fund level, not for individual investors in the Fund. As the investment adviser of the Funds, Alta Communications, Inc., along with each Fund’s general partner (each, a “General Partner” and, collectively, the “General Partners”), identifies investment opportunities for, and participates in the acquisition, management, monitoring and disposition of investments of each Fund.

The primary focus of Alta Communications’ investment advisory services was researching and advising on privately negotiated transactions in operating entities. Investments are predominantly in non-public companies, although investments in public companies are permitted under certain circumstances. One or more of our partners often serves on a portfolio company’s board of directors to influence control or management of portfolio companies held by the Funds, but the Funds also have made minority investments.

The advisory services for each of the Funds are further described in the Funds’ respective offering memorandum and limited partnership agreements (collectively, the “Documents”). We do not vary our investment advice from the terms of these Documents. Additionally, these Documents also detail the various investment restrictions that govern the types of investments the Funds may and may not make.

In accordance with common industry practice, one or more of the General Partners may enter into “side letters” or similar arrangements with certain investors pursuant to which the General Partner grants the investor specific rights, benefits, or privileges that are not made available to investors generally. These arrangements typically clarify any regulatory,

informational, and interpretational issues with the Documents, and do not include changes in the financial terms.

As of December 31, 2013, we managed \$228,467,000 of assets on a discretionary basis for two Fund Groups, Alta Communications VIII and Alta Communications IX.

- Alta Communications VIII, L.P - This fund is a private equity fund organized in Delaware and includes both high net worth and institutional investors. This fund was formed in March of 2000. This fund is fully invested and is currently in the process of liquidating its remaining investments. Alta Communications VIII, L.P. invests alongside Alta Communications VIII-B, L.P., Alta-Comm VIII S by S, LLC and Alta VIII Associates, LLC. Each investment made by the Alta Communications VIII group of funds is made pro rata to capital, with the exception of Alta VIII Associates. The Associates (non-partner investment professional employees), as a group can invest up to \$50,000 in each investment made by the group. No new investments will be made in the funds, and no follow-on investments are expected at this time.
- Alta Communications IX, L.P - This fund is a private equity fund organized in Delaware and includes both high net worth and institutional investors. This fund was formed in April of 2003. This fund is fully invested and is currently in the process of liquidating its remaining investments. Alta Communications IX, L.P. invests alongside Alta Communications IX-B, L.P., and Alta IX Associates, LLC. Each investment made by the Alta Communications IX group of funds is made pro rata to capital, with the exception of Alta IX Associates. The Associates (non-partner investment professional employees), as a group can invest up to \$50,000 in each investment made by the group. No new investments will be made in the funds, but there is still a possibility of minimal follow-on investments.

## **Item 5 – Fees and Compensation**

As compensation for investment advisory services, Alta Communications, Inc. or its Affiliates receive an annual management fee from Alta Communications IX and Alta Communications IX-B. The management fee is payable quarterly, in advance, and was based on the remaining cost basis of investments held by the Funds through April 15, 2013. During the active investment period, the funds paid a fee based on committed capital. Alta IX Associates does not pay any fees. The Partnership Agreements for Alta Communications IX and Alta Communications IX B were scheduled to terminate on April 15, 2013. The Partnership Agreements' have been amended, extending the term of the agreements through April 15, 2015. The method of calculating management fees was also changed in connection with the amendment. There is a fixed fee for the year ended April 15, 2014 and

a fixed fee which may decline based on the lower of cost or market of the remaining portfolio for the year ended April 15, 2015.

The Alta Communications VIII group of funds is on extension beyond their initial ten-year term. These funds have not paid any fees since March 3, 2010. Alta-Comm VIII S by S, LLC and Alta VIII Associates, LLC have never paid any fees. The Partnership Agreements for these funds has been extended through March 3, 2015.

To obtain cash for the payment of management fees, the General Partner of the Fund may draw down investors' capital commitments.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in each Fund's limited partnership agreement, over the life of the Funds, and investors generally are not permitted to withdraw or redeem interests in the Funds.

To the extent provided in the partnership agreements of the Funds, Alta Communications will pay out of its management fees certain operating expenses, including expenses for rent, utilities, office supplies, office equipment, travel, entertainment, deal sourcing expenses, compensation of its Managing Partners and employees (other than carried interest described in Item 6 below) and other routine administrative expenses relating to the services and facilities provided by Alta Communications to the Funds. Each Fund will bear all other expenses relating to it, to the extent not borne by its portfolio companies, including legal, accounting, investment banking, consulting, research, brokerage, finders', custody, transfer, registration, advisory board, interest, taxes and extraordinary expenses, and other similar fees and expenses. Some of these expenses borne by the Funds may relate to costs associated with unexecuted transactions.

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

The limited partnership agreements generally provide a distribution waterfall in which the net proceeds realized by each Fund are shared between the Fund's General Partner and the Fund's investors ("Carried Interest"), after the investors have received their contributed capital.

Each of our Funds maintains for each investor in the Fund a capital account that is adjusted to reflect the performance-based carried interest or allocation, the management fee and

other Fund expenses, capital contributions, distributions and other similar changes during the term of the particular Fund.

The General Partners of the Funds are all affiliates of Alta Communications, and our affiliates and employees may be members or partners of the General Partners that receive these performance distributions from the Funds.

Performance-based allocation arrangements received by the General Partners and, indirectly, Alta Communications' related persons may create an incentive for Alta Communications to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement.

As of December 31, 2013, both the Alta Communications VIII group of funds and the Alta Communications IX group of funds are not in a cumulative profitable position, so all gains and losses are currently being allocated based on committed capital (99% to the Limited Partners and 1% to the General Partners). Based on the cumulative loss position, there is currently no carried interest component to the fees.

## **Item 7 – Types of Funds**

Alta Communications currently provides investment advisory services to pooled investment funds. Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of such Fund, and not individually to the investors in such Fund. Interests in the Funds were offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act.

Both Alta Communications VIII, L.P. and Alta Communications VIII-B, L.P. and Alta Communications IX, L.P. and Alta Communications IX-B, L.P. are 501 c 7 funds. Investors in these Funds include high net worth individuals, banks, pension and profit-sharing plans, trusts, university endowments, insurance companies, corporations, limited partnerships and limited liability companies or other business entities.

We require that each investor in a fund be an “accredited investor” as defined in Regulation D under the Securities Act of 1933 or a “qualified purchaser”, within the meaning of 2(a)(51) of the Investment Company Act of 1940, as amended. We also require that each investor in a fund that is a U.S. resident be a “qualified client” within the meaning of Rule 205-3 of the Investment Advisers Act of 1940, as amended.

Depending on the Fund, generally investors must invest a minimum dollar amount of \$1,000,000. The General Partners of each Fund may waive the minimum investment amount at their sole discretion.

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

### Methods of Analysis

Our Funds typically invest in debt, equity and equity-related securities of private operating companies in negotiated transactions. Our client Funds make control investments as well as minority investments, and equity incentives are granted to company management. For each client Fund, we make investment recommendations in accordance with the investment strategies described in the Fund's offering memorandum and limited partnership agreements.

Prior to making an investment, Alta Communications carries out an extensive fundamental analysis of a target investment's position and prospects. A vital element of this analysis is the development of an operating plan that, if the investment is consummated, will form the basis for the portfolio company's operating targets.

### Investment Strategies and Risk of Loss

The Funds' investments are generally highly illiquid, and are generally not readily marketable or freely transferable. Consequently, dispositions of portfolio companies can take a long time and the market value at the time of liquidation is not certain or guaranteed. Each Fund will only make a limited number of investments, and these investments will involve a high degree of risk. All of the investments made are in the communications and media industry which adds additional risk. Accordingly, poor performance by a few investments could severely affect the total returns to the Fund's investors.

Private equity investments involve a high degree of business and financial risk and can result in substantial loss. Among those risks are the general risks associated with investing in companies at an early stage of development and/or with operating losses and/or with significant variations in operating results. In many cases, these companies will require substantial capital to support expansion plans to achieve and maintain a competitive position. Such companies also will likely face intense competition from established companies with greater resources and capabilities. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that the Fund will be adequately compensated for risks taken. A loss of principal is possible. The timing of profit realization is highly uncertain.



Investments in more mature companies in the expansion or profitable stage also involve substantial risks. The companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire a business or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, product development and general management of these activities. Development-stage companies often experience unexpected problems in the areas of product development, marketing, financing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements, debt markets or the public markets. The percentage of companies which survive and prosper can be small.

Our task of identifying investment opportunities, managing such investments and realizing a significant return for investors is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize such investments successfully. In making our investment decisions, we may rely on our own or a portfolio company's projections concerning future growth and performance; such projections are inherently subject to uncertainty and to certain factors beyond our control or that of the portfolio company.

**Investments in Leveraged Companies** – The Funds may make debt and equity investments in leveraged portfolio companies. It is possible that a leveraged portfolio company in which a Fund invests will not have sufficient cash flow to pay its current debt service obligations as they become due or will not be able to refinance its outstanding indebtedness on favorable terms, or at all, upon maturity. It is anticipated that certain portfolio companies will have outstanding variable rate debt. An increase in interest rates could impact such portfolio companies' ability to meet current debt service obligations. If a portfolio company is unable to timely meet its payment obligations or fails to satisfy applicable financial covenants, the portfolio company's senior lenders typically will have the ability to exercise a variety of remedies under the relevant credit documents, including foreclosing on the assets of the portfolio company that are used to secure the underlying debt. Any rights of the Fund as a subordinated debt or an equity holder will be junior to the rights of the portfolio company's senior lenders, whether the underlying debt is secured or not. If a portfolio company is liquidated or sold, there may be no assets remaining for the subordinated debt or equity holders after the portfolio company's creditors are paid.

**Need for Follow-On Investments** – Following its initial investment in any given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that any Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a negative

impact on a portfolio company in need of such an investment or may result in a lost opportunity for the Fund to increase its participation in a successful operation.

**Foreign Investments** – The Funds may invest in portfolio companies that are organized and operating outside the United States. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may change during the term of the Fund) and the application of complex tax rules to cross-border investments. The Funds do not hedge currency risks.

**No Assurance of Investment Return** – There is no assurance that the Funds will be able to invest their capital on attractive terms or generate returns for their investors. Past performance provides no assurance of future success. An investment in a Fund is a long-term commitment. The transferability of interests are restricted by each Fund's limited partnership agreement and by U.S. federal and state, as well as foreign, securities laws. The investments in each Fund are highly illiquid and have no public market. Voluntary withdrawals of interests are not permitted, except in limited instances when necessary to comply with laws or regulations applicable to an investor, including, but not limited to, ERISA regulations.

The Funds may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in a Fund's control, such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by a Fund.

**Risks of Targeted Portfolio** – There may be no readily available market for a Fund's investments, many of which will be difficult to value. Consequently, a Fund may not be able to dispose of an investment when it desires to do so. The securities purchased by a Fund typically will have been issued in private placement transactions and will be subject to legal or contractual restrictions on resale by the Fund. In some instances, the sale of securities owned by a Fund may require lengthy negotiations. A potential exists for securities that cannot be liquidated within the term of a Fund and may have to be distributed in-kind to the investors at the Fund's termination.

The Funds will take stakes in privately held companies and may also invest directly in publicly traded companies. Therefore, the Funds may at times hold minority equity stakes in public companies, such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes.

**Economic and Market Risks** – General economic conditions beyond our control may affect the performance of the Funds. Interest rates, general levels of economic activity, performance of the public securities markets and participation by other investors in the financial markets may affect the value of the portfolio companies or companies being considered for prospective investments. Legal, tax and regulatory changes could occur during the terms of the Funds that may adversely affect the Funds.

**Potential Liabilities** – In connection with investments, the Funds may negotiate the right to appoint one or more members of a portfolio company's board of directors. Such membership on the board of directors of a company can result in a Fund or the individual director being named as a defendant in litigation. The funds have purchased insurance to protect the Limited Partners, and typically, portfolio companies will have insurance to protect directors and officers, but this insurance may be inadequate. The Funds will also indemnify the General Partners and Alta Communications for liabilities incurred in connection with operations of the Funds, including liabilities arising from such suits. Such indemnification obligations and other liabilities could be substantial.

In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. The Fund may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner of that Fund may establish reserves and escrows. In that regard, distributions to investors may be delayed or withheld until such reserve is no longer needed or the escrow period expires.

The limited partnership agreements of the Funds provide that the General Partners will not be liable to the Funds or to any investors for any loss or damage sustained in connection with the Funds' businesses, including errors in judgment or other acts or omissions reasonably believed to be within the authority granted to the General Partners under the limited partnership agreements of the Funds, unless such loss or damage is the result of gross negligence or willful misconduct. As a result, investors effectively may have a more limited right of action against the General Partners than they would otherwise have absent such provisions. The limited partnership agreements of the Funds also provide for indemnification of the General Partners against liability arising out of any act or omission in connection with the business of the Funds if such act or omission does not constitute gross negligence or willful misconduct.

**Dependence on General Partner and Management Company** – Investors in the Funds do not take part in the Fund's investment process. The Fund is dependent upon the activities of the managing partners at Alta Communications. Should one or more of the managing partners become incapacitated or cease to participate in the management of a Fund, the

Funds' performance could be adversely affected. No assurances can be given that each member of each General Partner will continue to be affiliated with Alta Communications throughout the Fund's term. Some of the members of the General Partners may have limited experience working together to manage investment funds such as the Funds. Notwithstanding any prior experience that members of a General Partner or Alta Communications may have in making investments of the type expected to be made by the applicable Fund, any such prior experience necessarily was obtained under different market conditions and with different technologies at the forefront of development. There can be no assurance that members of a General Partner and Alta Communications will be able to duplicate prior levels of success.

The existence of each General Partner's carried interest in the Fund's profits may create an incentive for the General Partner to make riskier or more speculative investments on behalf of the Fund than would be the case in the absence of this arrangement.

**Potential Conflicts of Interest** – There are potential conflicts of interest in each Fund's structure and operation, particularly with respect to activities of the managing partners outside of their activities on behalf of a particular Fund (including with respect to their activities on behalf of prior and subsequent Funds). Furthermore, the managing partners do now, and are permitted to in the future, organize, offer interests in and provide services to, as well as invest in, other Funds that may or may not be in the same investment field as the existing Funds, which may conflict with their duties to or interests in the Funds. The Funds would have no interest in these activities. As a result of the foregoing, the General Partners and the managing partners may be engaged in substantial activities other than on behalf of one particular Fund, may have differing economic interests in respect of such activities, and may have conflicts of interest in allocating their time and activity between the Funds.

**Diverse Investor Base** – The investors in each Fund may have conflicting investment, tax and other interests with respect to investments. These conflicting interests may relate to or arise from, among other things, the nature of investments made by the Fund, the structuring or the acquisition of investments, and the timing of disposition of investments. In selecting and structuring investments appropriate for each Fund, the General Partners will consider the investment and tax objectives of the Fund and its investors as a whole, not the investment, tax or other objectives of any particular investor individually.

**Certain Risks for Investors in the Funds** – An investors' interest in a Fund may be forfeited if the investor fails to make any installment payment of its capital commitment to the Fund. Investors in the Funds have no right or power to take part in the management of the Funds, their assets, or their portfolio investments. All aspects of the Funds' management are

entrusted to the General Partners and Alta Communications. Alta Communications' capital contributions to the Funds represent only a small portion of the Funds' capital. Investors in the Funds invest greater amounts and receive a proportionately smaller interest in the profits of the Funds than Alta Communications does. In accordance with common industry practice, one or more of the General Partners may enter into "side letters" or similar arrangements with certain investors pursuant to which the General Partner grants the investor specific rights, benefits, or privileges that are not made available to investors generally. These arrangements typically clarify any regulatory, informational, and interpretational issues with the Documents, and do not include changes in the financial terms.

**Significant Default Penalties** – The limited partnership agreement of each Fund contains significant penalties in the event an investor defaults with respect to any required capital contribution or other payment obligations. In addition to losing its right to potential distributions from the Fund, a defaulting investor may be subject to a variety of adverse consequences including forfeiture of its interest in the Fund or the forced transfer of its interest in the Fund for an amount that is less than the fair market value of such interest.

## **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 your evaluation of us or the integrity of our management. We have no information applicable to this Item.

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

We are a registered investment adviser with the United States Securities and Exchange Commission. As discussed in Item 1, Alta Communications, Inc. is managing the Alta Communications VIII and Alta Communications IX group of funds as they wind down. Certain of the general partners, (Brian McNeill, Timothy Dibble and Philip Thompson), who are currently employed by Alta Communications, Inc. and general partners of the funds managed by Alta Communications, Inc. have started a new company, Alta Equity Partners "AEP". AEP is a fund-less sponsored private equity investment firm focused on making investments in lower middle market companies across a variety of industries. AEP has been involved in five investments totaling \$34,153,000 since its inception. One of the general partners (William Egan) of the funds managed by Alta Communications, Inc. is the Managing Member for Marion Equity Partners "MEP", a private equity search fund with committed capital of \$20,125,000. This fund is fully invested, but there is a possibility that

follow-on investments will be made to the existing portfolio. Additionally, certain of the general partners of funds managed by Alta Communications (Brian McNeill and William Egan) are general partners of Alta V Limited Partnership which is the last fund managed by Burr, Egan, Deleage & Co “BEDCO”. This fund is fully invested and remains active only to manage a tax issue related to a former portfolio company. No additional investments will be made. Eileen McCarthy Toti is the CFO of Alta Communications, Inc. and is a general partner of the funds managed by Alta Communications, Inc. She is also a general partner of Alta V Limited Partnership. Eileen McCarthy Toti is responsible for the accounting and administration of each of these fund groups which share office space and financial and administrative support and has been appointed as the Chief Compliance Officer of each group. AEP and MEP are exempt reporting advisors since their assets under management are less than \$150 million and BEDCO is exempt since it manages Alta V, Limited Partnership, which is a venture capital investment entity. We have no other information applicable to this Item.

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

We have adopted a Code of Ethics for all employees of the firm describing our high standard of business conduct, and fiduciary duty and responsibility to our clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading and personal securities trading procedures, among other things. Our employees must certify at least annually their receipt, understanding and compliance with our Code of Ethics.

We do not as a general practice recommend that a Fund invest in other Fund(s) or companies in which we or our affiliates have a material ownership interest.

In situations where actual or potential conflicts of interest between us and our affiliates and one or more Funds are identified, procedures contained in the limited partnership agreements of the affected Funds generally provide for submission of the proposed transaction to an Advisory Board for review and resolution. The specific procedures for each Fund we advise are set forth in the offering memorandum and limited partnership agreement or management or advisory agreement of the Fund.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with our ability to make decisions and complete transactions in the best interest of our clients.

Our Code of Ethics requires all Access Persons to obtain pre-approval for private placements and IPOs, and prohibits insider trading.

A copy of our Code of Ethics will be provided upon request to any investor in one of our Funds. Such a request can be made by contacting Eileen M. Toti at [etoti@altacomm.com](mailto:etoti@altacomm.com) or 617-956-1318.

## **Item 12 – Brokerage Practices**

The investments made by our Funds generally do not require the use of a broker-dealer. On certain occasions, however, an investment by a Fund or disposition of securities held by a Fund will require that we select a broker-dealer to execute a transaction. In that case, we will use a broker-dealer whom we have determined will provide the best execution for the transaction. Generally speaking, best execution means the broker's ability to obtain the best qualitative and quantitative execution reasonably available in the circumstances.

We do not take the availability of soft dollars into consideration as it is our policy not to accept research or services in exchange for soft dollars.

## **Item 13 – Review of Accounts**

We review the performance of the investments of each Fund on a day-to-day basis, including reviewing various market conditions and investment situations.

We provide the following reports to investors in each of our Funds:

On an annual basis:

- Audited financial statements along with capital account summaries and portfolio overviews
- Tax information necessary for the completion of tax returns

On a quarterly basis:

- Unaudited financial statements
- Capital account summary
- Portfolio company overviews (only Alta Communications IX Group)

## **Item 14 – Fund referrals and Other Compensation**

We do not receive any economic benefit from any person that is not a client for providing advisory and management services to our Funds.

## **Item 15 – Custody**

Alta Communications, Inc. may be deemed to have custody of the assets of the Funds as a result of its authority over the Funds.

It is Alta Communications' policy to cause each Fund with assets over which Alta Communications is deemed to have "custody" to be audited annually by a PCAOB registered independent accounting firm in accordance with Rule 206(4)-2 under the Investment Advisers Act of 1940 and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to investors no later than 120 days after the end of each fiscal year. In addition, upon the final liquidation of any such Fund, Alta Communications will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all investors promptly after completion of the audit. Alta Communications VIII, L.P., Alta Communications VIII-B, L.P., Alta Communications IX, L.P. and Alta Communications IX-B, L.P. have been audited since their inception. Alta-Comm VIII S by S, LLC, Alta VIII Associates, LLC and Alta IX Associates, LLC were audited for the first time effective December 31, 2012 as required by their status as a registered investment entity.

## **Item 16 – Investment Discretion**

Alta Communications provides investment advisory services to each of the Funds pursuant to the Documents of such Fund. Investment advice is provided by Alta Communications directly to the Funds, subject to the direction and control of the affiliated General Partner of such Fund. Any restrictions on investments in certain types of securities are established by the General Partner of the applicable Fund, and are set forth in the Documents received by each investor prior to investment in such Fund.

## **Item 17 – Voting Fund Securities**

To the extent matters arise that call for the vote or consent of the investors in a portfolio company of a Fund, we exercise the voting rights on behalf of the Fund in question. It is our policy to vote all proxies in a manner that best serves the interests of the applicable Fund.



A copy of our proxy voting policy may be obtained by contacting Eileen M. Toti at [etoti@altacomm.com](mailto:etoti@altacomm.com) or 617-956-1318.

## **Item 18 – Financial Information**

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to our Funds and we have not been the subject of a bankruptcy proceeding.

## **Item 19 – Required for State-Registered Advisers**

We are not registered in any states.