

FORM ADV
UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION
PART 2A: FIRM BROCHURE

GCG Management, LLC
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Date of Firm Brochure: March 2015

This brochure provides information about the qualifications and business practices of GCG Management, LLC. If you have any questions about the contents of this brochure, please contact Jeffery Birch, our Chief Compliance Officer, at 312-849-0008 or at birch@greyrockcapitalgroup.com.

Additional information about GCG Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov

ITEM 2: MATERIAL CHANGES

There have been no material changes to the firm brochure since our most recent annual amendment filed on March 18, 2014.

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ITEM 4: ADVISORY BUSINESS

GCG Management, LLC (“GCG,” “we” or “Firm”) is a limited liability company organized in 2002 under the laws of Delaware that serves as investment adviser to three privately offered funds, GCG Investors, LP (includes GCG SBIC Investors, LP), GCG Investors II (includes GCG Investors II-A, LP) and GCG Investors III, LP (collectively, the “Funds”), each of which is a limited partnership with an affiliate of GCG as the general partner. Other than advising the Funds, GCG offers no advisory services.

The Funds were organized by an affiliate of GCG and were offered to institutional investors and high net worth individuals. The Funds are closed to new investors. The Funds generally provide mezzanine debt and equity to finance buyouts, recapitalizations and internal growth needs of middle market companies. GCG tailors its advisory services to the need of each Fund, in particular by determining whether the Fund in question is making new investments and what its remaining anticipated term is. The Limited Partnership Agreements of the Funds may contain restrictions on investments.

GCG operates through offices in San Francisco, Chicago and Wilton, CT. Greyrock Capital Group, LLC is the managing member of GCG and majority owner, and is itself managed by its managing members, Messrs Dempsey, Etter, Osburn, Perkins and Shufro (collectively, the “Principals”). GCG is registered with the U.S. Securities and Exchange Commission (“SEC”).

As of 12/31/2014 assets under management were approximately \$315,674,000, all managed on a discretionary basis.

ITEM 5: FEES AND COMPENSATION

The Funds receive an investment management fee of 2.0%, of capital commitments during each Fund's investment period and thereafter 1.5% to 2% of the cost basis of investments, subject to certain adjustments as more fully described in the fund documents that have not been fully realized, as well as a performance based fee as discussed in Item 6 below. All fees are set out in the offering documents relating to each Fund and are generally non-negotiable. Management fees are deducted from each Fund's account in advance on a quarterly or semi annual basis. No other fees are charged.

The Funds pay for all expenses relating to their activities (to the extent not reimbursed by a portfolio company), including: all expenses incurred in connection with the evaluation, acquisition, holding, refinancing, recapitalization, disposition or proposed disposition of any Fund investments; management fees; costs and fees relating to the preparation of financial and tax reports, portfolio valuations and tax returns of the Fund; the costs of prosecuting or defending any legal action for or against the Fund, the General Partner, or their affiliates; all costs related to the Fund's indemnification of the General Partner, its affiliates and the members of the Fund's Advisory Boards; interest on and fees and expenses arising out of all permitted borrowings made by the Fund; the costs of any litigation, director and officer liability or other insurance and indemnification or extraordinary expense or liability relating to the affairs of the Fund; all

unreimbursed out-of-pocket costs relating to investment transactions that are not consummated; all expenses of liquidating a Fund; and any taxes, fees or other governmental charges levied against the Fund and all expenses incurred.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

In addition to the management fees set forth in Item 5 above, one or other affiliates of GCG may receive from each Fund a performance-based fee, as more fully described in the Funds' offering materials and/or operating agreements.

ITEM 7: TYPES OF CLIENTS

We provide investment management and advisory services to the private equity funds, which are organized as partnerships. The limited partners in the Funds consist of institutional investors and high net worth individuals. We require that each limited partner in a Fund be an accredited investor or a qualified purchaser.

Our Funds typically require participants to make a minimum commitment amount ranging from \$5 million. The term of a Fund is initially ten years, subject to extension.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

GCG selects mezzanine investments in manufacturing, distribution and selected service companies in the lower middle market, generally companies with revenues between \$10 million and \$100 million. These investments all have the potential for a loss of the entire investment and clients should be prepared to bear such losses.

In GCG's opinion, the companies invested in generally exhibit some or all of the following characteristics:

- Strong management teams and/or equity sponsors with meaningful ownership stakes,
- Revenues of at least \$10 million and EBITDA of at least \$2.0 million,
- Demonstrable and sustainable competitive advantages,
- A defensible market niche,
- Proprietary products or processes,
- Distribution channel prominence, and
- Leading market shares.
- GCG generally avoids retail, restaurant and real estate transactions.

Risks

Importance of Principals

GCG's success depends in substantial part upon the skill and expertise of the Principals and the other individuals who may be employed to assist them. While the Principals have significant incentives against ceasing their activities on behalf of GCG, there can be no assurance that any of them will not do so. The loss of service of one or more Principals could have an adverse impact on GCG.

Competitive Marketplace

GCG competes with a number of private mezzanine funds and other providers of mezzanine debt for mezzanine investments. As a result of this competition, there can be no assurance that the Funds will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve their desired rate of return or fully invest their committed capital.

General Economic Conditions

General economic conditions may affect each Fund's performance. Interest rates, general levels of economic activity, the price of securities, and participation by other investors in the financial markets may affect the value and number of investments made by the Funds or considered for prospective investment.

Lack of Liquidity

The limited partnership interests in the Partnership will not be registered under the Securities Act and their transfer will be limited under federal and state securities laws and under the terms of the Partnership's limited partnership agreement. There will be no public or private market in which the Interests may be sold. Most mezzanine investments will also constitute unregistered securities for which there will be no trading market. Consequently, each limited partner should view any investment in the Partnership as a long-term investment, which it may not be able to liquidate for an indefinite period of time.

Environmental Liabilities

Under certain circumstances, courts have held that a parent company or a person exercising control is responsible for the environmental clean-up obligations of a subsidiary or a controlled entity imposed by applicable federal statutes. Should the Funds acquire a controlling equity interest in or otherwise control a portfolio Company, a court might find that the Funds are liable for such obligations.

Effects of Bankruptcy

The Funds may make investments in companies that could become the subject of voluntary or involuntary bankruptcy proceedings under the United States Bankruptcy Code (the "Bankruptcy Code"). Certain risks that are faced in bankruptcy cases that must be factored into the investment decision include, for example, the potential total loss of any such investment. Upon confirmation of a plan of reorganization under the Bankruptcy Code, or as a result of a liquidation proceeding, the Funds could suffer a loss of all or a part of the value of an

investment. A bankruptcy filing may adversely and permanently affect the issuer of mezzanine Investments.

Phantom Income

The Funds' investments may involve discount debt obligations having original issue discount. For U.S. federal income tax purposes, amortization of original issue discount will be attributed to partners as interest income even though the Funds realize no current cash flow as a result of such amortization. Also, if interest is payable in cash but is not paid because the obligor is financially distressed, interest may nonetheless accrue for U.S. federal income tax purposes. Similarly, interest paid in the form of "pay-in-kind" obligations will not generate cash flow, unless such obligations are sold, but will nonetheless be taxable to the partners as interest income. There can be no assurance that the Partnership will have sufficient cash flow from other sources to permit it to make annual distributions in the amount necessary for a limited partner to pay all U.S. federal income tax liabilities resulting from such limited partner's ownership of an Interest.

Concentration and Non-Diversified Status

Although the Funds operate within a set of parameters to ensure appropriate portfolio diversity, the Funds' portfolio of investments may be subject to greater risk and market fluctuation than a fund that has investments representing a broader range of investment alternatives.

Risks of Mezzanine Investments

The Funds generally make mezzanine investments and equity co-investments. Typically these investments are subordinate to senior indebtedness of the applicable portfolio company, meaning that in the event of financial difficulty on the part of a portfolio company, such senior indebtedness and interest thereon and related expenses must first be repaid in full before any recovery may be had on the mezzanine investment. In addition, under certain circumstances the holders of the senior indebtedness may have the right to block the payment of interest and principal on the mezzanine investment and to prevent the Funds from pursuing their remedies on account of such non-payment against the portfolio company. In addition, in the event of any debt restructuring or workout of the indebtedness of any portfolio company, the creditor side of such negotiations will likely be controlled by the holders of the senior indebtedness.

Conflicts of Interest

In the conduct of their business, conflicts may arise between the interests of the Principals and those of limited partners or between the Funds themselves, and limited partners should be aware of such conflicts. The Principals are not required to manage the Funds as their sole business endeavor, and they may engage in other business activities, including providing investment advice to other parties and managing other accounts and private investment vehicles both similar and dissimilar to the Funds. In addition, none of the agreements among the Funds and their management companies and general partners is or will be the result of arm's-length negotiations. The attorneys, accountants and others who have performed services for such entities in connection with this offering, and who may perform services for them in the future, have been and will be selected by the Principals. No independent counsel has been selected to represent the interests of limited partners and none of the relevant documents have been reviewed by any attorney on their behalf.

Each Fund's Offering Memorandum provides a more developed explanation of all potential risk factors associated with an investment in the Funds.

ITEM 9: DISCIPLINARY INFORMATION

Neither GCG nor any of its associated persons have been involved in any material legal or disciplinary events that would be material to your evaluation of GCG or the integrity of GCG's management.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

GCG has the following financial industry affiliated entities: Greyrock Capital Group, LLC, GCG General Partner, LLC, GCG SBIC General Partner Corporation, GCG SBIC Management Corporation, GCG Investors, LP, GCG SBIC Investors, LP, GCG Investors II, LP, GCG Investors II-A, LP and GCG Investors III, LP.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

GCG has adopted a Code of Ethics (contained in its Compliance Manual) for all supervised persons describing its standard of business conduct and fiduciary duty to its clients. The Code of Ethics and Compliance Manual include provisions relating to, among other things: confidentiality of client information; prohibitions on insider trading, restrictions on the acceptance of significant gifts; reporting of certain gifts, outside activities and political contributions; and personal securities trading by its principals, employees and related persons ("Employees").

GCG's Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of Employees will not interfere with making decisions in the best interest of advisory clients. GCG has adopted the following procedures to address conflicts of interest arising from personal account trading (such as front-running or personal trading having an effect on price of a security).

Employees are permitted to maintain personal trading accounts provided that such accounts are disclosed to GCG. Any personal trading by Employees must be consistent with applicable law and with the Code of Ethics. Subject to compliance with applicable laws, rules and regulations and the Code of Ethics, Employees may buy, sell or hold for their own personal trading accounts securities that GCG also may buy, sell or hold for Clients, subject to approval by GCG's Chief Compliance Officer, and a determination that no conflict of interest exists and that the Employee's purchase, sale or holding of such investment would not adversely affect GCG's clients.

The Code of Ethics and Compliance Manual contain policies and procedures that, among other things:

- prohibit Employees from taking personal advantage of opportunities belonging to clients;
- prohibit trading on the basis of material nonpublic information;

- require disclosure of any private placements (including investments in hedge funds, fund-of-funds, private equity funds, venture capital funds and other unregistered pooled investment vehicles) and “new issues”;
- require initial and annual reports of securities holdings by Employees, as well as copies of monthly and/or quarterly account statements and trade confirmations;
- prohibit trading by employees of securities of any issuers on GCG’s Restricted Issuer List; and
- require monitoring by the Chief Compliance Officer at least quarterly to ensure compliance with the Code of Ethics.

In addition, GCG’s Code of Ethics addresses misappropriation of material nonpublic or proprietary information (e.g. insider trading) and outside business activities. GCG’s insider trading prohibitions (i) apply to all Employees, (ii) extend to activities within and outside their duties as Employees of GCG, and (iii) apply to investment-related information that is internal to GCG. Employees are permitted to engage in limited outside business activities provided these activities do not create an actual or potential conflict of interest due to the amount of time spent on such activities and the investment-related nature of certain activities. GCG’s Employees are required to certify annually as to their compliance with the Code of Ethics and Compliance Manual, including insider-trading policies.

Fund investors or prospective investors may request a copy of GCG’s Code of Ethics and excerpts of the Compliance Manual by contacting Jeffery Birch, GCG’s Chief Compliance Officer, at (312) 849-0008.

ITEM 12: BROKERAGE PRACTICES

GCG’s Funds primarily invest in privately offered interests and therefore do not have regular interactions with broker/dealers who execute trades on their behalf.

GCG does not receive client referrals from broker-dealers, nor does it receive any “soft dollar” benefits. GCG does not have any directed brokerage arrangements.

ITEM 13: REVIEW OF ACCOUNTS

The Firm’s investment professional review the holdings of each Fund’s portfolio on a continuous basis.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

GCG does not receive any economic benefit from any person that is not a client for providing advisory and management services to our clients.

GCG may from time to time enter into agreements that provide for cash compensation to solicitors who place limited partners in the Funds. The agreements generally provide for

compensation equal to a specified percentage of the capital commitments of the clients referred by the solicitor.

ITEM 15: CUSTODY

GCG and/or its affiliates are deemed to have “custody” of assets of the Funds for purposes of Rule 206(4)-2 of the Investment Advisers Act of 1940 due to our role as general partner or owner of the general partner of the Funds. Assets of our Funds are held in the name of the Fund by an independent qualified custodian, or are private, un-certificated securities recorded on the books of the issuers in the name of the Fund. The Funds are audited on an annual basis and audited financial statements are distributed to the limited partners within 120 days of the end of the fiscal year.

ITEM 16: INVESTMENT DISCRETION

GCG generally has unlimited discretion to managed securities accounts on behalf of its clients. GCG has discretion to determine the investments to be made, the amounts of investments to be made, and the price and timing of purchases and sales. See Item 12 which notes that our Funds do not have regular interactions with broker/dealers.

ITEM 17: VOTING CLIENT SECURITIES

GCG’s primary consideration in voting portfolio proxies is the financial interests of its clients.

One of the primary factors GCG considers when making a determination about the desirability of investing in a company is the quality and depth of its management. Accordingly, GCG believes that the recommendation of management on any issue should be given substantial weight in determining how proxy issues are resolved. As a matter of practice, GCG will vote on most issues presented in a proxy statement in accordance with the position of the company’s management. When GCG determines that voting in accordance with management’s recommendation would adversely affect the investment merits of owning the stock, GCG may not vote in accordance with management’s recommendation. However, GCG will consider each issue on its own merits, and will not support the position of the company’s management in any situation where, in GCG’s judgment, it would not be in the best interest of the client to do so.

GCG has adopted proxy voting policies and procedures whereby it exercises discretion to vote proxies for client securities. A copy of these policies and procedures, as well as a record of all proxy decisions and any documentation maintained with respect to proxy votes, is available by contacting Jeffrey Birch at 312-849-0008.

ITEM 18: FINANCIAL INFORMATION

GCG is not aware of any financial condition that is reasonably likely to impair its ability to satisfy its contractual commitments to its clients.

FORM ADV Uniform Application for Investment Adviser Registration

Part 2B: Brochure Supplements

Investment Adviser Representatives and/or Supervised Persons: Supplemental information

Item 1: Cover Page

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Issue Date: March 2015

This brochure provides information about the qualifications and business practices of these representatives as investment adviser representatives of GCG Management, LLC. This information is provided as a supplement to the Form ADV Part 2A which has been provided for your review. Should you have any questions about this supplement, or if you have not received the Form ADV Part 2A please contact the firm immediately. The information in this brochure supplement has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Please note, where this brochure supplement may use the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training.

Additional information about the firm and its representatives is also available on the SEC's website at www.adviserinfo.sec.gov

Item 2: Education and Background and Business Experience

Individual Full Name and Title: Mark Shufro, Founding Partner, Wilton, CT

Year Born: 1956

Education:

- BA, Brown University
- MBA, New York University

Licenses/Professional Designations:

- None

Business Background

- 1981 to 1990, Vice President, GE Capital
- 1991 to 2001: President, Corporate Finance Division, Bank of America Commercial Finance
- 2002 to Present: Managing Partner, Greyrock Capital Group, LLC

Item 3: Disciplinary Information

- None

Item 4 and 5: Other Business Activities and Additional Compensation

- None

Item 6: Supervision

Mr. Shufro is supervised for compliance purposes by Jeff Birch, CFO, Chicago IL.

Item 2: Education and Background and Business Experience

Individual Full Name and Title: Stephen Etter, Founding Partner, San Francisco, CA

Year Born: 1961

Education:

BS & MBA, University of California, at Berkeley

Licenses/Professional Designations:

- **Certified Public Accountant, State of California; #53740**

Business Background

- 1983 to 1987 Staff & Senior Accountant, Audit and Assurance, PriceWaterhouseCoopers
- 1989 to 1991, Senior Account Officer & Assistant Vice President, Leverage Capital Division, Citicorp North America
- 1991 to 1993, Regional Vice President, Business Credit Division, Barclays Bank
- 1993 to 1996, Vice President, Commercial Finance Group, GE Capital
- 1997 to 2001: Vice President and Head of the Corporate Finance Division's West Region, Bank of America Commercial Finance
- 2002 to Present: Partner, Greyrock Capital Group, LLC

Item 3: Disciplinary Information

- None

Item 4 and 5: Other Business Activities and Additional Compensation

- Lecturer, Haas School of Business, University of California at Berkeley, (donate time, however must take small stipend to adhere to the UC-American Federation of Teachers union agreement; net pay less than \$125.00 per month)

Item 6: Supervision

Mr. Etter is supervised by Mark Shufro, **Founding** Partner, Wilton, CT

Item 2: Education and Background and Business Experience

Individual Full Name and Title: Todd Osburn, Founding Partner, Chicago, IL

Year Born: 1963

Education:

- BS, Indiana State University

Licenses/Professional Designations:

- None

Business Background

- 1986 to 1988: Roadmaster Corporation
- 1988 to 1996: Vice President, Continental Illinois Bank
- 1997 to 2001: Vice President and Co-Head of the Corporate Finance Division's Midwest Region, Bank of America Commercial Finance
- 2002 to Present: Partner, Greyrock Capital Group, LLC

Item 3: Disciplinary Information

- None

Item 4 and 5: Other Business Activities and Additional Compensation

- None

Item 6: Supervision

Mr. Osburn is supervised by Mark Shufro, **Founding** Partner, Wilton, CT

Item 2: Education and Background and Business Experience

Individual Full Name and Title: Tracy Perkins, Founding Partner, Chicago, IL

Year Born: 1963

Education:

- BBA, University of Iowa

Licenses/Professional Designations:

- None

Business Background

- 1986 to 1997 Vice President, Heller Financial
- 1997 to 2001 Vice President and Co-Head of the Corporate Finance Division's Midwest Region, Bank of America Commercial Finance
- 2002 to Present: Partner, Greyrock Capital Group, LLC

Item 3: Disciplinary Information

- None

Item 4 and 5: Other Business Activities and Additional Compensation

- None

Item 6: Supervision

Mr. Perkins is supervised by Mark Shufro, **Founding** Partner, Wilton, CT

Item 2: Education and Background and Business Experience

Individual Full Name and Title: Steve Dempsey, Partner Wilton, CT

Year Born: 1968

Education:

- BS, University of Delaware

Licenses/Professional Designations:

- None

Business Background

- 1993 to 2002, SVP of the Corporate Finance Division, Bank of America Corporate Finance
- 2003 to 2004 Director, GMAC Commercial Finance
- 2004 to Present: Principal, Greyrock Capital Group, LLC

Item 3: Disciplinary Information

- None

Item 4 and 5: Other Business Activities and Additional Compensation

- None

Item 6: Supervision

Mr. Dempsey is supervised by Mark Shufro, **Founding** Partner, Wilton, CT