

Item 1: Cover Sheet

INFORMATIONAL BROCHURE

TOWER THREE PARTNERS LLC

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This brochure provides information about the qualifications and business practices of Tower Three Partners LLC. If you have any questions about the contents of this brochure, please contact us at (203) 485-5800 or via email at cjacobs@tower3partners.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 Tower Three Partners LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Statement of Material Changes

Tower Three Partners LLC is submitting this ADV Part 2 as part of its annual amendment. There are no material changes to report.

Item 3: Table of Contents

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Item 4: Advisory Business

Tower Three Partners LLC (“Tower Three”) has been in business since November 2, 2007. Tower Three is the investment manager of Tower Three Partners Fund I LP (“Fund I”), and Tower Three Partners Fund II LP (“Fund II”) (each, a “Fund”, and together, the “Funds”), which are both private equity funds offered to qualified investors. Investors and potential investors in the Funds should consult the respective Fund’s offering documents, including for Fund I its Limited Partnership Agreement and Private Placement Memorandum and for Fund II its Limited Partnership Agreement, for a complete discussion of each Fund and its risk factors.

The Funds pursue control investments in underperforming and distressed businesses.

For additional discussion of the Funds, and their investment objectives and risks, please see response to Item 8.

Item 5: Fees and Compensation

A. Fees Charged

Investors in the Funds will be charged a management fee, and if applicable under the terms of the each Fund’s Limited Partnership Agreement, a performance based fee known as a “carry”.

Management Fee

The Funds will pay an annual management fee (the “Management Fee”) to Tower Three payable quarterly in advance equal to 2% per annum, based on the total amount of committed capital in the Fund. After a Fund’s commitment period has ended, the Management Fee will only be payable with respect to the portion of investor capital that is invested but not yet subject to disposition.

Performance Based

The Funds (and therefore each investor in a Fund) will generally pay a 20% performance-based fee to Tower Three. Performance fees are paid when individual investments are sold or otherwise disposed of. However, the performance fee will not be paid until (a) investors are repaid for the cost of the individual investment sold; (b) the investors are reimbursed for certain Management Fees and expenses they have previously paid; and (c) until the investors achieve a base rate of return of 8% on their invested capital to date. In addition the performance fee is subject to a “clawback”. Because performance fees are paid when investments are sold, situations may arise where performance fees collected on profitable transactions may exceed total performance fees due when a Fund has sold or otherwise disposed of all its investments. A clawback is a repayment to investors of the excess performance fees previously paid.

B. Fee Payment

Management fees are paid quarterly, in advance, and are directly debited from the Funds. Investors in the Fund will acknowledge this arrangement when they execute subscription documents for a Fund.

C. Other Fees

The Funds will bear all legal, organizational and offering expenses, including the out-of-pocket expenses of Tower Three and its agents, actually incurred in the formation of the Funds. The Funds will also pay all costs and expenses relating to its respective operations, including, but not limited to: professional fees, directors and officers liability insurance premiums allocable to the Funds, fees related to investments, interest, taxes, and meetings with investors. Tower Three will be responsible for its own operations, including rent, salaries and benefits, furniture and fixtures and all other office equipment.

Tower Three will bear full economic responsibility for any fees payable to any placement agent. The Funds will not bear any such fees.

For more specific discussion of fees paid by investors please refer to the private placement memorandum and Limited Partnership Agreement for Fund I and to the Limited Partnership Agreement for Fund II.

D. Pro-rata Fees

Due to the nature of the Funds, clients will be committed to investing a specified amount into a Fund at designated times. Clients will not generally be permitted to withdraw from a Fund or become an investor in a Fund after that Fund closes. Accordingly, there will be no need to calculate *pro-rata* fees.

E. Compensation for the Sale of Securities.

None of the employees of Tower Three is a registered representative of a broker-dealer. None of the employees of Tower Three will receive any compensation for executing trades on behalf of a Fund aside from Tower Three's receipt of fees described above.

Item 6: Performance Based Fees

Please see response to Item 5.

Item 7: Types of Clients

Tower Three's clients are all either high net worth U.S. individuals including their trusts or private funds.

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

Tower Three is an operationally focused private equity firm that for Fund I pursues control investments in underperforming and distressed middle-market businesses in the U.S. For Fund II Tower Three expanded the scope of its targeted investments to include performing middle-market businesses that are undergoing significant operational transitions. Tower Three makes a concentrated number of control investments where it can provide active, operational oversight to each business. Fund I has made six investments since the beginning of the Fund, ranging in size from \$750,000 to \$115.1 million. Two of these investments have been sold, leaving four still invested as of the date of this Part 2. These investments were all in equity or debt securities, which are the normal security types utilized for an investment.

For Fund I, slightly less than six percent (6%) of its committed capital is available for investment. As this Fund enters the final stages of its life cycle, sourcing and diligence of potential transactions is generally limited to transactions that are related in some way to existing portfolio companies. Diligence for these transactions will involve not only the Tower Three team, but the management teams of the respective portfolio companies.

Fund II was formed in June 2012 and has not closed an investment. Its investment process will follow that of Fund I. Given the nature of the transactions pursued by the Funds, Tower Three spends a significant amount of time and resources undertaking thorough due diligence on each investment opportunity. Tower Three utilizes a rigorous underwriting process to analyze, structure, document and approve potential transactions. Tower Three focuses on quickly identifying any material issues to avoid spending time and resources on unlikely transactions.

Once a deal team has been established, Tower Three's professionals assess material operational and financial elements of a business, together with the assistance of outside advisors and consultants, as appropriate, to facilitate the process.

Tower Three is updated on the progress of each potential transaction by the deal team throughout due diligence in regularly scheduled meetings, together with the appropriate level of supporting data and documentation. All investment professionals can provide input, express concerns and question assumptions throughout the process, but all investments made by Tower Three are reviewed and approved solely by the Managing Member of Tower Three.

RISK FACTORS

Please see each Fund's offering documents with regard to risks associated with investing with that Fund.

All investments risk the loss of capital. No guarantee or representation is made that either Fund will achieve its investment objective or that a client will receive a return of its capital. In addition, there will be occasions when Tower Three and its affiliates may encounter potential conflicts of interest in connection with a Fund. In evaluating whether to make an investment in a Fund, potential investors should consult the respective Fund's offering documents, including for Fund I its Limited Partnership Agreement and Private Placement Memorandum and for Fund II its Limited Partnership Agreement. The following discussion is not a complete list of all potential risks.

Nature of Investments. While investments in the types of companies Tower Three recommends for the portfolio offer the opportunity for gains, they also involve a high degree of risk. The nature of the types of companies Tower Three seeks for the portfolio is one that is distressed or in need of some sort of restructuring. These same companies may be more sensitive than others to business developments or other economic factors for the same reasons the company is attractive as an investment. If the company is adversely affected, the Fund holding that investment may lose money.

General Economic Conditions. General economic conditions may affect a Fund's activities. 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 a Fund or considered for prospective investment.

Illiquid and Long-Term Investments. Most investments will not be sold or realized for a number of years. It is unlikely that there will be a public market for the securities held by the Funds at the time of their acquisition. A Fund generally will not be able to sell its securities publicly. In addition, in some cases, a Fund may be prohibited or limited by contract from selling certain securities for a period of time, and as a result, may not be permitted to sell an investment at a time it might otherwise desire to do so.

Portfolio Company Management Risks. With respect to management at the investment level, many companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly affect the company's performance. If the company's performance is negatively affected, performance of the Fund holding that investment will be as well. Tower Three expects to monitor company management, but Tower Three will not have day-to-day responsibility with respect to the business of the companies in which the Funds invests.

Tower Three Management Risks. Tower Three's strategy of investing in a concentrated number of control investments where it can provide active, operational oversight to each business increases Tower Three's reliance on the continued performance of a few key executives, particularly the Managing Member of Tower Three. If such executives were to leave Tower Three or be unable to perform their responsibilities, the performance of the Funds could be adversely affected. This risk is mitigated by allowing investors in the Funds to withdrawal in certain circumstances involving the loss of the Managing Member (also known as a "Key Person Event"). For further information regarding a Key Person Event, investors and potential investors should consult their respective Fund's offering documents.

Concentration of Investments. The Funds will participate in a limited number of investments and, as a consequence, the aggregate return of the Funds may be affected by the performance of a small number of investments. This means that the Funds will not be diversified.

Control Position. The Funds will generally seek investment opportunities that allow the Funds to have significant influence on the management, operations and strategic direction of the companies in which it invests. The exercise of control and/or significant influence over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over a company could expose the assets of the Funds to litigation.

Non-U.S. Investments. The Funds may invest globally. Foreign securities involve certain risks not typically associated with investing in U.S. securities, including risks relating to (i) currency

exchange matters including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which the Fund's foreign Investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another, (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative illiquidity of some foreign securities markets, (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation, (iv) certain economic and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital and the risks of political, economic or social instability, (v) obtaining foreign governmental approvals and complying with foreign laws and (vi) the possible imposition of foreign taxes on income and gains recognized with respect to such securities. Anti-fraud and anti-insider trading legislation in these countries may be rudimentary. There may be prohibitions or restrictions on the ability of management to terminate existing business operations, sell or otherwise dispose of a company's assets, or otherwise materially affect the value of the company without the consent of the company's shareholders. Anti-dilution protection also may be very limited. In these countries, the concept of fiduciary duty on the part of the management or directors of companies to shareholders may be limited. The legal systems in these countries may offer no effective means for the Fund to seek to enforce its rights or otherwise seek legal redress or to seek to enforce foreign legal judgments.

Expedited Transactions. Investment analyses and decisions may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available at the time an investment decision is made may be limited.

Leverage. The Funds may borrow for the purpose of short-term financing, to cover shortfalls of capital contributions arising from the default of investors or for other purposes related to a Fund's business. Tax-exempt investors should note that the use of leverage by a Fund may create "unrelated business taxable income" and should refer to the Limited Partnership Agreement for their respective Fund and for Fund I to the private placement memorandum as well as their own tax advisors.

Tower Three Partners LLC has adopted the following two policies which are applicable to the Funds it manages:

1. **Leverage.** A Fund may neither (a) borrow an amount in excess of one-half of its net asset value (including any committed capital) nor (b) have gross notional exposure in excess of twice its net asset value (including any committed capital); and
2. **Short Selling.** No Fund may sell securities, or other assets, short or enter into similar transactions other than for the purpose of hedging currency exposure or managing duration. In addition, in the event the securities of a private company in which a Fund invests become publicly traded, Tower Three Partners LLC may choose to purchase put options or collars through nationally recognized investment banks to hedge the Fund's investment risk with respect to such company.

Conflicts of Interest

Performance Allocation. The existence of Tower Three's performance-based fee may create an incentive for Tower Three to make more speculative investments on behalf of the Funds. Tower

Three's capital commitment to the Funds described in the Private Placement Memorandum should tend to reduce this incentive.

Item 9: Disciplinary Information

None to report.

Item 10: Other Financial Industry Activities and Affiliations

There are no contractual relationships between Tower Three and any other party within the financial industry.

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

A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. Tower Three's sole business is the management of the Funds. Its only clients are the Funds, and therefore cannot recommend to "clients" that they invest in any security in which Tower Three or any principal thereof has any financial interest.

C. On occasion, an employee of Tower Three may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be pre-cleared through the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee broker account statements are reviewed to confirm compliance with the trading procedures.

D. On occasion, an employee of Tower Three may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be pre-cleared through the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

Item 12: Brokerage Practices

Tower Three's only clients are the Funds and the investors of the Funds. There are no day-to-day brokerage trades placed on behalf of clients.

Item 13: Review of Accounts

The portfolio and the performance of the portfolio companies are reviewed on an ongoing basis by the firm's professionals.

Item 14: Client Referrals and Other Compensation

Tower Three does not currently compensate any other person for referring clients to Tower Three. If this ever were to change, any client who was referred by a person receiving compensation from us would be made aware of the compensation, and any additional registration requirements would be addressed.

Item 15: Custody

Tower Three has custody of client funds through its management of the Funds. The Funds are audited by Ernst & Young, LLP, a PCAOB registered firm.

Item 16: Investment Discretion

Please see Item 8 for a discussion of investment discretion.

Item 17: Voting Client Securities

Tower Three will have discretion to vote proxies related to any publicly traded portfolio company. Each proxy will be voted on a case-by-case basis. Copies of our Proxy Voting Policies and Procedures are available upon request.

Item 18: Financial Information

Tower Three does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

Tower Three has discretion over the Fund's investments. There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.