

Item 1- Cover Page

## Vance Street Capital LLC

11150 Santa Monica Boulevard, Suite 750

Los Angeles, CA 90025

310-231-7100

[www.vancestreetcapital.com](http://www.vancestreetcapital.com)

April 1, 2013

This Brochure provides information about the qualifications and business practices of Vance Street Capital LLC. If you have any questions about the contents of this Brochure, please contact us at 310-231-7100 or by email to [gjoyce@vancestreetcapital.com](mailto:gjoyce@vancestreetcapital.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.

Vance Street Capital LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

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

## Item 2- Material Changes

This Brochure dated April 1, 2013 is updated from our last Brochure dated February 1, 2012.

Effective January 1, 2013, Gary Joyce assumed the responsibilities and title of Chief Compliance Officer in addition to his responsibilities as the Firm's Chief Financial Officer. Jennifer Churchill, the former Chief Compliance Officer, remains with the Firm as the Controller.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

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

Currently, our Brochure may be requested by contacting Gary Joyce, Chief Compliance Officer at 310-231-7100 or [gjoyce@vancestreetcapital.com](mailto:gjoyce@vancestreetcapital.com). Our Brochure is also available on our web site [www.vancestreetcapital.com](http://www.vancestreetcapital.com), free of charge.

Additional information about Vance Street Capital is available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Vance Street Capital who are registered, or are required to be registered, as investment adviser representatives of Vance Street Capital.

### Item 3 -Table of Contents

|  |     |
|--|-----|
| Item 1- Cover Page .....   | i   |
| Item 2- Material Changes .....   | ii  |
| Item 3 -Table of Contents .....  | iii |
| Item 4 – Advisory Business .....   | 1   |
| Item 5 – Fees and Compensation .....                                       | 1   |
| Item 6 – Performance-Based Fees and Side-By-Side Management .....          | 1   |
| Item 7 – Types of Clients .....  | 1   |
| Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss ..... | 1   |
| Item 9 – Disciplinary Information .....                                    | 2   |
| Item 10 – Other Financial Industry Activities and Affiliations .....       | 2   |
| Item 11 – Code of Ethics .....   | 2   |
| Item 12 – Brokerage Practices .....  | 3   |
| Item 13 – Review of Accounts .....   | 3   |
| Item 14 – Client Referrals and Other Compensation .....                    | 4   |
| Item 15 – Custody .....  | 4   |
| Item 16 – Investment Discretion .....                                      | 4   |
| Item 17 – Voting Client Securities .....                                   | 4   |
| Item 18 – Financial Information .....                                      | 4   |
| Brochure Supplements   |     |

#### **Item 4 – Advisory Business**

Vance Street Capital (“the Firm”) is a Los Angeles based private equity firm that began business in August 2007 to invest in profitable middle market companies with enterprise values ranging from \$50 to \$200 million. The Firm manages discretionary client assets in the amount of \$251 million as of December 31, 2012, in a pooled investment vehicle, Vance Street Capital LLC (referred to herein as “the Fund”). The Fund is managed by Vance Street Management LLC (“VSM”), a Delaware LLC, which was formed to act as the Managing Member of the Fund. Richard Crowell and Richard Roeder are the managing members of VSM.

#### **Item 5 – Fees and Compensation**

VSM charges an annual management fee of 1.5% on Fund capital commitments, payable quarterly in advance. This management fee is reduced by half of the transaction fees VSM receives on the Fund’s purchase and sale of portfolio companies and on material acquisitions and dispositions by portfolio companies and by half of the management fees VSC receives from portfolio companies.

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

In addition to management and transaction fees, VSM has entered into a performance fee arrangement with the Fund. This arrangement provides VSM with a carried interest of up to 20% of the profits of the Fund after investors in the Fund have received certain hurdle rates of return on invested capital.

#### **Item 7 – Types of Clients**

VSM provides private equity management services to the Fund. Investors in the Fund include high net worth individuals and institutional investors.

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

The Fund invests in middle market companies, primarily in the Western United States, with enterprise values between \$50 and \$200 million. Preferred industries include aerospace and defense, precision manufacturing, and medical products. Based on our experience, companies in this size range present strong potential for growth and value appreciation.

VSM generally measures opportunities against the following criteria:

- Strong, committed management team
- History of growth and profitability
- Sustainable competitive advantage
- Strong return on tangible assets
- Revenue growth opportunities
- Profit margin improvement opportunities

- Strategic acquisition opportunities

VSM will only invest when we can provide value beyond our capital by delivering resources to accelerate operational improvements, spur revenue growth and support strategic acquisition opportunities.

VSM pursues investment opportunities through business brokers, investment banks, and other intermediaries. It also develops investment opportunities through direct contact with the managers and owners of private companies. VSM invests in companies where it believes there is a clear path to improving operating performance and market position, and where management and VSM have developed a close alignment of interests. VSM believes that this selectivity, diligent execution of a detailed plan, and the integration of smaller strategic acquisitions at its portfolio companies, are the main drivers of the returns to the investors.

VSM uses moderate leverage at acquired companies to enhance its returns. In addition, VSM typically invests in companies with less than \$20 million of earnings before interest, taxes, depreciation, and amortization (EBITDA). As companies of this size grow, the universe of potential acquirers often expands, and credit markets generally become more liquid. VSM anticipates that this will in some cases drive the expansion of the multiples achievable in a sale transaction, thus leading to higher returns upon disposition of the investment.

VSM has a developed network of operating executives and consultants to assist it in due diligence, the preparation and implementation of operating plans, and performance improvement. Prior to making an investment, VSM completes an analysis of the target company's industry and market position. Specific operating improvement plans are developed for the first 100 days, the first full year, and the five-year horizon, post-closing. After the investment is made, VSM seeks to add directors to the portfolio company's board who have specific expertise in the target industry or relevant functional experience useful to management in executing these plans.

Investing in securities, public or private, involves risk of loss that clients should be prepared to bear.

#### **Item 9 – Disciplinary Information**

There are no legal or disciplinary events that would be material to your evaluation of the Firm or the integrity of its management.

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

Other than managing the Fund, VSM has no other financial industry activities or affiliations that require disclosure under this Item.

#### **Item 11 – Code of Ethics**

VSC has adopted a Code of Ethics for all supervised persons of the Firm. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and

business entertainment items, and personal securities trading procedures, among other things. All supervised persons at VSM must acknowledge the terms of the Code of Ethics annually, or as amended. The Firm's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Gary Joyce at gjoyce@vancestreetcapital.com.

VSM's employees and persons associated with it are required to follow the Firm's Code of Ethics. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of VSM will not interfere with (i) making decisions in the best interest of the Fund and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Certain of VSM's employees invest in the Fund through a vehicle created for firm personnel, under the same terms and conditions, except that no management fee is charged with respect to employee participation in the investments.

Under the Code of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of the Fund. In addition, the Code requires pre-clearance of certain transactions, and restricts trading in close proximity to the Fund's trading activity. As required by the SEC, employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between VSM and the Fund.

While VSM believes that its interests with respect to the success of the Fund are generally aligned, it is possible that conflicts of interest among VSM and the Fund might arise. The Fund's advisory committee, composed of certain investors in the Fund or its affiliates, addresses conflict issues should they arise. VSM and the Fund may use the same legal counsel and accountants.

Investors are allowed to co-invest (subject to certain limitations) in the investments made by the Fund. No management or performance fees are charged in respect of such co-investments. The co-investment opportunity for each transaction is limited to 30% of the total capital invested in that transaction directly or indirectly by the Fund.

#### **Item 12 – Brokerage Practices**

The Fund is an investor in private securities whose purchase or sale does not require brokerage services. As a result, VSM is not in the business of selecting or recommending brokerages or broker-dealers to clients.

#### **Item 13 – Review of Accounts**

VSM issues written annual and quarterly reports to the investors in the Fund. The reports include a letter from VSM summarizing recent activity, updates on the Fund's investments, and financial statements of the

Fund at quarter end. The financial statements included in the annual report are audited by the international accounting firm, BDO LLP.

#### **Item 14 – Client Referrals and Other Compensation**

VSM does not compensate any person, directly or indirectly, for client referrals.

#### **Item 15 – Custody**

VSM has custody of client funds pending investment or distribution. These funds are held in bank accounts of a nationally recognized bank. Stock certificates and other financial documentation evidencing the investments made by the Fund are held by a bank custodian on behalf of the Fund.

#### **Item 16 – Investment Discretion**

VSM has discretionary authority from the Fund to select the identity and amount of securities to be bought or sold. Discretion is exercised in a manner consistent with the stated investment objectives of the Fund. When selecting securities and determining investment amounts, VSM observes the investment policies, limitations and restrictions contained in the Fund documentation.

#### **Item 17 – Voting Client Securities**

The Fund owns the securities acquired for it by VSM. As the investment adviser to the Fund, VSM votes the securities on all corporate issues using its best judgment and observing its fiduciary duty to the Fund.

#### **Item 18 – Financial Information**

VSM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to the Fund.

Richard Crowell  
Vance Street Capital

11150 Santa Monica Boulevard, Suite 750

Los Angeles, CA 90025

310-231-7100

April 1, 2013

**This Brochure Supplement provides information about Richard Crowell that supplements the Vance Street Capital Brochure. You should have received a copy of that Brochure. Please contact Gary Joyce, Chief Compliance Officer, if you did not receive Vance Street Capital's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Richard Crowell is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2- Educational Background and Business Experience**

Richard Crowell was born in 1955. He received a master's degree in finance and accounting from UCLA's Graduate School of Management and a B.A. degree from the University of California at Santa Cruz.

Mr. Crowell is a Managing Member of Vance Street Capital, which he founded in 2007. Prior to that, in 1991 Mr. Crowell co- founded and served as President of Aurora Capital Group. Aurora is a private equity investment firm. From 1987 to 1991 Mr. Crowell served as President of Acadia Partners, a private equity investment partnership. From 1983 to 1987 Mr. Crowell held a series of positions culminating in his appointment as a Managing Director of Drexel Burnham Lambert. From 1980 to 1983 Mr. Crowell was a member of EF Hutton's Corporate Finance Department.

Mr. Crowell serves on the Board of Directors of RBC Bearings, Inc. (Nasdaq symbol ROLL). Among other civic and charitable affiliations, Mr. Crowell is a member of the Executive Committee of the Board of Visitors at UCLA's John E. Anderson Graduate School of Management.

## **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.



**Item 4- Other Business Activities**

Mr. Crowell is not engaged in any other investment related business or occupation.

**Item 5- Additional Compensation**

Mr. Crowell does not receive any compensation for investment related activities other than as a Director of RBC Bearings, Inc.

**Item 6 - Supervision**

As a managing member of the Managing Member, Mr. Crowell is not supervised. He has extensive contact with the investors in the Fund and at least annual contact with the members of the Advisory Committee of the Fund.

Richard Roeder  
Vance Street Capital

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April 1, 2013

**This Brochure Supplement provides information about Richard Roeder that supplements the Vance Street Capital Brochure. You should have received a copy of that Brochure. Please contact Gary Joyce, Chief Compliance Officer, if you did not receive Vance Street Capital's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Richard Roeder is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2- Educational Background and Business Experience**

Mr. Roeder was born in 1948. He holds a J.D. degree from the University of California, Berkeley and an A.B. degree from Amherst College.

Mr. Roeder is a Managing Member of Vance Street Capital. Prior to the formation of the Firm in 2007, in 1991 Mr. Roeder co-founded and served as a Managing Director of Aurora Capital Group. Aurora is a private equity investment firm. From 1981 to 1991, Mr. Roeder was a Partner in the law firm of Paul Hastings LLP, where from 1987 to 1991 he served as Chairman of the firm's corporate law department.

Among other civic and charitable affiliations, Mr. Roeder is a member of the Board of Directors of The Music Center of Los Angeles County, a Trustee of The Natural History Museum of Los Angeles County, a director of Cambridge in America and a director of the Berkeley Center on Law, Business and the Economy, a joint program of the law and business schools of the University of California, Berkeley.

**Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

**Item 4- Other Business Activities**

Mr. Roeder is not engaged in any other investment related business or occupation.

**Item 5- Additional Compensation**

Mr. Roeder does not receive any compensation for other investment related activities.

**Item 6 - Supervision**

As a managing member of the Managing Member, Mr. Roeder is not supervised. He has extensive contact with investors in the Fund and at least annual contact with the members of the Advisory Committee of the Fund.