

**Part 2A: Firm Brochure (the “Brochure”)**

**ITEM 1 - COVER PAGE**

**EMP MANAGEMENT, LLC**

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**This brochure provides information about the qualifications and business practices of EMP Management, LLC (“EMP” or the “Firm”). If you have any questions about the contents of this brochure, please contact E. Stockton Croft IV, EMP’s Chief Compliance Officer (“CCO”) at (404) 974-2499 or [scroft@eaglemerchantpartners.com](mailto:scroft@eaglemerchantpartners.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.**

**Additional information about EMP Management, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Any reference to EMP Management, LLC as a “registered investment adviser” or being “registered” does not imply a certain level of skill or training.**

## **ITEM 2 - MATERIAL CHANGES**

The rules promulgated under the Investment Advisers Act of 1940, as amended (the “~~Advisers Act~~”) require the Firm to identify and discuss any material changes made to its brochure since the last annual update. The initial registration filing was filed by EMP with the SEC on January 7, 2019. The only material changes were the departures of two Principals; J.W. Ransom James and Andrew B. Hirsekorn and the addition of updated risk factors affecting the Firm’s advisory clients and their underlying investments.

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### **ITEM 4 –EMP MANAGEMENT, LLC** **ADVISORY BUSINESS**

EMP Management, LLC (“**EMP**” or the “**Firm**”), a Georgia limited liability company, was organized in 2002 and is headquartered in Atlanta, GA. The Firm is owned by E. Stockton Croft IV (the “**Chief Compliance Officer**”), and William A. Lundstrom (the “**Principals**”).

EMP and its affiliates currently manage a number of disparate businesses; each of these businesses is owned in a separate limited partnership for which an affiliate of EMP serve as general partner (each, a “**General Partner**” and, collectively, the “**General Partners**”). These businesses and the partnerships that hold them are referred to as the “**Portfolio Companies**.”

EMP provides discretionary investment advisory services to six private funds (the “**Private Funds**”). EMP advises the Private Funds on matters related to the acquisition, disposition, and management of interests in the Portfolio Companies managed by EMP and its affiliates. EMP manages the assets of these Private Funds on a discretionary basis.

The Private Funds are managed in accordance with the investment objectives, strategies, restrictions and guidelines, as described in the relevant offering documents and governing documents of the Private Funds. The Firm generally does not tailor its advisory services to the individual needs of those persons or entities that invest in the Private Funds, and investors in the Private Funds may not impose restrictions on investing in certain securities and other financial instruments.

EMP does not participate in wrap fee programs.

EMP currently provides discretionary investment advisory services to nine Private Funds with a total of \$90,179,704 in assets under management.

### **ITEM 5 – FEES AND COMPENSATION**

In consideration of EMP’s and its respective affiliates’ agreement to render management, advisory, integration and consulting services, the Private Funds or one or more of its subsidiaries have and may in the future enter into customary consulting, monitoring and management agreements with EMP pursuant to which such Private Funds shall pay to EMP consulting, monitoring and management fees. The management fees may consist of an initial diligence and strategy fee and/or an ongoing consulting, monitoring and management fee.

#### **Diligence and Strategy Fees.**

As partial reimbursement for services provided in consideration of the extensive services to be provided by EMP, and its respective affiliates in the first year following an acquisition date, the management fees shall include the initial diligence and strategy fee, which shall be paid by the Private Funds to EMP. This payment for a one-year period

following the acquisition date shall be a determined set amount in the aggregate and shall be payable in advance on the acquisition date.

In addition, as partial reimbursement for future services provided by EMP prior to the date of any acquisition by a Private Fund or any of its subsidiaries, and in consideration of the extensive services to be provided by EMP, and its respective affiliates for all periods preceding such acquisitions by the Private Funds or any of its subsidiaries, the management fees may from time to time include additional diligence and strategy fees, each in an amount determined in good faith by the General Partner and which shall be paid by an operating company controlled by the Private Funds to EMP.

### **Ongoing Consulting, Monitoring and Management Fee.**

The ongoing consulting, monitoring and management fee shall be paid by the Private Funds to EMP in equal quarterly installments in arrears on the first (1st) day of each January, April, July and October of each year. The initial payment shall be pro-rated for the portion of the partnership's fiscal quarter in which the acquisition date occurs by multiplying the ongoing consulting, monitoring and management fee by a fraction, the numerator of which shall be the number of days in such fiscal quarter following (and including) the acquisition date, and the denominator of which shall be the total number of days in such fiscal quarter.

The Private Funds will pay or otherwise bear all out-of-pocket payments, fees, costs, expenses and other liabilities or obligations related to, associated with, arising from or incurred in connection with the operation and activities of the Private Funds.

The recipients of this Brochure should refer to the governing documents of the Private Funds for specific information about expenses to be borne by the Private Funds.

Neither EMP nor any of its supervised persons accept compensation for the sale of securities or other investment products.

### **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Each General Partner of the Private Funds will receive a performance-based distribution equal to a percentage of the return on capital distributed by the Private Funds after a preferred rate of return calculated based on proceeds received from the investments of the Private Funds. The performance-based distribution payable to each General Partner of the Private Funds is detailed in the offering documents and governing documents for the Private Funds.

As further described in the offering documents of the Private Funds, affiliates of EMP may also receive performance-based distributions from the Portfolio Companies equal to a percentage of the return on capital distributed by such Portfolio Company.

The existence of performance-based distributions may create an incentive for a General Partner or EMP to make investments on behalf of the Private Funds or a Portfolio Company that are riskier than would be the case if a General Partner were not entitled to receive such performance-based distributions.

### **ITEM 7 – TYPES OF CLIENTS**

EMP provides discretionary investment advisory services to the Private Funds, each a pooled investment vehicle, and not individually to the Investors in the Private Funds (each, an “**Investor**”). The Investors in the Private Funds are each “**accredited investors**” in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended (the “**Securities Act**”), and Regulation D promulgated thereunder. Additionally, Investors in certain of the Private Funds also are “qualified clients”, as such term is defined in Rule 205-3 of the Investment Advisers Act of 1940, as amended. In addition, EMP reserves the right, in the future, offer investment advisory services to other client accounts or pooled investment vehicles.

### **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGY AND RISK OF LOSS**

EMP uses various methods of analysis and investment strategies in formulating its investment advice to the Private Funds. Any investment in securities involves a risk of loss that all of its EMP’s clients should be prepared to bear.

The investment strategy for the Private Funds is formulated by EMP in a manner that reflects its investment philosophy and will be consistent with the Private Funds’ objectives. EMP has not established any specific holding periods with respect to the Private Funds’ investments. The Private Funds are expected to primarily invest in underlying Portfolio Companies managed by EMP.

An investment in the Private Funds involves a high degree of risk. The following list of risk factors does not purport to be a complete disclosure of all risks that may be relevant to a decision to purchase an interest in the Private Funds. Prospective Investors in the Private Funds should carefully consider the following investment risks and considerations in evaluating the Private Funds and their business before deciding to purchase an interest in the Private Funds. As a result of these considerations, as well as other risks inherent in any investment, there can be no assurance that the Private Funds will meet their investment objectives or otherwise be able to successfully carry out their investment programs, or that an Investor will receive a return of capital.

#### **No Assurance of Profit or Distributions**

There is no assurance that the Private Funds will be profitable or that any distributions will be made to the Investors. To the extent that the Private Funds are profitable, there is no assurance that any particular amount of the profits will be distributed to the Investors or

that any particular yield or rate of return will be achieved by the Investors. If the Private Funds or any of their subsidiaries is in default under certain agreements with future lenders, distributions of profits to Investors could be restricted or eliminated. The tax liability of an Investor with respect to income from the Private Funds allocated to such Investor for a fiscal year may exceed the amount of distributions made to such Investor for such fiscal year.

### **Dependence on Key Personnel**

The loss of the services of any General Partner or Principal or member of the management and operations team (the “**Operations Team**”), if a suitable replacement could not be found, could have a material adverse effect on the Private Funds’ business, financial condition, results of operations, cash flow and ability to make distributions. In the event of such a loss, there can be no assurances that a suitable replacement could be found. The success of the Private Funds also depends upon its ability to develop additional senior level operating management.

The success of the Private Funds and the Portfolio Companies will depend upon the ability of the Private Funds to attract and retain highly motivated, well-qualified management personnel. The Private Funds will face significant competition in the recruitment of qualified employees.

The success of the Private Funds will depend to a large degree upon the efforts of management. Management shall have the exclusive control of all aspects of the Portfolio Companies and in this regard, management will make all decisions relating to operations such as the selection of personnel and the amount of proceeds to apply to other purposes. No person should purchase any interest in the Private Funds unless willing to entrust all aspects of the operations of the Portfolio Companies to the Operations Team. As members of the Operations Team are natural persons, any or all of them could die, become disabled or terminate his or her working relationship with the Private Funds and their subsidiaries.

The strategic direction and goals of the Private Funds and its subsidiaries will be set, monitored, evaluated and revised by the Firm. No person should purchase any interest in the Private Funds unless willing to entrust such oversight of the Portfolio Companies to the Principals and the Operations Team. As the Principals are natural persons, any or all of them could die, become disabled or terminate his status as a manager, board of managers member, officer, or owner of the Private Funds or terminate his or her working relationship with EMP or the Private Funds and their subsidiaries.

### **Brand Value**

The success of the Portfolio Companies is dependent in large part upon the value of each Portfolio Company’s respective brand. Brand value can be severely damaged even by isolated incidents, particularly if the incidents receive considerable negative publicity or result in litigation. Some of these incidents may relate to the way the Portfolio Companies

manage development efforts or the ordinary course of its business. Other incidents that could be damaging to the brand value of each Portfolio Company may arise from events that are or may be beyond such Portfolio Company's, or the General Partners' control, such as:

- actions taken (or not taken) by one or more other franchisees or their employees relating to health, safety, welfare or otherwise;
- data security breaches or fraudulent activities associated with each Portfolio Company's or other franchisees' electronic payment systems;
- litigation and legal claims;
- third-party misappropriation, dilution or infringement of intellectual property;
- regulatory, investigative or other actions; and
- illegal activity targeted at the Portfolio Company.

Consumer demand for each Portfolio Company's product and the brand's value could diminish significantly if any such incidents or other matters erode consumer confidence, which would likely result in a reduction in foot traffic and, ultimately, lower revenue. Any of these events could materially and adversely affect each relevant Portfolio Company's, and therefore the Private Funds', business, financial condition, results of operations, cash flow and ability to make distributions.

### **Portfolio Concentration**

Diversification is not an objective of the Private Funds. The Private Funds' portfolios will each include a single investment. While these portfolio concentrations may enhance total returns to the Investors, such investments generally will involve a high degree of risk. Poor performance by an investment could severely affect the total returns to the Investors, and may be significantly lower than if the Private Funds had invested in more diversified portfolios. Any loss suffered by the Business will not be offset by profits of other operations or investments of the Private Funds, and a total loss of or by the Portfolio Companies will result in a total loss of the Investor's investment.

### **General Economic Risks**

Recent global market and economic conditions have been unprecedented and challenging with tighter credit conditions, slower growth, recession in most major economies, and the impending departure of the United Kingdom from the European Union. Although signs of recovery may exist, there are continued concerns in many markets about inflationary and deflationary pressures, the availability and cost of credit, and geopolitical issues that contribute to increased market volatility and uncertain expectations for certain countries, regions and the overall global economy. These conditions, combined with declining business activity levels and consumer confidence, increased unemployment and spiking oil prices, contributed to unprecedented levels of volatility in the capital markets. Any additional, continued or recurring disruptions in the capital and credit markets may



adversely affect the Private Funds' business, financial condition, results of operations, cash flow and ability to make distributions.

### **Indebtedness**

The Private Funds will be highly leveraged. Pursuant to the anticipated terms of the revolving credit and term loan agreement (the “**Senior Loan Agreement**”) to be entered into between the Private Funds and the lending bank (the “**Senior Lender**”), the Senior Lender is expected to make available to the Private Funds or their subsidiaries an aggregate principal amount of indebtedness (the “**Senior Debt**”). It is expected that the Private Funds will grant to the Senior Lender a pledge of its outstanding equity interests and a first priority security interest in all or substantially all of its assets. In the event of a default under the loan agreement, the Senior Lender could foreclose on the pledged stock or those assets.

Additionally, pursuant to the terms of the loan and security agreement (the “**Mezzanine Loan Agreement**”) to be entered into between the Private Funds and the lender (the “**Mezzanine Lender**”), the Senior Lender is expected to make available to the Private Funds or their subsidiaries an aggregate principal amount of indebtedness (the “**Mezzanine Debt**”). It is expected that the Private Funds will grant to the Mezzanine Lender a pledge of its outstanding equity interests and a second priority security interest in all or substantially all of its assets. In the event of a default under the Mezzanine Loan Agreement, the Mezzanine Lender could foreclose on the pledged stock or those assets, subject to the rights of the Senior Lender in connection with the Senior Loan Agreement for the Senior Debt.

The Private Funds and their subsidiaries also may incur additional indebtedness primarily to finance new acquisitions to support the growth of the Firm. The Private Funds and their subsidiaries may also obtain financing for new development and operations. The degree to which the Private Funds and their subsidiaries are leveraged could have important consequences to the Investors. For example, it could (i) increase the Private Funds' vulnerability to general adverse economic and industry conditions, as well as increases in interest rates; (ii) limit the Private Funds' ability to fund future working capital, capital expenditures and other general corporate requirements; (iii) require the Private Funds to dedicate a substantial portion of cash flow from operations to payments on its indebtedness, thereby reducing the availability of the Private Funds' cash flow to fund working capital, capital expenditures and/or distributions to Investors; (iv) place the Private Funds at a competitive disadvantage compared to its competitors that have less debt; and (v) limit, along with the financial and other restrictive covenants in its loan agreements, among other things, the Private Funds' ability to borrow additional funds.

While the Private Funds expect to be able to obtain such additional indebtedness, if the Firm deems it appropriate, there can be no assurance that such debt will be available to the Private Funds. Adverse economic conditions such as those described above could cause the terms on which indebtedness becomes available to be unfavorable, or not available at all. As a result, the Private Funds' investments may be leveraged to a lesser extent than currently expected and the Private Funds may experience issues with liquidity. The

occurrence of one or more of these events could have a material adverse effect on the Private Funds' business, financial condition, results of operations, cash flow and ability to make distributions.

### **No Assurance of Ability to Service Indebtedness**

The ability of the Private Funds and their subsidiaries to make payments on indebtedness, and to fund operating and capital expenditures, will depend on their ability to generate cash in the future. There can be no assurance that the Private Funds and their subsidiaries will generate sufficient cash flow to meet their operating expenses and to service their debt. In order to service their debt, the Partnership and its subsidiaries may need to adopt alternative strategies, including (i) reducing or delaying capital expenditures; (ii) selling assets; (iii) restructuring or refinancing their respective indebtedness; or (iv) seeking additional equity capital. The Private Funds cannot assure prospective investors, however, that any of these alternative strategies would be completed on satisfactory terms or at all. A default in paying principal and interest under any existing or future indebtedness of the Private Funds and their subsidiaries could result in foreclosure of the security instrument(s) securing the debt and the complete loss of the capital invested in the assets securing the debt.

### **Additional Financings; Equity Dilution**

If the Private Funds and their subsidiaries require additional capital to expand their operations and grow the Portfolio Companies or finance their operations or any acquisition, financing may not be available to them on acceptable terms or at all. If the Private Funds and its subsidiaries require additional financing, they may be required to seek debt financing, which may only be available on disadvantageous terms, if at all, or to seek additional equity financing, which would be dilutive to the Investors. If the Private Funds determine to raise additional equity to finance such acquisition in whole or in part, the Private Funds may raise additional equity at such price and terms as the Firm may determine, provided that in certain instances the limited partners may be entitled to preemptive rights at each partner's full pro rata share. Equity issuances for which preemptive rights are not available, or failure to exercise such preemptive rights may result in the dilution of the limited partners' equity interests. The magnitude of dilution will depend on a number of factors, which are not determinable today. These factors include the valuation of the business at the time of the additional equity funding, which would be determined by the General Partner in its sole discretion. The dilution resulting from future equity issuances may substantially reduce a partner's existing interest in the Private Funds.

### **Rights of Creditors and Risk of Liquidation**

As stated above, the indebtedness of the Private Funds and its subsidiaries under certain loan agreements may be secured by security interests in all or substantially all of the assets of such entities. As a result, upon any distribution to the Private Funds' creditors in a bankruptcy, liquidation or reorganization or similar proceeding relating to the Private Funds, the creditors will receive payment in full in cash before any payment or distributions are made to Investors.

There can be no guarantee that the Portfolio Companies can or will be operated profitably. If the operations of the Private Funds are unsuccessful or unprofitable and liquidation of the Private Funds results, it is highly unlikely that the Investors would be able to recoup any of their initial investments. Proceeds allocated to and expended on operating activities, such as marketing, office expenses, travel, salaries, taxes, insurance, consulting fees, legal expenses and other professional fees will not be recoverable. The Private Funds will have extremely limited tangible assets available for liquidation.

### **Increased Labor Costs and Employee Health and Welfare Benefits**

Labor is a primary component in the cost of operating the Portfolio Companies. The Portfolio Companies devote significant resources to recruiting and training managers and employees. Increased labor costs due to competition, increased minimum wage or employee benefit costs or otherwise, would adversely impact the operating expenses.

### **Uncertainty of Financial Projections**

While EMP believes that the assumptions underlying any projections provided to the Investors (the “**Projections**”) as to the future earnings of the Private Funds and potential for cash distributions to the Investors are reasonable, there is no assurance that such earnings or other objectives will be realized or that there will be a return to the Investors of any of their original investment. Such Projections are based upon a number of estimates and assumptions that are inherently subject to significant uncertainties and contingencies. There can be no assurance that the Private Funds and their subsidiaries will be able to incur additional indebtedness, generate the financial results, or be able to develop the Portfolio Companies as assumed in the Projections. There can be no assurance that the actual results will not vary materially and adversely from these assumptions.

EMP reserves the right to take or not take actions that would cause the actual results to vary from the Projections, including, without limitation, incurring additional indebtedness, granting warrants for interests to subordinated lenders and modifying terms of current indebtedness. The Projections are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the Projections are based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. Accordingly, actual results during the periods covered will vary from the Projections, and those variations may be material and adverse.

### **General Risks Associated with Changes in Laws and Regulations**

The Private Funds, the General Partners, EMP and/or their respective affiliates are subject to risks associated with changes that may generally occur with respect to U.S. federal, state or local laws and regulations, developing interpretations of such laws and regulations, and increased scrutiny by U.S. federal, state and local regulators and law enforcement authorities. Such changes, interpretations and increased scrutiny could result in claims against the Private Funds, the General Partners, EMP and/or their respective affiliates,

directly, or indirectly, for actions taken or not taken by the Private Funds, the General Partners, EMP and/or their respective affiliates. Thus, the Private Funds, the General Partners, EMP and/or their respective affiliates face the continuing risk of potential litigation and regulatory action. These risks are often difficult or impossible to predict, avoid or mitigate in advance. The effect on the Private Funds, the General Partners, EMP or any affiliate of any such legal risk, litigation or regulatory action could be substantial and adverse.

### **Investments in Troubled Assets**

A portion of the Private Funds' investments may involve under performing companies or companies identified by EMP as being in need of additional capital. The financial condition of such companies may be weak or their balance sheets highly leveraged, and any investment in them may involve a high degree of risk.

### **Illiquidity of Underlying Investments**

The interests may not be transferred except in compliance with applicable federal and state securities laws. The Limited Partnership Agreement of the Partnership (the "**Partnership Agreement**") will contain substantial restrictions upon the transferability of the interests and the withdrawal of Investors as limited partners, including the requirement that the General Partner consent to all transfers of interests by limited partners, other than transfers to certain affiliates of the transferring limited partner.

An investment in the Private Funds requires a long term commitment with no certainty of return. The Private Funds' investments will be highly illiquid, and there can be no assurance that the Private Funds will be able to realize such investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. The ability of the Private Funds to achieve successful and profitable exits of its investments may be impacted by a number of factors prevailing at the time, including general economic conditions, interest rates, availability of capital, interest levels of strategic and financial buyers and cyclical trends. It is difficult to predict with any certainty whether there will be a ready and willing market of buyers for any particular investment at the time the Private Funds seek a realization. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to the Investors. Additionally, the Private Funds may acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in accordance with Rule 144 promulgated under the Securities Act. There can be no assurance that private purchasers can be found for the Private Fund investments.

### **Operating and Financial Risks of Portfolio Companies**

Any one Portfolio Company could deteriorate as a result of, among other factors, an adverse development in its business, a change in its competitive environment, or an

economic downturn. As a result, business that may have expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support its operations. In some cases, the success of the Fund's investment strategy and approach will depend, in part, on the ability of EMP and such Portfolio Company's management teams to effect improvements in the operations of such Portfolio Company. The activity of identifying and implementing operating improvements and capturing synergies entails a high degree of uncertainty. There can be no assurance that EMP or such Portfolio Company's management team will be able to successfully identify and implement such operating improvements and capture synergies.

### **Undisclosed Liabilities**

In connection with an acquisition, the Private Funds will assume the liabilities of the target business. There may be liabilities that are unknown or contingent. The Firm will perform a due diligence review of the business to assess the value thereof and the liabilities that will be assumed in connection with the acquisition. The diligence procedures are similar to those typically employed in acquisitions of businesses similarly situated. The Firm focuses its diligence on general assessments of a business as a whole and the practices and procedures used by existing management and relevant business and market trends. As a result, the Firm may be unaware of or may underestimate the liabilities being assumed, and there can be no assurances that the Firm ascertained all liabilities or potential liabilities in its diligence review. The Private Funds' assumption of these liabilities may subject the Private Funds to undisclosed or otherwise unforeseen liabilities which are not known to the Private Funds or which may have been underestimated by the Firm. If such unknown liabilities materialize or such known liabilities are greater than the General Partner currently estimates, such liabilities could have a material adverse effect on the Private Funds' business, financial condition, results of operations, cash flow and ability to make distributions.

### **Rising Interest Rates**

The Portfolio Companies and their respective subsidiaries are exposed to interest rate risk related to certain of its financing arrangements. Certain indebtedness may have a variable interest rate based on various benchmarks, such as the Intercontinental Exchange London Interbank Offered Rate. Although the Portfolio Companies and their respective subsidiaries may hedge a portion of the interest rate risk associated with such indebtedness, a significant increase in interest rates would increase the Portfolio Companies' financing costs and could adversely affect their cash flow.

### **Data Security**

The nature of business involves the receipt and storage of personal and financial information about customers and employees. If a Portfolio Company experiences a data security breach, it could be exposed to government enforcement actions and private

litigation. In addition, the Portfolio Company's customers could lose confidence in its ability to protect their personal and financial information, which could cause them to discontinue usage of credit cards or decline to use the Portfolio Company's services altogether. A data security breach may result from actions taken by third party service providers, as well as from actions taken by the Portfolio Company. Additionally, the loss of confidence from a data security breach involving employees could hurt each such Portfolio Company's reputation and cause employee recruiting and retention challenges. Any of these types of data breaches could materially and adversely affect each Portfolio Company's, and therefore the Private Funds', business, financial condition, results of operations, cash flow and ability to make distributions.

### **Business Disruption**

The business of each Private Fund is vulnerable to damages from any number of sources, including computer viruses, unauthorized access, energy blackouts, natural disasters, pandemics, terrorism, war and telecommunication failures. In December 2019, a novel strain of coronavirus was reported to have surfaced in Wuhan, China. In January 2020, the coronavirus spread to other countries, including the United States, and efforts to contain the spread of this coronavirus intensified. As of March 2020, the coronavirus had spread to additional countries, its presence in the United States had escalated and efforts to attempt to contain the virus had further intensified. The outbreak has been declared to be a pandemic by the World Health Organization, and the Health and Human Services Secretary has declared a public health emergency in the United States in response to the outbreak. The outbreak has disrupted economic markets and the prolonged economic impact is uncertain as of the date of this brochure, including its impact on each of the Private Fund's operations, liquidity and availability of capital. Governments, economists and other market participants have expressed concern that the continued spread of the virus globally could lead to a world-wide economic downturn, widespread corporate downsizing and an increase in unemployment. Given the ongoing and dynamic nature of the circumstances, it is difficult to predict the impact of the coronavirus outbreak. The extent to which the coronavirus impacts each of the Private Fund's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus, the duration and spread of the outbreak, the actions to contain the coronavirus or treat its impact, its impact on our tenants, customers, employees and vendors, and governmental, regulatory and private sector responses, which may be precautionary, to the coronavirus, among others. It is expected that the effects of coronavirus will negatively impact restaurants and the hospitality businesses greater than other sectors. The financial condition and results of operations of each Private Fund could be adversely affected, including their ability to make distributions to investors or to satisfy redemption requests in a timely manner.

### **Other Operating Expenditures**

As the facilities for the existing businesses continue to age, the Portfolio Companies are expected to experience increased repair and maintenance expenditures related to those facilities. Such increases may affect store profitability. Further, the businesses may experience higher property insurance costs as a result of increased rate pressure throughout the insurance industry. There can be no assurance that any such repair and maintenance expenses and increased property insurance expenses will not adversely impact the profitability of the restaurant businesses or their ability to control costs in the future.

There is no assurance that the Private Funds will achieve its performance or investment objectives, including without limitation, the location of suitable investment opportunities and achieving any targeted rate of return or return of capital or any target distribution yield. Investors may lose some or all of their invested capital, and prospective investors should not purchase interests unless they can readily bear the consequence of such loss.

### **ITEM 9 – DISCIPLINARY INFORMATION**

Neither EMP nor any of its officers or employees have been sanctioned or disciplined by any federal securities or commodities regulatory agency, self-regulatory organization or state for any violation of their statutes, regulations or rules nor have they ever been involved in any civil or criminal action relating to any violation of the federal or state securities or commodities laws.

### **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The General Partners of the Private Funds are each an affiliated entity of EMP and certain EMP affiliates and employees may have a financial interest in these entities. The General Partners of the Private Funds also are affiliated entities of EMP and certain EMP employees have a financial interest in those entities. See Item 6 above for a discussion of the potential conflicts of interest created by such affiliations.

Certain affiliates and employees of EMP have financial interests in the Portfolio Companies and serve as directors and officers of the Portfolio Companies or their General Partners. In that capacity, such affiliates and employees will be required to make decisions that consider the best interests of such Portfolio Companies and their equity holders. In certain circumstances, actions that may be in the best interests of the Portfolio Company may not be in the best interests of the Private Funds, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties to the General Partners of the Private Funds and to the Portfolio Companies.

Neither EMP nor any of its affiliates are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither EMP nor any of its affiliates are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), EMP has adopted a Code of Ethics (the “**Code**”) that establishes various procedures with respect to investment transactions in accounts (“**Covered Accounts**”) in which any of EMP’s employees have discretionary investment authority or exercise effective influence or control.

EMP’s Code was adopted to avoid possible conflicts of interest, avoid the inappropriate use of material, non-public information and ensure the propriety of its employees’ and its principals’ trading activity.

The foundation of the Code is based on the underlying principles that:

- Employees must at all times place the interests of the client first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code; and
- Employees should not take inappropriate advantage of their position.

Covered Account transactions in certain types of securities are monitored by the CCO. Employees must also obtain pre-approval from the CCO before participating in an initial public offering or private placement.

Covered Account transactions are subject to review by EMP’s CCO. These records are used to monitor compliance with the foregoing policies.

### **Participation or Interest in Client Transactions**

EMP will investigate and structure potential investments of the Private Fund and the General Partners of the Portfolio Companies, as described in Item 16 below. Principals and employees of EMP may have a material financial interest in these investments by virtue of their relationship to the General Partners of the Private Funds and their investment in the Private Funds as well as ownership in the Portfolio Companies and in the General Partners of the Portfolio Companies. EMP and its affiliates also receive fees and compensation from the Portfolio Companies in which these investments are made. The Code are designed to ensure compliance with the provisions of the offering documents of the Private Funds by addressing potential conflicts of interest involving EMP and its related persons.

A copy of the Code will be provided to the Investors and prospective Investors upon their request.

### **Privacy Policy**



EMP is committed to maintaining the confidentiality, integrity and security of its Investors' personal information. It is EMP's policy to collect only information necessary or relevant to its management business and use only legitimate means to collect such information. EMP does not disclose any non-public, personal information about its underlying Investors to anyone except for servicing and processing transactions and as required by law. EMP restricts access to non-public, personal information about its Investors to those employees with a legitimate business need for the information. EMP maintains security practices, physical, electronic and procedural safeguards to guard each Investor's non-public, personal information. Upon request, EMP will provide a copy of its written privacy policies and procedures.

#### **ITEM 12 – BROKERAGE PRACTICES**

EMP provides discretionary investment advice to nine institutional pooled investment vehicles. It does not have an active brokerage relationship.

#### **ITEM 13 – REVIEW OF ACCOUNTS**

EMP consults the Private Funds and its investors on an ongoing basis regarding the Private Funds' portfolio. EMP will review the Private Funds' investments on a regular basis with a view to evaluating, among other things, economic developments, industry outlook and other issues related to the investments.

EMP will provide the investors in the Private Funds with the following reports: (i) audited annual financial statements; (ii) unaudited quarterly financial statements; and (iii) annual tax information necessary to complete any applicable tax returns.

#### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

EMP reserves the right to engage a third-party placement agent to introduce prospective investors to the Private Funds and to any future clients. EMP expects to agree on terms with any prospective investor on how the placement agent fees will be paid on an individual basis.

#### **ITEM 15 – CUSTODY**

EMP is deemed to have custody of the assets of the Private Funds. Therefore, in order to comply with Rule 206(4)-2 of the Advisers Act (the "**Custody Rule**"), EMP complies with the pooled vehicle annual audit provision. Annually, upon completion of the annual audit of the Private Funds, EMP shall seek to ensure that the audited financial statements are delivered to Investors in the Private Funds within 120 days of its fiscal year end. The audited financial statements will be prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles. Investors should carefully review these audited financial statements.

## **ITEM 16 – INVESTMENT DISCRETION**

EMP, subject to the direction and control of the General Partners of the Private Funds, has investment discretion in managing the investments of the Private Funds, but does not have discretion to call additional capital or reinvest capital for the acquisition of new investments by the Private Funds. The terms of these investments as well as the investment strategy and guidelines around the use of this discretion are described in detail in the Private Funds' offering documents.

EMP assumes, subject to the direction and control of the General Partners of the Private Funds, investment discretion and day-to-day operations over the Private Funds by virtue of the execution of the partnership agreement of the Private Funds by each Investor in the Private Funds.

## **ITEM 17 – VOTING CLIENT SECURITIES**

Neither EMP nor the Private Funds primarily invests in public securities. Therefore, EMP is generally not in a position to vote public company proxies. However, EMP has established written policies and procedures setting forth the principles and procedures by which EMP votes or gives consent with respect to securities owned by the Private Funds.

## **ITEM 18 – FINANCIAL INFORMATION**

Registered investment advisers are required in this Item to provide certain financial information or disclosures about the registered investment adviser's financial condition. EMP has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. EMP does not require or solicit prepayment of more than \$1,200 in fees for any client, six months or more in advance, and therefore has not included a balance sheet.