

**Item 1. Cover Page**

Spring Lake Equity Management LLC

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March 31, 2014

This brochure (the “Brochure”) provides information about the qualifications and business practices of Spring Lake Equity Management LLC. If you have any questions about the contents of this Brochure, please contact us at 617-391-6341. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Spring Lake Equity Management LLC is registered as an “investment adviser” with the SEC. Registration with the SEC does not imply any level of skill or training.

Additional information about Spring Lake Equity Management LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). All discussions in this Brochure of the terms, investment strategies, fees and risks applicable to the pooled investment vehicle advised by Spring Lake Equity Management LLC are qualified in their entirety by reference to the organizational and offering documents applicable to such vehicle.

## **Item 2. Material Changes**

This Brochure (Form ADV, Part 2A) dated March 31, 2014, includes several changes from our Brochure dated September 9, 2013, none of which is material. We call your attention, in particular, to:

**Item 11.** This Item has been revised to reflect that our affiliate Spring Lake Equity GP LLC has received a carried interest in one co-investment.

**Item 17.** The prior summary of changes incorrectly stated that this item had been revised to reflect that we advise our affiliate Spring Lake Equity Management LLC with respect to voting portfolio securities. It should have said, this item had been revised to reflect that we advise our affiliate Spring Lake Equity GP with respect to voting portfolio securities.

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

Spring Lake Equity Management LLC (“Spring Lake Equity Management” or “we”) is a limited liability company formed for the purpose of managing private equity funds (each a “fund” and collectively “funds”). These funds invest in operating companies, generally companies whose equity securities are privately held. A fund may temporarily invest cash in short-term instruments such as money market instruments, certain government securities or bank certificates of deposit.

We began operations in July 2013.

We are the non-discretionary investment manager to a private equity fund, Spring Lake Equity Partners LLC (“Spring Lake Equity Partners” or the “Fund”). We have entered into a sub-advisory agreement with respect to the Fund with WestRiver Management, LLC, an affiliate of WestRiver Equity Partners, LLC (“WestRiver Equity”) and Erik Anderson, a principal of WestRiver Equity. We also provide certain sub-advisory services to four private funds, each principally managed by Tudor Investment Corporation (“Tudor”), and one Tudor proprietary account. In particular, we are sub-advising Tudor Ventures II, L.P. (“Tudor Fund II”) and Tudor Ventures III, L.P. (“Tudor Fund III”), and we sub-advise with respect to certain assets in Tudor BVI Global Portfolio, L.P. and subsidiaries (collectively, “Tudor BVI”), Tudor Private Portfolio LLC (“Tudor Private Portfolio”), and a Tudor proprietary account.

The Tudor managed funds and account are referred to collectively as the “Tudor Accounts.” The Fund and the Tudor Accounts are collectively referred to as the “Clients.”

An affiliate of ours, Spring Lake Equity Partners GP LLC (“Spring Lake Equity GP”), serves as managing member of the Fund. We are the managing member of Spring Lake Equity GP, and, as such, we control Spring Lake Equity GP. Spring Lake Equity Management and Spring Lake Equity GP share office space and personnel.

Our principal owners are Robert F. Forlenza (“Mr. Forlenza”) and Carmen J. Scarpa Jr. (“Mr. Scarpa”). Mr. Forlenza and Mr. Scarpa left Tudor in July 2013 to operate Spring Lake Equity Management. At Tudor, Mr. Forlenza and Mr. Scarpa were principal members of the Tudor Growth Equity Group, the private equity arm of Tudor.

Our management services are tailored to the objectives of each Client and reflect any restrictions set forth in a Client’s governing documents or other written instructions.

In the case of Spring Lake Equity Partners, there is a three-person advisory committee (the “Advisory Committee”) whose members are appointed by WestRiver Equity, an investor in Spring Lake Equity Partners. Erik Anderson owns a 10% equity interest in Spring Lake Equity Management and sponsored WestRiver Equity through which certain anchor investors invested in the Fund. The Advisory Committee has approval rights with respect to certain limited investment and other material matters.

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

We receive a management fee from Spring Lake Equity Partners. Investors may negotiate with respect to the management fee. Spring Lake Equity GP, our affiliate serving as managing

member of Spring Lake Equity Partners, has the right to receive a performance fee or “carried interest” based on the performance of Spring Lake Equity Partners. See Item 6.

We receive compensation in the form of a sub-advisory fee from Tudor for our sub-advisory services to Tudor Fund II and Tudor Fund III, although the sub-advisory fee in respect of services to Tudor Fund II is di minimis. Mr. Forlenza and Mr. Scarpa also have an interest in the general partner of Tudor Fund II and the general partner of Tudor Fund III, each of which may receive a performance fee or “carried interest” based on the performance of the respective fund.

We have the right to receive a portion of any gains above agreed benchmarks in certain investment held by Tudor BVI, Tudor Private Portfolio, and the Tudor proprietary account.

Although certain of the Tudor Accounts may make follow-on investments in existing portfolio companies, it is not likely that Spring Lake Equity Partners will invest in a portfolio company at the same time as any such Tudor Account makes a follow-on investment in that portfolio company.

The fact that we or an affiliate are entitled to distributions based on the performance of a Client may create an incentive for us to cause a Client to make investments that are more speculative than would be the case in the absence of performance-based compensation. However, this incentive may be tempered by the fact that losses will reduce a Client’s performance, and thus reduce the compensation paid to us or our affiliates.

In addition to payment of management fees and performance-based compensation, Spring Lake Equity Partners pays certain third-party fees and expenses. We are responsible for customary overhead expenses of managing Spring Lake Equity Partners, including compensation for employees, rent and utilities. Spring Lake Equity Partners is responsible for all other expenses incurred by it or on its behalf that are not reimbursed by portfolio companies, including legal, auditing, consulting, financing, accounting and Fund administration fees and expenses; expenses associated with the Fund’s financial statements, tax returns and K-1s; expenses associated with the annual meetings; out-of-pocket expenses of Spring Lake Equity GP or Spring Lake Equity Management for transactions not consummated; other expenses associated with the acquisition, holding and disposition of investments, including but not limited to, break-up costs, other third-party costs, and extraordinary expenses (such as litigation, if any); insurance costs, including D&O insurance; and any taxes, fees or other governmental charges levied against the Fund. Investors in Spring Lake Equity Partners are assessed periodically for such expenses in accordance with their respective sharing percentages.

Spring Lake Equity Partners bears all organizational and offering expenses (including legal, travel, accounting, filing, capital-raising and other expenses) incurred in connection with the formation of the Fund, Spring Lake Equity GP, Spring Lake Equity Management and any other related or affiliated entities, as well as the offering of interests in the Fund.

#### **Item 6. Performance Fees and Side by Side Management**

We will not be managing side-by-side one Client that has an obligation to pay a performance fee and another Client that does not have the obligation to pay a performance fee. However, a performance fee is contingent on achieving a contractual performance hurdle. Tudor Fund II is

not expected to provide returns sufficient to achieve the relevant hurdle and generate payment of a performance fee. That Client is beyond the investment phase, thereby substantially mitigating any risk that the difference in performance fee potential could affect investment allocation. See also Item 5.

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

Spring Lake Equity Management provides investment advice and services primarily to private equity funds. It does provide sub-advisory services to one Tudor proprietary account.

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

We generally conduct a fundamental analysis of a potential portfolio company, and also seek to evaluate the quality of its management and prospects in its industry in determining whether to make an investment for a Client.

Although the Tudor Accounts each have completed their investment phase, certain of such accounts anticipates potential follow-on investment opportunities. The primary focus of the investment activity of the Tudor Accounts will be on realization of value from existing investments. Our analysis regarding potential disposition of investments is to seek to assess the prospects for future increase in value relative to the value that could be expected upon a present disposition.

With Spring Lake Equity Partners, we expect to advise with respect to the construction of a diversified portfolio of equity investments primarily in private high-growth companies in order to fund continued growth, acquisitions and recapitalizations, principally focusing on providing capital to companies operating in large, growing markets with opportunities to create value through both innovation and sound business execution. Major elements of the expected investment strategy will parallel the strategy used historically in the management of Tudor Fund II and Tudor Fund III and include the following:

- Focus primarily on later-stage growth companies with proven value propositions and attractive business models
- Invest in attractive high growth sectors
- Invest in differentiated opportunities, including smaller resource-constrained companies and partial recapitalizations
- Structure investments to optimize risk / reward and align interests
- Exercise valuation discipline
- Add value post-investment by working closely with management of portfolio companies

In addition, and unlike the strategy generally used historically in management of Tudor Fund II and Tudor Fund III, we expect to consider on an opportunistic basis other investments that have

the potential of producing attractive investment returns, including investments in small public companies, companies with modest revenue, non-technology companies and control transactions.

Investments in private equity generally and private funds managed using this strategy provide no certainty of return and have the risk of loss of the investment. Additional risks associated with the Fund parallel the risks associated with the investment strategy of Tudor Fund II and Tudor Fund III and are expected to include:

***Nature of Investments.*** Many investments of the Fund will be highly illiquid, and there can be no assurance that such investments will be able to be realized in a timely manner. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in-kind. Additionally, securities generally will be ones that cannot be sold, except pursuant to a registration statement filed under the Securities Act of 1933, as amended (the “Securities Act”), or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. Certain investments may be in businesses with little or no operating history and will be difficult to value. Since the Fund may only make a limited number of investments, and each investment generally will involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns. There can be no assurance that the targeted internal rates of return will be attained.

***Considerations of Private Growth Equity Investments.*** Although private growth equity investments offer the opportunity for significant gain, such investments also involve a high degree of business and financial risk, and can result in substantial loss. Private growth equity portfolio companies may be at the seed stage of development with no operating history, or at the early stage of development with operating losses and significant variations in operating results. In most cases, these companies require substantial capital to support expansion plans and to achieve and maintain a competitive position. Such companies also face intense competition from established companies with greater resources and capabilities. In providing investment advice, we may rely upon our own or a portfolio company’s projections concerning growth and performance. Such projections are subject to uncertainty and to certain factors beyond our control.

***Investments in Technology Growth Companies and Other Portfolio Investments.*** Although our core investment strategy is not limited to any specific industry, historically our personnel have made a significant number of investments in technology growth companies. Focus on any particular industry or sector may involve risks greater than those generally associated with more diversified funds, including significant fluctuations on returns. The specific risks faced by technology growth companies include (i) rapidly changing science and technologies; (ii) products or technologies that may quickly become obsolete; (iii) scarcity of management, technical, scientific, research and marketing personnel with appropriate experience; (iv) the possibility of lawsuits related to patents and intellectual property; and (v) rapidly changing market conditions, including changing investor sentiments and preferences with regard to technology sector investments (which are generally perceived as risky). There is no assurance that products or services sold by portfolio companies will not be rendered obsolete or adversely affected by competing products and services.

***Competitive Nature of Private Equity Investment.*** Investment in private equity is highly competitive. The Fund will be competing for investments against other groups, including direct investment firms, merchant banks and industrial groups, and we may be unable to identify a sufficient number of attractive investment opportunities to meet investment objectives. Other investors may make competing offers for investment opportunities that are identified, and even after an agreement in principle has been reached with the board of directors, other governing body or owners of an acquisition or investment target, consummating the transaction is subject to a myriad of uncertainties, only some of which are foreseeable or within our control. The Fund's investments may also compete with new market entrants, including other companies that we or our affiliates have organized or may organize, to which we provide investment advice, or in which we have or may have significant investments.

***Non-U.S. Investments.*** The Fund may invest in businesses operating and/or organized outside of the United States. Such investments will involve risks not typically associated with investments in the securities of U.S. companies. For instance, investments in non-U.S. businesses (i) may require significant government approvals under corporate, securities, exchange control, non-U.S. investment and other similar laws and regulations, (ii) may require financing and structuring alternatives and exit strategies that differ substantially from those commonly used in the United States, and (iii) will expose us to potential losses arising from changes in foreign currency exchange rates. In addition, the Fund could become subject to additional or unforeseen taxation in the jurisdictions in which the Fund operates and invests. Changes to taxation treaties (or their interpretation) between the United States and the countries in which a fund invests may adversely affect a fund's ability to efficiently realize income or capital gains. The foregoing factors may increase transaction costs and adversely impact the value of the Fund's investments in non-U.S. portfolio companies.

***Dependence on Key Personnel.*** The success of the Fund will be dependent upon the activities of our personnel. The loss of certain key personnel could have a significant adverse impact on our business and our ability to manage the Fund effectively.

***Reliance on Management of Portfolio Companies.*** While it is our intent to provide advice with respect to investment in companies with proven operating management in place, there can be no assurance that such management will continue to operate successfully. Although we will monitor the performance of each investment, the Fund will rely upon management to operate the portfolio companies on a day-to-day basis.

***Considerations Arising from Provision of Managerial Assistance.*** We expect that the Fund generally will seek to use its commercially reasonable efforts to structure its investments so that it will qualify as a "venture capital operating company" ("VCOC") within the meaning of regulations promulgated under the Employee Retirement Income Security Act ("ERISA"), or limit investment by "benefit plan investors" (within the meaning of Department of Labor regulations as modified by Section 3(42) of ERISA) to less than 25% of each class of equity interests in the Fund. If the Fund decides to qualify as a VCOC, then it must obtain rights to participate substantially in and to influence substantially the conduct of the management of the majority (valued at cost) of the Fund's portfolio companies. The Fund typically will have the right to designate directors to serve on the boards of directors of portfolio companies. The designation of representatives and other measures contemplated could expose the assets of the



Fund to claims by a portfolio company, its security holders and its creditors, including claims that the Fund is a controlling person and thus is liable for securities laws violations of a portfolio company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company, could result in claims against the Fund if the designated directors violate their fiduciary or other duties to a portfolio company, or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles, and could expose the Fund to claims that it has interfered in management to the detriment of a portfolio company. While we intend to manage the Fund in a way that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

***Considerations Upon Disposition of Investments.*** In connection with the disposition of an investment in a portfolio company or a public offering of portfolio company securities, the Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business or may be responsible for the contents of certain disclosure documents under applicable securities laws. The Fund may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities which might ultimately have to be paid by the Fund.

***Follow-On Investments.*** The Fund may be called upon to provide follow-up funding for its portfolio companies or have the opportunity to increase its investment in such portfolio companies. There can be no assurance that the Fund will wish to make follow-on investments or that it will have sufficient funds to do so. Any decision by the Fund not to make follow-on investments or its inability to make them may have a substantial negative impact on a portfolio company in need of such an investment, may diminish the Fund's ability to influence the portfolio company's future development, and may have a substantial negative impact on the value of the Fund's interest in the portfolio company.

***Certain Regulatory Considerations.*** Historically, our personnel have made private investments in technology growth companies, financial services companies and other companies which are or may become subject to regulation by one or more United States federal agencies and by various agencies of the states, localities and counties in which they operate. New and existing regulations, changing regulatory schemes and the burdens of regulatory compliance all may have a material negative impact on the performance of portfolio companies.

Industries or sectors that are not currently subject to significant regulation may be subject to new or increased regulation in the future. For example, many technology sectors are comprised of young, growing businesses that provide consumers with innovative products and services. As some of these sectors mature, and as the use of their products and services becomes more widespread, they may become subject to new or increased governmental regulation. We cannot predict whether new legislation or regulation governing those sectors will be enacted by legislative bodies or governmental agencies, nor can it predict what effect such legislation or regulation might have. There can be no assurance that new legislation or regulation, including changes to existing laws and regulations, will not have a material negative impact on the Fund's investment performance.

***Communications and Media Regulatory Considerations.*** Certain communications and media companies are subject to extensive U.S. federal, state and local regulatory requirements. Certain regulations that are intended to limit the concentration of ownership and control of communications and media companies may prevent the Fund from making certain investments that it would otherwise make. Other regulations may cause the Fund to incur substantial additional costs or lengthy delays in connection with the completion or disposition of an investment.

***General Economic Conditions.*** General economic conditions may affect the Fund's activities. Interest rates, general levels of economic activity, fluctuations in the market prices of securities and participation by other investors in the financial markets may affect the value and number of investments made by the Fund or considered for prospective investment. Instability in the securities markets may also increase the risks inherent in the Fund's investments.

***Potential Regulation of the Private Equity Industry.*** Recently, there has been significant discussion regarding greater governmental scrutiny and/or potential regulation of the private equity industry, as private equity firms become more significant participants in the broad-based economy. It is uncertain as to what form and in what jurisdictions such enhanced scrutiny and/or regulation on the private equity industry may ultimately take. Therefore, there can be no assurance as to whether any such regulatory scrutiny or initiatives will have an adverse impact on the private equity industry, including the ability of the Fund to achieve its objectives.

New laws and regulations, changing regulatory schemes and the burdens of regulatory compliance with respect to a fund, to us or to any related entity all may have a material negative impact on the performance of the Fund and its portfolio companies. Such legislation and regulations may, directly or indirectly (i) require us or an affiliate to provide reports and other disclosure to investors, counterparties, creditors and regulators; (ii) cause us or an affiliate to alter the management of, or provision of services to, the Fund, including for the purposes of avoiding increased regulatory burdens; (iii) limit the types and structures of the investments available to the Fund, including limitations on the use of leverage; or (iv) otherwise change or restrict the operations of the Fund.

***Certain Tax Considerations.*** President Obama and the U.S. Congress have been considering legislative proposals that are generally directed at the taxation of compensatory partnership interests, primarily targeted towards carried interest arrangements. Such legislation could result in, among other things, the carried interest paid by the Fund to Spring Lake Equity GP being taxed at ordinary income tax rates and subject to self-employment taxes, which may adversely affect our ability to attract and retain certain investment professionals. It is uncertain whether or in what form any such legislation may be enacted.

***Illiquidity of Investments.*** The Fund's investment portfolio will, to a significant extent, consist of investments in private companies. There may be no readily available market for the Fund's investments, many of which will be difficult to value.

## **Item 9. Disciplinary Information**

We have no information to report for this item.

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

We are the managing member of Spring Lake Equity GP, the managing member of Spring Lake Equity Partners, which is itself an investment adviser by virtue of its authority with respect to Spring Lake Equity Partners.

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

We have adopted a Code of Ethics (the “Code”) designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (“Advisers Act”). The Code establishes a standard of conduct that reflects Spring Lake Equity Management’s and our employees’ fiduciary obligations to Clients and requires compliance with the federal securities laws. The Code addresses, among other topics, employee personal securities trading, use of confidential information, use of material non-public information and gifts and gratuities. Our employees are required to obtain approval in advance for some securities transactions, including the purchase of shares in an initial public offering or in a private offering, and to report most securities transactions and holdings. Employees are allowed to purchase an interest in a private offering only if we determine that none of our Clients wish to do so. Employees generally are permitted to purchase and sell publicly-traded securities. Our employees also are required to report promptly any violation of the Code to our Chief Compliance Officer or his designee.

We provide a copy of our Code to each employee, and our employees are required to acknowledge receipt of the Code annually. A copy of the Code is available to Clients upon request directed to Carmen J. Scarpa Jr., Spring Lake Equity Management LLC, 50 Rowes Wharf, 5th Floor, Boston, Massachusetts, 02110.

Spring Lake Equity Management is managing one private fund and sub-advising four private funds and one separate account. It and its principals will devote such time to the management of each Client that they deem appropriate, and there is no obligation on their part to devote any particular amount of time to the management of any Client. One Client that we manage may invest in the same portfolio company as another Client that we manage, though we do not expect that will happen frequently.

The members of the Advisory Committee of the Fund, which we expect our affiliate Spring Lake Equity GP will consult in the ordinary course on potential investments and which has certain approval rights with respect to certain limited investment and other material matters, are not obligated to recommend or take any action in such capacity that prefers the interests of the Fund or investor in the Fund over the interests of WestRiver Equity or its investors or affiliates.

Spring Lake Equity GP has agreed to provide the initial investors and other unaffiliated investors who make significant capital commitments to Spring Lake Equity Partners (collectively, the “Major Investors”), as determined by Spring Lake Equity GP in its discretion, with co-investment opportunities, *pro rata* based on their respective capital commitments to the Fund, as they may arise. Spring Lake Equity GP may also provide investors, other than the Major Investors, with similar co-investment opportunities. Investors making a co-investment are expected to agree to provide Spring Lake Equity GP or an affiliate with a carried interest

applicable to their investment in an amount to be determined by the Advisory Committee of the Fund.

**Item 12. Brokerage Practices**

We invest principally in private companies and do not use securities broker-dealers. If we were to need to the services of a securities broker-dealer, we would retain a broker-dealer that we expected would be able to provide best execution with respect to the transaction.

**Item 13. Review of Accounts**

After an investment is made by a Client, we will continually monitor the financial, operational and strategic performance of portfolio companies along with current industry and financial market conditions to optimize exit opportunities.

In conjunction with Spring Lake Equity GP, we prepare periodic portfolio reports to investors in Spring Lake Equity Partners as agreed upon in its governing documents. These reports will be provided quarterly and annually.

Reports to the beneficial owners of the Tudor Accounts will be made by the principal manager, Tudor.

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

We do not pay for client referrals and are not compensated for making such referrals.

**Item 15. Custody**

We have custody of the assets of Spring Lake Equity Partners because an affiliated entity, Spring Lake Equity GP, serves as managing member of Spring Lake Equity Partners, and we are the managing member of Spring Lake Equity GP. Spring Lake Equity GP has contracted for an audit of Spring Lake Equity Partners and a copy of the audit report will be provided to each investor annually. Unaudited financial statements will be provided quarterly to investors in Spring Lake Equity Partners. We do not have custody of any assets of the Tudor Accounts.

**Item 16. Investment Discretion**

Our services with respect to the Clients are nondiscretionary.

**Item 17. Voting Client Securities**

We advise Spring Lake Equity GP with respect to voting portfolio securities held by Spring Lake Equity Partners and have a policy reasonably designed to ensure that we vote in the best interest of the Fund. In the event an opportunity to vote portfolio securities is identified as presenting a material conflict of interest between Spring Lake Equity Management (or its affiliates) and the Fund or between Clients, we will consult counsel.

The principal manager of the Tudor Accounts, not Spring Lake Equity Management, votes portfolio securities held by the Tudor Accounts.

A copy of the policy with respect to voting portfolio securities will made be available to a Client upon written request directed to Carmen J. Scarpa Jr., Spring Lake Equity Management LLC, 50 Rowes Wharf, 5the Floor, Boston, Massachusetts, 02110.

**Item 18. Financial Information**

There is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to Clients.

**Item 19. Requirements for State-Registered Advisers**

Not applicable