

## **Shamrock Capital Advisors, LLC**

**1100 Glendon Ave, Suite 1600  
Los Angeles, CA 90024**

**September 2015**

This brochure provides information about the qualifications and business practices of Shamrock Capital Advisors, LLC. If you have any questions about the content of this brochure, please contact Peter Rivera, Shamrock's Chief Compliance Officer ("**CCO**") at 310-974-6600 or [privera@shamrockcap.com](mailto:privera@shamrockcap.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("**SEC**") or by any state securities authority.

Registration as an investment adviser does not imply that Shamrock Capital Advisors, LLC or any of the principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

Additional information about Shamrock Capital Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

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As of August 24, 2015, Shamrock Capital Advisors, LLC is now located at 1100 Glendon Ave, Suite 1600, Los Angeles, CA 90024.

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**Item 4: Advisory Business**

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Founded in 2010, Shamrock Capital Advisors, LLC (“**Shamrock**,” “**we**,” “**our**,” or the “**Firm**”), is a Delaware limited liability company that provides discretionary investment advisory services and management services to the following private equity privately pooled investment vehicles:

- Shamrock Capital Growth Fund, LP
- Shamrock Capital Growth Fund II, LP
- Shamrock Capital Growth Fund III, LP

(each a “**Fund**”, collectively, the “**Funds**”). In managing the Funds, Shamrock focuses exclusively on lower middle market media, entertainment and communications (“**MEC**”) investment opportunities. Each Fund relies on its General Partner, a Shamrock affiliate, to assist in the day to day management of its activities in accordance with the investment objectives, strategies, restrictions and guidelines found in its private placement memorandum (“**PPM**”). Information about each Fund can be found in its offering documents. The Firm does not tailor its investment services to any individual Fund investor (“**Investor**”).

In certain situations, Shamrock has provided co-investment opportunities in the equity related investments of the Fund, primarily when the equity requirements of an investment exceed those allowed by the mandate of the Fund. Shamrock currently provides discretionary investment advisory services and management services, and has custody of the assets of the following pooled co-investment investment vehicles:

- Shamrock Screenvision Co-Invest I LLC
- Shamrock Mobilitie Co-Invest LLC

Shamrock is wholly owned and controlled by Mr. Stephen Royer, Mr. William Wynperle, Mr. Robert Perille, Mr. Andrew Howard, Mr. Michael LaSalle (collectively, the “**Principals**”) and Shamrock Holdings of California, Inc. The Firm was formed to continue managing the funds initiated by Shamrock Capital Advisors, Inc. and to continue to build a platform of investments in the MEC sectors. Shamrock Capital Advisors, Inc. was founded in 1978 by the late Roy E. Disney, the nephew and son of the co-founders of The Walt Disney Company. Shamrock Capital Advisors, Inc. is the wholly owned subsidiary of Shamrock Holdings of California, Inc.

Please note, notwithstanding the limitation on liability clauses in the Firm’s Limited Partnership Agreements and investment management agreements, nothing in such agreements will cause our clients or the Funds’ Investors to waive any of their legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived.

As of December 31, 2014, the Firm managed US\$670,864,005 in regulatory assets under management in the Funds, all of which are managed on a discretionary basis.

## Item 5: Fees and Compensation

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### Management Fee

During the commitment period, the Funds pay to Shamrock an annual advisory fee (“**Management Fee**”) equal to 2% of the total capital commitments (regardless of whether such capital has been invested) of the Investors in the applicable Fund. This fee is payable in advance on a semi-annual basis and may be offset by a portion of advisory fees received by the Firm from the equity related investments of the Fund (the “**Portfolio Companies**”).

Thereafter, at the earlier of the conclusion of the commitment period of the Fund, the date on which 90% of the commitments have been drawn down, or the date upon which Shamrock begins to collect management fees with respect to a subsequent fund, the Management Fee will generally equal 2% per annum of the aggregate amount of commitments invested in the Portfolio Companies. In our sole discretion, we may waive all or any portion of the Management Fee or performance fee (see Item 6) with respect to an investor in the Funds.

### Operational Expenses

Each Fund will also bear the normal recurring day-to-day expenses of the Fund and its operations, including but not limited to legal, auditing, custodial, bookkeeping and accounting fees and expenses, indemnification and insurance expenses and expenses of meetings of the Firm’s Advisory Committee and annual Investors meetings.

### Transaction Costs

The Fund may further bear out-of-pocket investment costs (such as investment banking, brokerage and underwriting fees or commissions) and expenses relating to the investigation, monitoring, and disposing of investments. Additionally, while we do not generally make investments in securities listed on national exchanges, if we were to do so, the Funds would incur any brokerage costs.

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

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The Funds may allocate a portion of their investment profits to the General Partners as a carried interest of 20%, subject to the terms and conditions set forth in the Funds’ organizational documents, which may include a waterfall distribution and clawback provisions. Compensation based on performance will only be charged in accordance with the provisions of Rule 205-3 under the Investment Advisers Act of 1940.

Performance-based compensation may create an incentive for Shamrock to make investments that are riskier than it would otherwise make, or to favor one Fund over another.

We have adopted a policy to allocate portfolio transactions and investment opportunities only to the particular Fund that has not reached a threshold of at least 75% of capital commitments having been invested or reserved for expenses. Only after this threshold is reached will a follow on fund be raised.

**Item 7: Types of Clients**

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Investors in the Funds may include a variety of institutional investors and high net worth individuals. Each Investor will be a “qualified purchaser”, satisfying the Section 3(c)(7) exemption of The Investment Company Act of 1940, under which each Fund operates. We require Fund Investors to make representations concerning their financial sophistication and ability to bear the risk of loss of their entire investment.

The minimum initial investment in a Fund is \$10,000,000 or such lesser amount as determined in the sole discretion of each Fund’s General Partner.

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

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**Methods of Analysis and Investment Strategies**

Shamrock is a private investment advisory firm focused exclusively on investing capital in the MEC sectors. The Firm’s principals lead a team (the “**Team**”) that has an average of 15 years working experience in the lower middle market focused on MEC investments, as well as a vast network of relationships.

The Team maintains a disciplined approach to its investment strategy from a sector, stage and value perspective. Shamrock will typically target what the Team believes are profitable, growing companies with proven, sustainable competitive advantages that do not present venture capital-type risk. The Team believes that lower middle market companies present the best opportunities for value creation by Shamrock through its active management style. Many lower middle market businesses have less refined strategies and business plans. The Team often adds significant value to these companies by collaborating with management, improving operations, setting business objectives, and providing access to the Shamrock network and resources.

The investments targeted by the Funds will typically range in size from \$10 million to \$50 million with enterprise values of up to \$250 million. Transaction structures will primarily include (i) growth capital, (ii) management and leveraged buyouts, and (iii) leveraged recapitalizations. We believe the following strategies are key to the Team’s creation of deal flow:

Proactive Approach

The Team diligences specific sectors which merit investment consideration. Given its contacts and resources, the Team is able to understand the competitive landscape and dynamic trends within these attractive sectors, and in many cases, the Team can uncover proprietary investment opportunities. The Team believes its approach will enable it to garner a relationship with a Portfolio Company’s management team outside of any structured process. Bi-weekly funnel meetings are held to discuss these opportunities.

Strategic Value

The Team strives to position itself with target companies as a strategic partner. Many companies will trade valuation for the ability to attract an investment partner who can add strategic value. The Team’s sector focus and depth of experience give it a distinct advantage in transactions where the target company is concerned about the strategic value a financial investor brings to the partnership.

### Flexibility

The Team's investment criteria allow for flexibility in structuring transactions in order to accommodate the needs of potential Portfolio Companies. While many of its investments are majority or buyout transactions, the Team will also consider minority investments. In such cases, the Team would seek to position a Fund as the largest or most influential investor with extensive negative control provisions. In many instances, particularly in a transaction other than an outright sale of the target company, the Team believes that its structuring flexibility will help facilitate the needs of a Portfolio Company's current shareholders and management.

### Active Investment Approach

We believe that the greatest potential for value creation exists in the active management and oversight of our Portfolio Companies. The Team creates value throughout the investment life cycle of each of its Portfolio Companies by assisting with strategic planning, business relationships, corporate finance, management recruiting, performance tracking and mergers and acquisitions and exit. In addition, the Team's depth of experience enables it to lend deep operational support to Portfolio Companies. This support takes many forms including (i) filling temporary management roles, (ii) structuring and negotiating key contracts with customers and suppliers, (iii) setting sales force compensation to align with market opportunity and (iv) evaluating and organizing new business initiatives.

### **Risk of Loss Factors**

Investing in the Funds involves various risks, including loss of capital. Investors should be prepared to bear these risks. The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Funds. Prospective investors are urged to consult their professional advisers and review the legal documents and offering for the particular Fund before deciding to invest in one of the Funds.

### Risk of Industry Concentration

Investments will primarily be made in North America in the media, entertainment and communications industries, as stated above. Depending on the opportunities that are available, investment portfolios may be relatively non-diversified by industry type. As a result, the Funds will be exposed to risks that are unique to companies in the MEC industries, which may negatively impact the value of the Fund's investments.

### Board Participation

It is anticipated we will be represented on the boards or management committees of most of the companies in which the Funds invest. While such representation should enhance the Funds' ability to manage their investments, it may also have the effect of impairing the ability of the Funds to sell the related securities when, and upon the terms, it might otherwise desire, including as a result of applicable securities laws.

Third Party Litigation

The Firm's investment activities, particularly its exercise of control over Portfolio Companies, will subject it to the risk of becoming involved in litigation brought by Portfolio Companies, their stockholders, their creditors and others. Generally, the Funds would bear the expense of defending against claims by such parties and paying amounts necessary to satisfy any settlements or judgments.

Illiquidity of Investments

Securities and other instruments which may be purchased by the Funds may lack a liquid trading market, which may result in the inability of the Funds to sell any such security or other investment, thereby forcing the Funds to incur potentially unlimited losses and higher transaction costs.

Leverage

The Funds may make investments in companies with leveraged capital structures. To the extent that any investment is made in a company with a leveraged capital structure, such investment will be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of such company or its industry.

Assessment of Value May Not Be Accurate

No assurance can be given that the General Partner will accurately assess the nature and magnitude of the many factors having a bearing on the value of the Funds' assets. Further, no assurance can be given that all the pertinent information will be considered by or be available to those persons in formulating any particular investment or trading decision. The failure to consider any of those factors or to accurately assess the nature and magnitude of the relevant factors or pertinent information may cause the Funds to miss significant profit opportunities or to incur substantial losses. The General Partners are not required to have such valuations independently determined or verified.

**Item 9: Disciplinary Information**

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We have not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no person involved in the management of the Firm has been subject to such action.



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

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Shamrock's relationship with Shamrock Capital Advisors, Inc. and its affiliates (each a "**Shamrock Entity**") is material to the Firm's business on a reputational and relationship basis.

The Funds may have conflicts of interest arising out of the overall investment activity of the General Partner, Shamrock and the other Shamrock Entities. To mitigate these conflicts, none of the Shamrock Entities nor their key individuals will organize or sponsor another investment fund that invests in middle-market MEC companies that are organized or derive substantially all of their revenues from business operations in North America, until the Funds have reached their respective Substantial Investment Dates (as defined in the PPMs).

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

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Code of Ethics

Shamrock has adopted a Code of Ethics for the Firm describing its high standard of business conduct and its fiduciary duty to Investors. All Shamrock employees must acknowledge the terms of the Code of Ethics annually, or as amended.

As a fiduciary, we owe an undivided duty of loyalty to our shareholders and the Investors in the Funds. It is Shamrock's policy that all employees conduct themselves so as to avoid not only actual conflicts of interest with our shareholders and the Investors, but also so they refrain from conduct which could give rise to the appearance of a conflict of interest that may compromise the trust shareholders and Investors have placed in Shamrock and our employees.

Our Code of Ethics is available to Investors and prospective investors upon request.

Participation or Interest in Client Transactions

We serve as the investment adviser to the Funds. Employees, affiliates of the employees, and relatives of the employees may make investments in the Funds.

We and our affiliates and employees have a financial interest in the Funds through a carried interest and/or a direct investment interest. As such, we could be considered to have recommended to Investors that they buy or sell securities or investments in which we or a related person has some financial interest.

Personal Trading

While the Funds currently hold no publicly traded securities, we have implemented a structured employee investment policy with pre-approval and quarterly reporting requirements. We also maintain a Restricted List to avoid any possible conflicts with our current portfolio holdings.

**Item 12: Brokerage Practices**

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As an adviser to private equity funds, we do not generally make investments in securities listed on national exchanges. If there were a situation where we would place a trade(s) through a broker, we would seek “best execution” in light of the circumstances involved in the transaction. In selecting a broker for any transaction, we would consider a number of factors, including, for example, the broker’s reputation, net price or spread, financial strength and stability, market access, efficiency of execution and error resolution, and the size of the transaction. We would not be obligated to obtain the lowest commission or best net price for a Fund on any particular transaction.

**Item 13: Review of Accounts**

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Review of Accounts

The Fund portfolios are reviewed by the Team on at least a weekly basis. This review includes a discussion of current and prospective investments.

Client Reports

Investors in the Funds will typically receive, among other things, a copy of audited financial statements of the relevant Fund in accordance with the Limited Partnership Agreement, as amended. In addition, Investors in each Fund will typically receive written reports containing unaudited summary financial data regarding such Fund, as well as Portfolio Company information, on a quarterly basis.

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

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Shamrock has an existing relationship and compensates one firm in relation to assisting with raising capital for Shamrock Capital Growth Fund, II, LP and Shamrock Capital Growth Fund III, LP.

**Item 15: Custody**

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The SEC takes the position that advisers to pooled investment vehicles are deemed to have custody with respect to the assets of such vehicles. However, advisers to pooled investment vehicles are considered to be in compliance with the custody rule if such pooled investment vehicle: (i) is audited at least annually; and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all limited partners (or other beneficial owners) within 120 days of the end of its fiscal year.

To ensure compliance with the custody rule, Investors in the Funds will receive audited financial statements within 120 days of the fiscal year end.

**Item 16: Investment Discretion**

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Subject to any investment restrictions set forth in the PPM of a Fund, we have discretionary authority to make the following determinations without obtaining the consent of any Fund or Investor before the transactions are effected:

- the securities that are to be bought or sold;
- the total amount of the securities to be bought or sold;
- the brokers, investment banks or placement agents through which securities are to be bought or sold; and
- the commissions, fees or other rates at which securities transactions for a Fund are effected.

Our discretionary authority is derived from our authority as the investment manager of each Fund and pursuant to an investment management agreement entered into by Shamrock and the Fund.

**Item 17: Voting Client Securities**

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Proxy Voting

Although infrequent, when necessary, we will vote proxies/corporate actions of companies in which the Funds invest. The proxies/corporate actions will be reviewed and analyzed by the appropriate managing member of the relevant Fund. Prior to voting, we will make a determination, in our opinion, as to what vote is in the best interest of the Fund. Shamrock will maintain a written record of the proxy/corporate action vote on each occasion that a vote is required.

Upon request, we will provide an Investor with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast by the Funds.

**Item 18: Financial Information**

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We require prepayment of more than \$1,200 in fees per client six months in advance and are therefore required to include with this filing a copy of the Firm's balance sheet for our most recent fiscal year prepared in accordance with GAAP, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity. Please see attached balance sheet.

We are not aware of any financial condition that is reasonably likely to impair Shamrock's ability to meet contractual obligations to our clients.

**Shamrock Capital Advisors, LLC**  
**Financial Report**  
**December 31, 2014**

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## Independent Auditor's Report

To the Members  
Shamrock Capital Advisors, LLC  
Los Angeles, California

### Report on the Statement of Financial Condition

We have audited the accompanying statement of financial condition of Shamrock Capital Advisors, LLC as of December 31, 2014 and the related notes.

### Management's Responsibility for the Statement of Financial Condition

Management is responsible for the preparation and fair presentation of this statement of financial condition in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of a statement of financial condition that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the statement of financial condition based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of financial condition. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement of financial condition, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the statement of financial condition in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the statement of financial condition.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Shamrock Capital Advisors, LLC as of December 31, 2014 in accordance with accounting principles generally accepted in the United States of America.

*McGladrey LLP*

Los Angeles, California  
March 23, 2015

**Shamrock Capital Advisors, LLC**

**Statement of Financial Condition  
December 31, 2014**

**Assets**

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Cash and equivalents	\$ 3,006,937
Due from related parties (Note 4)	478,372
Accounts receivable, portfolio companies	126,752
Property and equipment	305,089
Intangible assets, management contracts, net (Note 1)	163,003
Other assets	178,126
<b>Total assets</b>	<b><u>\$ 4,258,279</u></b>

**Liabilities and Members' Capital**

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Accrued expenses and accounts payable	545,499
Escrow payable	52,830
Due to related parties (Note 4)	490,757
Deferred lease liability (Note 5)	145,712
	<u>1,234,798</u>
Members' Capital (Note 3)	3,023,481
<b>Total liabilities and members' capital</b>	<b><u>\$ 4,258,279</u></b>

See Notes to Financial Statement.

## Shamrock Capital Advisors, LLC

### Notes to Financial Statement

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#### Note 1. Nature of Business and Summary of Significant Accounting Policies

**Nature of business:** Shamrock Capital Advisors, LLC (a Delaware Limited Liability Company) (the Company) was formed on January 19, 2010 to provide discretionary investment advisory services and management services to the following private equity, privately pooled investment vehicles (collectively, the "Funds") as well as certain portfolio company investments held by these Funds:

- Shamrock Capital Growth Fund, LP
- Shamrock Capital Growth Fund II, LP
- Shamrock Capital Growth Fund III, LP

**A summary of the Company's significant accounting policies is as follows:**

**Basis of presentation:** The Company follows Generally Accepted Accounting Principles in the United States of America (GAAP), as established by the Financial Accounting Standards Board (FASB), to ensure consistent reporting of financial condition.

**Use of estimates:** The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing these financial statements are reasonable and prudent; however, actual results could differ from those estimates.

**Cash and cash equivalents:** Cash and cash equivalents include all highly liquid investment instruments with an original maturity of three months or less. The Company maintains its cash in bank deposit accounts which at times may exceed insured limits. The Company has not experienced any losses on such amounts.

**Restricted cash:** Cash and cash equivalents at December 31, 2014 includes \$52,830 held by the Company in its capacity serving as the escrow representative for the selling shareholders of a portfolio company investment previously held by the Funds. This amount is also included as an Escrow payable liability on the balance sheet at December 31, 2014.

**Revenue recognition and related receivables:** The Company earns management fees from the Funds and certain portfolio companies held by these Funds pursuant to contractual arrangements. Management fees are earned as the services are provided and billed in advance, generally on a semiannual basis, as specified in the contract. Management fees from the Funds are based on a stipulated percentage of the Funds' committed capital, or in some cases, invested capital. Management fees from the portfolio companies are amounts as specified in the contract, a portion of which is used to offset the management fees charged to the Fund that holds the investment in the portfolio company.

Included in due to related parties is \$466,933 related to a reduction of future Fund management fees due to management advisory fees received by the Company directly from Fund portfolio companies.

At December 31, 2014, management has determined that no allowance for losses is necessary for accounts receivable.

**Property and equipment:** Expenditures for additions, renewals and betterments are capitalized as incurred. Expenditures for maintenance and repairs are charged to expense as incurred. Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets.



## Shamrock Capital Advisors, LLC

### Notes to Financial Statement

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#### Note 1. Nature of Business and Summary of Significant Accounting Policies (Continued)

**Intangible assets:** Intangible assets represent the management contracts that were assigned to the Company by Shamrock Holdings of California, Inc. (SHOC) and are amortized over the estimated lives of one to five years, depending on the termination date of the agreement using the straight-line method. Intangible assets net of related accumulated amortization of \$446,997 totaled \$163,003 as of December 31, 2014.

**Impairment of long-lived assets:** Long-lived assets are evaluated for impairment whenever events or changes in circumstances have indicated that an asset may not be recoverable and are grouped with other assets to the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. If the sum of the projected undiscounted cash flows (excluding interest charges) is less than the carrying value of the assets, the assets will be written down to the estimated fair value and such loss is recognized in the period in which the determination is made. Management determined that no impairment of long-lived assets existed as of December 31, 2014.

**Income taxes:** The Company qualifies as a partnership for tax purposes. Accordingly, no provision for income taxes is necessary in the financial statements of the Company because, as a partnership, it is not subject to income tax. Instead, the members report their distributive share of the Company's taxable profits, losses and credits on their respective income tax returns.

The Company determines whether a tax position of the Company is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions meeting the more-likely-than-not threshold, the tax amount recognized in the financial statements is reduced by the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant taxing authority. Management has determined that there were no material uncertain income tax positions for the year ended December 31, 2014. The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal, state and local jurisdictions, where applicable. The 2010 through 2014 tax years remain subject to examination by the major tax jurisdictions.

#### Note 2. Property and Equipment

	Useful Life in Years	Amount
Leasehold improvements	5	\$ 479,606
Computers	5	215,958
Furnishings	7	247,930
		<u>943,494</u>
Less accumulated depreciation		<u>(638,405)</u>
		<u>\$ 305,089</u>

## Shamrock Capital Advisors, LLC

### Notes to Financial Statement

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#### Note 3. Members' Capital

The Company is organized as a limited liability company (LLC), which is governed by a limited liability company agreement (the LLC Agreement). Significant terms of the LLC Agreement are summarized as follows:

The Company has Class A and B members. Each Class A and B member is granted voting rights in accordance with his/her ownership percentage. Allocations of net income or loss are allocated among the members in accordance with the LLC Agreement. Distributions to members are at the sole discretion of the Management Committee. Transfers of interest are permitted in accordance with the LLC Agreement or prior approval of the Board.

The Class B member also holds a put right and the Company holds a call right which, if exercised, would cause the Company to purchase the Class B interest at fair value. This option is available for six months after December 7, 2016.

As of December 31, 2014 members' capital is as follows:

Class A	\$ 2,178,784
Class B	844,697
	<u>\$ 3,023,481</u>

#### Note 4. Related-Party Transactions

Periodically, the Company incurs and pays expenses, reimbursable by the Funds, relating to the Funds' operating activities. At December 31, 2014, \$241,456 is payable to the Company from the Funds associated with such expenses, as well as \$41,095 payable to the Company from the Fund's General Partner, both of which are included in amounts due from related parties in the statement of financial condition. The remaining balance due from related parties consists of \$152,930 for new entity formation costs related to a new fund and \$42,891 from other related parties.

The Company pays SHOC a licensing fee under a licensing agreement for use of the Shamrock trade name. As of December 31, 2014, \$23,824 is included in due to related parties in the statement of financial condition associated with the licensing fee.

Certain officers, members of management, and shareholders of the Company periodically co-invest in the Funds.

## Shamrock Capital Advisors, LLC

### Notes to Financial Statement

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#### Note 5. Operating Leases

The Company leases its office under a noncancelable agreement which expires in April 2016 requiring minimum annual rentals. The lease includes a \$379,000 allowance for leasehold improvements and a four-month rent holiday in 2011. Lease payments are reflected on a straight-line basis over the term of the lease and any excess of the recognized lease expense, which includes the consideration of lease incentives over the actual lease cash payments, are included as deferred lease liability.

The total minimum rental commitment as of December 31, 2014 is due in future years as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2015	\$ 367,000
2016	93,000
	<u>\$ 460,000</u>

In April 2011, the Company entered into a lease agreement for office equipment with monthly payments of \$676 and expires in April 2016. Future minimum payments are \$8,112 for 2015 and \$2,704 for 2016. In May 2014, the Company entered into a lease agreement for office equipment with monthly payments of \$1,087 and expires in July 2019. Future minimum payments are \$13,041 for the years 2015 through 2018 and \$7,607 for 2019.

#### Note 6. Employee Benefits

The Company has established a salary deferral plan (the Plan) under Section 401(k) of the Internal Revenue Code. The Plan allows eligible employees to defer a portion of their compensation from \$0 up to the maximum amount allowed by law (\$17,500 in 2014). Such deferrals may accumulate on a tax-deferred basis until the employee withdraws the funds. The Company, at its option, may match a portion of compensation for all eligible employees in the form of a contribution to the Plan. For 2014, the rate of Company match was three percent.

The Plan also provides a profit sharing component where the Company can make a discretionary contribution to the Plan, which is allocated based on the compensation of eligible employees. The Company made \$175,034 in such contributions related to the Plan year 2014.

#### Note 7. Subsequent Events

The Company has evaluated subsequent events through March 23, 2015, the date the statement of financial condition was available to be issued. No material subsequent events have occurred since December 31, 2014, that require recognition or disclosure in the statement of financial condition.