

# FranklinPark

## Firm Brochure Part 2A of Form ADV

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*This brochure provides information about the qualifications and business practices of Franklin Park Associates, LLC ("Franklin Park"). If you have any questions about contents of this brochure, please contact us [info@franklinparkllc.com](mailto:info@franklinparkllc.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Franklin Park also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

**Franklin Park Associates, LLC (the "Company")**

**Purpose of Firm Brochure/Summary of Material Updates**

This Firm Brochure (the "Brochure") has been adopted to provide our employees, members, clients, prospective clients and members of the general public with information regarding our Company's business and professional staff. It has been adopted pursuant to Rule 204-3 of the Investment Advisers Act of 1940 (the "Advisers Act").

A copy of this Firm Brochure has been filed with the U.S. Securities and Exchange Commission (SEC) and can be found either at the SEC website ([www.sec.gov](http://www.sec.gov)) or by accessing Investment Advisor registration information at [www.iard.com](http://www.iard.com).

All material updates to the Firm Brochure from the prior version are summarized below:

1. No Material Updates

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## 1. Advisory Business

Franklin Park was formed in 2003 by a team of investment professionals who formerly worked together at a global private equity consulting and asset management firm. We are 100% employee owned. Our CEO, Bradley T. Atkins is a principal owner of the firm. We operate from a single office in Bala Cynwyd, Pennsylvania, a suburb of Philadelphia.

We provide private equity investment management and advisory services exclusively. Our senior founders have worked together for over a decade and remain actively engaged in our business. We offer services in all areas of private equity investing and portfolio management, as further described below:

### Investment Management and Advisory Services

- ☐ Portfolio Construction
  - Investment policy statement
  - Portfolio evaluation
  - Portfolio modeling
- ☐ Investment Selection
  - Private equity partnerships
- ☐ Portfolio Monitoring
  - Performance reporting
  - Qualitative & quantitative fund analysis
  - Investment administration
- ☐ Fund-of-Funds Management

### Research, Analysis & Education

- ☐ Research
  - Regional studies
  - Sub-asset class studies
  - Market studies
- ☐ Analysis
  - Cash flow forecasting
  - Portfolio valuation
  - Benchmarking
- ☐ Education
  - Private equity overview
  - Rationale for/role of private equity
  - Due diligence techniques

Our services are customized to individual client needs and objectives and are provided through discretionary, non-discretionary and project-oriented engagements. At the outset of a client engagement we typically review or document new private equity guidelines as part of our investment planning process with clients. The private equity investment guidelines we establish for our clients incorporate:

Clear Objectives: outline investment/financial goals, preferences and constraints.

Flexibility: investing with the best managers in private equity is crucial to developing and maintaining a successful program. Accordingly, we advocate flexibility in guidelines to allow investors to pursue the best funds available to them.

Risk Management: to manage portfolio risk, we advise clients to employ portfolio constraints, such as maximum exposure to early stage venture or maximum exposure to international.

A summary of our existing assets under management ("AUM") is provided in the table below:

Mandate Type	Number Of	AUM (\$)
Discretionary	5	889.8
Non-Discretionary	10	8,822.9
Total	15	9,712.8

\* \$ in millions as of September 30, 2010.

## **2. Fees and Compensation**

Fees are negotiable and are based on a fixed fee arrangement or as a percentage of assets under management.

Investors in fund-of-fund vehicles are also required to share pro rata in the vehicles' operating expenses, including legal, accounting and organizational expenses.

Fees are typically billed to clients on a quarterly basis in arrears.

## **3. Performance Based Fees and Side-by-Side Management**

We do not charge performance based fees. As a result, there are no conflicts of interest managing client accounts due to performance based fees.

## **4. Types of Clients**

We have a diverse client base comprised of public plan, corporate plan, endowment and foundation institutional investors. In addition, we have formed fund-of-fund vehicles to manage certain client assets.

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

Our core advisory service involves evaluation, analysis and recommendation of private equity partnerships sponsored by investment managers. The partnerships may pursue a variety of private equity strategies, including: (1) leveraged buyout investments, (2) venture capital investments, (3) mezzanine investments, (4) distressed debt or turnaround investments, and (5) fund-of-funds investments.

Our investment methodology comprises both quantitative and qualitative analysis of private equity investments. In terms of quantitative analysis, we conduct a comprehensive track record assessment, including both bottom-up analyses, such as (1) operating performance of underlying portfolio companies, (2) attribution analysis by principal, company region, stage of development, sector and size, and (3) valuation of unrealized investments, as well as top-down analyses, such as (1) relative performance measurement of funds compared to benchmarks and comparable funds, and (2) distribution of returns.

From a qualitative perspective, we evaluate the following:

- Clarity and consistency of investment strategy
- Experience in strategy
- Team qualifications, cohesion and ability to assume fiduciary responsibility
- Competitive advantage(s)
- Attractiveness of target market segment
- Ability to add value to underlying portfolio companies
- Fees and partnership terms

While we leverage third party information and data, a significant amount of information employed in our evaluation and analysis of investment opportunities is obtained through our proprietary due diligence process. Our process is designed to ascertain information on an investment manager's strategy, composition and stability of team and potential conflicts of interest. Our process also includes requests for detailed cash flow information of prior investments, transaction summaries, including financial performance and valuation support, the investment manager's operating budget, sample partnership financial statements, professional references for principals of the investment manager, and a litigation questionnaire. We also conduct background checks in certain cases to verify information obtained from investment managers.

All investments present a risk of loss of capital, but an investment in the private equity asset class involves significant risks not associated with other asset classes. Investments are typically structured as un-certificated limited partnership interests in private equity funds (direct) or in a pool of private equity funds (fund-of-funds). Most limited partnerships have a ten-year term. The nature of the investment is relatively illiquid and there are no assurances that an investor can dispose of its interest prior to the expiration of the limited partnership's term. In addition, investors in private equity should be prepared to bear risk of loss, including an entire loss of their investment in, or commitment to a limited partnership.

Investors in the private equity asset class should consider private equity as a supplement to an overall investment program and should only invest in private equity if they are willing to undertake the risks involved.

## **6. Disciplinary Information**

Neither our firm nor our professional staff have ever been subject to or are currently involved with any legal or disciplinary matters.

## **7. Other Financial Industry Activities and Affiliations**

Related persons of the firm include general partner entities formed to manage the fund-of-fund vehicles

formed exclusively for our clients. These persons are:

1. Franklin Park Series 2008 GP, LLC, serves as general partner to Franklin Park Venture Fund Series 2008, L.P.,
2. Franklin Park Series 2009 GP, LLC, serves as general partner to Franklin Park Venture Fund Series 2009, L.P.,
3. Franklin Park Series 2010 GP, LLC, serves as general partner to Franklin Park Venture Fund Series 2010, L.P.,
4. FP OTRS I, LLC, serves as the general partner to OTRS/FP Private Equity Fund, L.P. and OTRS Legacy P/E Assets Fund, L.P.
5. Franklin Park Series GP, LLC, serves as the general partner to Franklin Park Venture Fund Series 2011, L.P. and Franklin Park International Fund 2011, L.P.

Our fund-of-fund vehicles are offered to our clients on a no fee basis. However, clients share in vehicle expenses, which may include certain legal, accounting and due diligence related expenses.

100% of the firm's revenue is generated from our clients. We do not accept payments from any other party.

#### **8. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Our firm has developed a compliance manual (the "Compliance Manual") and a Code of Ethics (the "Code") to ensure that we comply with applicable securities laws and regulations when we engage in the business of providing investment advisory services to clients. It is also our policy to conduct our business in a manner that meets the highest standards of commercial honor and just and equitable principles of trade. Furthermore, we have adopted The Code of Ethics and The Standards of Professional Conduct published by the CFA Institute. The Compliance Manual sets forth our policies and procedures designed to ensure such compliance. In addition, the Compliance Manual designates supervisors and describes their supervisory responsibilities over our company personnel. We monitor the personal trading activity of our employees on a regular basis and require quarterly disclosures to ensure that there is no improper use of material non-public information.

Clients and prospective clients can obtain a copy of our Compliance Manual, the Code and other compliance policies and procedures by making a request to our Chief Compliance Officer.

As described above, we may make recommendations to clients to participate in fund-of-fund vehicles managed by us as the general partner. These vehicles are offered on a no fee basis and we do not invest firm capital in the vehicles. A potential conflict of interest may arise when allocation to an opportunity is limited and our vehicle(s) and other clients each wish to invest.

Our policy is to allocate investment opportunities among client accounts consistent with our fiduciary duty and regulatory principles. In determining the suitability of investment opportunities for client accounts, consideration is given to several factors, including clients' investment objectives, guidelines, constraints, existing portfolio composition, the degree in which investment sponsors (or fund managers), in their sole discretion choose to determine allocations, and time constraints surrounding a fund manager's fundraising process. We use our best efforts to obtain the desired allocation for each client account. In cases where allocations are limited, we generally allocate investments pro rata based upon each account's desired amount, except that:

1. Investment allocations may be determined by investment sponsors;
2. Client accounts invested in a sponsor's predecessor investment offering may receive a re-up allocation of equal size; and
3. Fund-of-fund vehicles managed by us on behalf of client accounts may receive an allocation as if each account participated directly in the investment.

## **9. Brokerage Practices**

In general, we do not recommend broker dealers for client transactions. One client, under a limited power of attorney, has authorized us to act as its agent with respect to overseeing the liquidation of publicly traded stock received via distributions from private equity fund investments. We receive no additional compensation for this service. These transactions are governed by a set of liquidation procedures approved by the client and the brokerage firm effectuating the transactions. To the best of our knowledge, there are no conflicts of interest associated with this arrangement.

In connection with our duties overseeing the liquidation of public securities distributed by private equity funds, we ran a search process to identify a qualified brokerage firm to effectuate the transactions. The factors considered in our selection of an appropriate brokerage firm included the following: 1. to make the administration and monitoring process of stock distributions more efficient, 2. to ensure best execution of trades, and 3. to lower trade execution fees. We have not received any soft dollar benefits or any other incentives in connection with this arrangement that do not apply directly to the client's account.

## **10. Review of Accounts**

We perform reviews of client accounts and investment plans regularly. Each year, we generate an annual investment plan that addresses investment pacing and selection. More regular reviews are performed as capital is called for investment or distributed to clients. Capital notices are reviewed and logged into our proprietary investment performance and accounting database. Cash transactions are reconciled on a monthly basis with our clients' bank records or internal books.

On a quarterly basis, investment performance and financial statement data for our clients' private equity investments are reviewed by firm professionals. Areas included in our review and analysis include underlying portfolio company performance, consistency with stated strategy, exposure to various factors, such as company region, stage of development and size, and any developments at the investment manager, such as new or lost personnel. In addition, reviews include analysis of: (i) disparity between financial statement reporting and capital notices, and (ii) compliance with partnership agreement terms and conditions.

Generally, client reporting is tailored to the needs of individual clients. At a minimum, each quarter, our clients receive a performance report that includes a quantitative and qualitative review of their private equity portfolio and underlying investments.



#### **11. Client Referrals and Other Compensation**

We do not compensate any person for client referrals. We do not receive any economic benefits from any parties who are not clients.

#### **12. Custody**

We have custody of certain client assets through management of our fund-of-fund vehicles. We send our clients quarterly reports and annual audited financial statements of each vehicle within 180 days of year end.

#### **13. Investment Discretion**

We accept discretionary authority to manage client assets. We manage these mandates through our fund-of-fund vehicles or through separate account arrangements. Each of these engagements is documented by a written contractual agreement. Our discretionary authority is generally limited to making commitments to private equity funds.

#### **14. Voting Client Securities**

Voting client securities is generally not applicable in the context of private equity investing.

#### **15. Financial Information**

There are no financial conditions that are reasonably likely to impair our ability to meet our contractual commitments.

# FranklinPark

## Brochure Supplement

### Part 2B of Form ADV

Version 1.0

Adopted 3/1/2011

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#### Supervised Persons:

**Bradley T. Atkins, CFA**  
**Michael D. Bacine**  
**Laure A. Brasch, CPA**  
**R. Narayan Chowdhury, CFA**  
**Karl J. Hartmann, Esq.**  
**Kristine O'Connor, CPA**  
**James B. McGovern, CFA**

*This brochure supplement provides information about the Supervised Persons that supplements Franklin Park's brochure. You should have received a copy of that brochure. If you have any questions about the contents of this brochure, please contact us at [info@franklinparkllc.com](mailto:info@franklinparkllc.com) or contact each of the Supervised Persons directly. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

The following investment professionals (“Supervised Persons”) are responsible for a significant majority of the investment advice provided to clients. Each of the following Supervised Persons is reviewed continually through our investment committee process to ensure that the quality of advice given to clients meets the firm’s standards and each of our client’s goals and objectives. Biographical backgrounds for these professionals are set forth below:

Name: Bradley T. Atkins, CFA

Position: Chief Executive Officer/Managing Director, Investment Committee Member

Year of Birth: 1969

Educational Background: Brad received an M.B.A. in Accounting and a B.S. in Finance from The American University.

Business Background: Prior to co-founding Franklin Park, Brad was the Head of Research, as well as Co-Manager of Direct/Co-Investments, at Hamilton Lane Advisors, a private equity advisor and asset manager. While at Hamilton Lane, Bradley served on the investment committee and oversaw the firm’s research, portfolio monitoring, direct investment and analytics efforts. He also worked on primary fund and secondary investment analysis and portfolio management.

Disciplinary Information: No legal or disciplinary actions.

Other Business Activities: None

Additional Compensation: None

Name: Michael D. Bacine

Position: Managing Director, Investment Committee Member

Year of Birth: 1974

Educational Background: Michael received a B.S. in Finance and International Business from The Pennsylvania State University.

Business Background: Prior to co-founding Franklin Park, Michael co-managed the investment due diligence department at Hamilton Lane Advisors. During his tenure with Hamilton Lane, Michael was responsible for performing due diligence on venture capital, corporate finance, mezzanine and international private equity fund opportunities. He also spent a year in Paris, France performing investment due diligence on European opportunities on behalf of Hamilton Lane.

Disciplinary Information: No legal or disciplinary actions.

Other Business Activities: None

Additional Compensation: None

Name: Laure A. Brasch, CPA

Position: Managing Director

Year of Birth: 1971

Educational Background: Laure received a B.B.A. in Accounting from Temple University.

Business Background: Prior to joining Franklin Park in 2006, Laure was an Operations Manager at SEI Investments, where she led a team of accountants responsible for financial reporting of private equity partnerships. Previously, she was an auditor at Kreischer, Miller & Co., a public accounting firm.

Disciplinary Information: No legal or disciplinary actions.

Other Business Activities: None

Additional Compensation: None

Name: R. Narayan Chowdhury, CFA

Position: Managing Director

Year of Birth: 1976

Educational Background: Narayan received a B.A. in Mathematics and Economics from Bucknell University.

Business Background: Prior to co-founding Franklin Park, Narayan was a member of Hamilton Lane Advisor's due diligence and research team where he assisted the firm's investment monitoring, quantitative analytics, valuation and research efforts. Prior to that, he was with Public Financial Management in the structured products and quantitative strategies groups.

Disciplinary Information: No legal or disciplinary actions.

Other Business Activities: None

Additional Compensation: None

Name: Karl J. Hartmann, Esq.

Position(s): Chief Compliance Officer/Chief Operating Officer/Managing Director

Year of Birth: 1970

Educational Background: Karl received a B.A. in English from the University of Notre Dame and a J.D. from Loyola University Chicago – School of Law. He is a member of the State Bar of Illinois.

Business Background: Prior to co-founding Franklin Park, Karl was primarily responsible for the legal review and negotiation of recommended investments at Hamilton Lane Advisors. These investments included primary investments as well as secondary investments. He also participated in the due diligence analysis of potential investment opportunities.

Disciplinary Information: No legal or disciplinary actions.

Other Business Activities: None

Additional Compensation: None

Name: Kristine O'Connor, CPA

Position(s): Chief Financial Officer/Managing Director

Year of Birth: 1974

Educational Background: Kristine holds a B.S., magna cum laude, in Accounting and Theology from Boston College.

Business Background: Prior to joining Franklin Park in 2008, Kristine was with the United States Securities and Exchange Commission supervising on-site examinations of investment management firms. Prior to that, she worked at the Massachusetts Pension Reserves Investment Management Board performing financial analysis and reporting as well as conducting due diligence on investment managers. Kristine began her career at PricewaterhouseCoopers, where she spent six years in the audit practice.

Disciplinary Information: No legal or disciplinary actions.

Other Business Activities: None

Additional Compensation: None

Name: James B. McGovern, CFA

Position: Managing Director, Investment Committee Member

Year of Birth: 1971

Educational Background: Jim received a B.S. in Finance from Boston College.

Business Background: Prior to co-founding Franklin Park, Jim co-managed the investment due diligence department at Hamilton Lane Advisors. During his tenure at Hamilton Lane, Jim co-managed the group responsible for reviewing and analyzing venture capital, corporate finance and mezzanine investments.

At Hamilton Lane, Jim was also involved in sourcing and analyzing secondary transactions and in developing the firm's secondary valuation model and secondary investment guidelines.

Disciplinary Information: No legal or disciplinary actions.

Other Business Activities: None

Additional Compensation: None