

JMI EQUITY

FORM ADV – PART 2A

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March 11, 2020

This brochure provides information about the qualifications and business practices of JMI Equity. If you have any questions about the contents of this brochure, please contact us at (410) 951-0200 or via email at info@jmi.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 JMI Equity is also available on the SEC’s website at www.adviserinfo.sec.gov.

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT JMI EQUITY OR ANY OF THE PERSONNEL OR EMPLOYEES OF JMI EQUITY POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

Item 2 - Material Changes

This section of the brochure discusses only material changes that have been made since the last annual updating amendment to the brochure, dated March 11, 2020 (“the Prior Brochure”). This brochure contains routine annual updates to the Prior Brochure and there have been no material changes to the Prior Brochure.

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Item 4 - Advisory Business

JMI Equity (“JMI”) is a private equity firm that was founded in 1992. JMI Management, Inc.¹ was founded in 2005 and is the JMI entity that provides investment advisory services to various growth equity investment funds sponsored or organized by JMI (the “Funds”). The principal owner of JMI is JMI Management Holdings, L.L.C. A related person of JMI generally acts as the general partner of (or in another equivalent management position for) each Fund. References to JMI in this Brochure include, as the context requires, affiliates through which JMI provides investment advisory services (including JMI Management, Inc.) or that act in any capacity referenced in the previous sentence. References to “person” in this Brochure include, as the context permits, natural persons and entities.

JMI focuses primarily on equity investments in privately-held, growth-stage, operating companies in the software and technology-enabled services industries. These investments may represent either controlling or minority interests in such companies. Although the primary focus of each Fund is on growth equity investments in companies based in North America, JMI may from time to time recommend other types of investments (such as publicly traded equity, selective early-stage investments in privately-held companies or investments in companies outside of North America) to the extent consistent with the respective Fund’s investment strategy and objectives and its Governing Documents (as defined below).

JMI’s advisory services consist of (i) investigating, identifying and evaluating investment opportunities; (ii) structuring, negotiating and making investments on behalf of the Funds; (iii) managing and monitoring the performance of such investments; and (iv) exiting such investments on behalf of the Funds. JMI’s advisory services to each Fund are subject to the specific investment objectives and restrictions applicable to such Fund, as set forth in such Fund’s limited partnership agreement, confidential private placement memorandum and other governing documents (collectively, the “Governing Documents”). Investors and prospective investors in each Fund should refer to the Governing Documents of that Fund for information on the investment objectives and investment restrictions with respect to that Fund. There can be no assurance that any of the Funds’ investment objectives will be achieved.

In accordance with common industry practice, one or more of the Funds or their general partners enters into “side letters” or similar agreements with certain investors pursuant to which the Fund or its general partner grants the investor specific rights, benefits, or privileges that are not made available to investors generally. Such “side letters” or similar agreements generally are disclosed only to investors in the applicable Fund that have separately negotiated with JMI for the right to review such “side letters” or similar agreements.

JMI does not participate in any wrap fee programs.

¹ JMI Management, Inc. is the entity that is registered as an investment adviser with the SEC.

JMI manages assets of the Funds on a discretionary basis in accordance with the terms and conditions of each Fund's Governing Documents. JMI does not manage client assets on a non-discretionary basis. As of December 31, 2019, JMI's regulatory assets under management were \$3,942,923,025.

Item 5 - Fees and Compensation

Compensation and Fee Schedules

JMI typically receives an advisory fee from each of the Funds, which is generally equal to a percentage of the capital commitments to such Fund. The fee percentage and/or the base upon which the fee is calculated may vary with the size of the Fund and also typically varies over the life of the Fund, as negotiated and determined at the time the Fund is established and as set forth in its Governing Documents. The percentage generally starts at 2% annually and is then generally reduced by 10% per year for each annual period beginning at some point after the Fund's active investment period has ended.

In addition, a related person of JMI, as general partner of a Fund, will typically receive certain allocations and distributions calculated and charged based on a share of capital gains on or capital appreciation of the assets of such Fund, as negotiated and determined at the time such Fund is established and as set forth in its Governing Documents. These allocations and distributions are commonly known as "carried interest". The carried interest paid by the Funds is generally equal to 20% of the Fund's net profits.

In limited circumstances, the advisory fees and carried interest payable to JMI by a Fund may be waived or reduced with respect to certain participants in such Fund. Fees are typically waived or reduced with respect to investments in the Funds by JMI or its related persons.

Please refer to the Governing Documents of each applicable Fund for complete information on the fees and compensation payable with respect to such Fund.

Investors and prospective investors in the Funds should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees.

Deduction of Fees; Timing of Payments; Termination

JMI is authorized under the Funds' Governing Documents to charge and deduct advisory fees directly from the assets of the Funds. Payments of advisory fees are generally made quarterly in advance in accordance with the terms of the Governing Documents. Please refer to the Governing Documents of each of the Funds for complete information on the timing of advisory fee payments.

Upon termination of any Fund's advisory relationship with JMI, any prepaid, unearned advisory fees (based on daily pro ration of the fee paid in advance for the applicable period) will be promptly refunded to such Fund, and any earned, unpaid fees will be immediately due and payable.

Other Fees and Expenses

In addition to any advisory fees payable to JMI, a Fund will incur certain charges imposed by third parties and other expenses. Such expenses may include (but are not limited to): (i) organizational and liquidation expenses of the Fund; (ii) any sales or other taxes that may be assessed against the Fund; (iii) commissions, finders' fees, brokerage fees or transfer fees or similar charges incurred in connection with the purchase or sale of securities, including any merger fees payable to third parties (whether or not any such purchase or sale is consummated); (iv) fees (if any) and expenses of members of the Fund's advisory committee (including travel and travel-related expenses); (v) the costs and expenses (excluding travel and travel-related expenses, other than travel and travel-related expenses of members of the Fund's advisory committee) of hosting annual or special meetings for the Fund's investors or advisory committee, or otherwise holding meetings or conferences with investors of the Fund, whether individually or in a group (including set-up, honorarium, dining and other expenses); (vi) interest expense for borrowed money (if any) and other costs and expenses associated with credit facilities for the Fund; (vii) all expenses relating to any actual or threatened litigation, investigation or other proceeding involving the Fund, including indemnification expenses; (viii) expenses attributable to certain consulting services, research (including use of, or subscriptions to, expert networks) and normal and extraordinary investment banking, commercial banking, research (including use of, or subscriptions to, expert networks) accounting, auditing, tax, valuation, appraisal, legal, custodial and registration services provided to the Fund, including, without limitation, all such services relating to the actual or proposed purchase or sale of securities by the Fund (whether or not any such purchase or sale is consummated); (ix) other due diligence expenses (such as market diligence and background checks) with respect to actual or proposed investments by the Fund, whether or not consummated; (x) "broken-deal" fees and expenses, other than travel and travel-related expenses (which may be reimbursed by portfolio companies), incurred in connection with proposed investments by the Fund that are not consummated; (xi) costs related to the formation and maintenance of "alternative investment vehicles"; (xii) fees payable to any placement agent engaged by JMI in connection with the offering of interests in the Fund (subject to an offset of such amount against the advisory fee payable by the Fund to JMI); (xiii) insurance premiums and costs for insurance related to Fund transactions and directors' and officers'-type insurance covering the Fund, JMI, members of the advisory committee of the Fund and any direct or indirect equityholder, manager, director, officer, employee or agent of JMI or its affiliates in connection with the activities of the Fund; (xiv) fees and costs in connection with the Fund's legal and regulatory compliance with U.S. (federal, state or local) or non-U.S. laws or regulations; (xv) expenses associated with the preparation and delivery of the Fund's financial statements, tax returns and other reports related to the Fund to one or more of the Fund's investors, governmental authorities or self-regulatory organizations; (xvi) expenses of third party administrators related to non-U.S. entities formed to hold investments by the Fund; and (xvii) all other expenses properly chargeable to the activities of the Fund.

The types of other fees and expenses incurred will vary from Fund to Fund. Please refer to the Governing Documents of each applicable Fund for more complete information.

The section titled “Brokerage Practices” (Item 12 below) describes the factors JMI considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

Timing of Payments

Please refer to the subsection titled “*Deduction of Fees; Timing of Payments; Termination*” described above.

Transaction-Based Compensation

JMI does not receive any transaction-based compensation from the Funds for the sale of securities or other investment products to any Fund. Please refer to the subsection titled “*Economic Benefits Received from Third Parties*” in Item 14 below for information on types of compensation that JMI may receive with respect to investments by the Funds.

Item 6 - Performance-Based Fees and Side-by-Side Management

Performance-Based Fees

As discussed under the section titled “Fees and Compensation” (Item 5 above), a related person of JMI, as general partner of a Fund, will typically receive a carried interest based on a share of capital gains on or capital appreciation of the assets of such Fund as set forth in such Fund’s Governing Documents.

Any share of profits allocated and distributed to the general partner of a Fund is separate and distinct from the advisory fees charged by JMI to such Fund for advisory services.

Performance-based carried interest arrangements may create an incentive for JMI to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee or compensation arrangement. Please refer to the Governing Documents of each Fund for complete information on the “performance-based fee” arrangements of each Fund.

Side-by-Side Management

JMI may provide concurrent advisory services to Funds that are not charged a performance-based fee or carried interest and Funds that are charged a performance-based fee or carried interest. JMI may also provide concurrent advisory services to Funds that are charged different performance-based fees or carried interests or that, based on investment results at a given time, are more likely to generate performance-based fees or carried interest. As a result, the potential for JMI’s related persons to receive different fees or carried interests creates a potential conflict of interest with respect to the allocation of investment opportunities because JMI may have an incentive to direct the best investment ideas to, or to allocate investments in favor of, the account that pays a more favorable performance fee or carried interest.

To mitigate this potential conflict of interest, the allocation of investment opportunities among Funds is made by JMI in accordance with its investment allocation policy, which takes into account multiple criteria, including: (i) differences with respect to available capital (*e.g.*, current or anticipated capital available for investment, including anticipated follow-on investments, if applicable), size, and remaining life of each Fund; (ii) the nature of the investment opportunity (including the size and anticipated follow-on investment requirements); (iii) potential conflicts of interest (including whether a Fund has an existing investment in the opportunity in question); (iv) the relevant allocation of investment opportunity provisions and restrictions in each Fund's Governing Documents; (v) tax, legal or regulatory considerations; and (vi) current and anticipated market conditions. In the event that investment opportunities are suitable for more than one Fund, JMI and its related persons seek to derive an allocation that in their judgment is fair and equitable to each Fund relative to other Funds over the life of such Fund, taking into account all relevant facts and circumstances.

At most times, only one Fund is actively seeking investment opportunities in new portfolio companies. When a new Fund is first formed and the predecessor Fund still has capital available for investments in new portfolio companies, JMI generally will allocate investment opportunities in new portfolio companies to the predecessor Fund (and potentially predecessor Funds of an earlier vintage with available capital) until the predecessor Fund has used up its remaining capital capacity for new investments, as determined in good faith by JMI. JMI then generally will start allocating new investment opportunities to the new Fund, with any predecessor Fund potentially also being considered for new investment opportunities if it subsequently has a liquidity event and is still permitted to invest in new portfolio companies under its governing documents. JMI does not anticipate any significant sharing of investment opportunities between Funds of different vintages without the prior approval of the advisory committee of the applicable Funds. However, such sharing of investments may occur in connection with: (i) the use of the remainder of a predecessor Fund's capital capacity for new investments concurrent with the first investment that results in the activation of a newly-formed Fund (*e.g.*, a predecessor Fund has \$30 million available at the time and the investment opportunity is for \$60 million); (ii) when a Fund of an older vintage has an increase in available capital for new investments as a result of an actual or pending liquidity event after a new Fund has been activated; or (iii) in any other circumstance deemed appropriate by JMI. Any such investments will be allocated among the relevant Funds on a basis that over a period of time is considered by JMI to be fair and equitable to each Fund, taking into account all relevant facts and circumstances (including those described in the preceding paragraph).

A follow-on investment opportunity in an existing portfolio company will first be considered as an opportunity for the Fund that has an existing investment in that company. If more than one Fund has an existing investment in the portfolio company, the follow-on opportunity will first be considered as an opportunity for those Funds, in proportion to their pre-existing ownership in the portfolio company. However, JMI may determine that a non-pro rata follow-on investment is appropriate (for example, because one of the Funds does not have enough unreserved capital left to invest or would exceed certain limitations in the Fund's Governing Documents if it were to invest its pro rata amount). If, after JMI has

determined how much to invest for the Funds with priority on such opportunity, there is an additional amount potentially available to the Funds in respect of such opportunity, JMI may consider that remaining amount for other Funds that are then making new investments, subject to any applicable provisions of the Funds' Governing Documents.

After the applicable Fund(s) have received their desired portion of a new investment or follow-on investment opportunity, JMI, in certain cases, may make additional amounts with respect to such investment opportunity (if any) available for co-investment to one or more investors in the Funds or other third parties. Factors that JMI may consider in allocating any particular co-investment opportunity include, among others: (i) JMI's perception of the strategic value of a prospective co-investor to the underlying investment opportunity; (ii) how quickly a prospective co-investor is able to conduct its own due diligence and provide a commitment with respect to an investment opportunity; (iii) whether JMI believes that the prospective co-investor has the financial and other resources to make the investment; (iv) whether the prospective co-investor has indicated a desire to make investments of the type offered by the investment opportunity; (v) whether the prospective co-investor will represent a good syndicate partner in connection with the Fund's investment, including by giving confidence that it will be able to meet future investment needs of the business; (vi) any requirements or restrictions relating to such matters in the Fund's Governing Documents or "side letters"; and (vii) other factors relevant to the relationship of a particular investment opportunity to a given prospective co-investor.

To the extent that multiple Funds hold an interest in the same portfolio company, it is JMI's policy that disposition opportunities with respect to that investment will, to the extent practicable, be allocated among such Funds on a basis that, in the judgment of JMI, is fair and equitable to each Fund relative to other Funds, taking into account all relevant facts and circumstances, including (without limitation): (i) the relative ownership percentages of the Funds in the applicable portfolio company; (ii) the strategies, guidelines and restrictions of each Fund under its Governing Documents; (iii) other relevant provisions in a Fund's Governing Documents or in other agreements related to the Fund's investment in such issuer; (iv) liquidity needs for each Fund and the investment cycle of a particular Fund; (v) respective holding periods for the investment; (vi) the nature and size of the disposition opportunity; (vii) current and anticipated market conditions; (viii) tax, legal or regulatory considerations; and (ix) such other factors that JMI may determine to be relevant.

Item 7 - Types of Clients

Types of Clients

JMI generally provides investment advice to pooled investment vehicles, such as the Funds. The limited partners of (or investors in) the Funds may include corporations, financial institutions, universities, funds-of-funds, governmental bodies or agencies, insurance companies, endowments, foundations, trusts, estates, high net worth individuals, and pension and profit sharing plans.

In connection with the formation and management of a Fund, JMI may form certain related entities for such Fund. JMI may establish vehicles (“Feeder Funds”) to address tax, legal or regulatory issues or requirements of certain investors in such Fund or for other purposes. JMI may also form “parallel funds” to invest alongside a Fund in all of its investments. In addition, JMI may form “alternative investment vehicles” or special purpose vehicles (collectively, “AIVs”) for the purpose of facilitating certain investments by one or more Funds. Please refer to the Governing Documents of the applicable Fund for more complete details on parallel funds and AIVs. Each Feeder Fund, if formed, would be a limited partner (or equivalent) of a Fund or an AIV and interests in such Feeder Fund would be held by investors who participate in the Fund or an AIV through such Feeder Fund. Please refer to the Governing Documents of the applicable Fund or AIV for more complete details on any Feeder Fund established by JMI in connection with that Fund.

JMI may also provide investment management and supervisory services to separate account clients.

Minimum Investment Requirements

Interests in the Funds are offered in private placements under the U.S. Securities Act of 1933, as amended (the “Securities Act”). As a result, JMI generally offers limited partner (or equivalent) interests in the Funds to a limited number of “accredited investors” as defined in Regulation D under the Securities Act and, in most cases, exclusively to “qualified purchasers” as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended.

In general, the minimum investment commitment required of an investor to participate in a Fund is \$5,000,000; however, the general partner of each Fund has discretion to increase or reduce the minimum investment commitment. Investors and prospective investors in each Fund should refer to the Governing Documents of such Fund for more complete information on minimum investment requirements for participation in such Fund.

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

Investment Strategies

JMI focuses primarily on equity investments in privately-held, growth-stage, operating companies in the software and technology-enabled services industries. These investments may represent either controlling or minority interests in such companies. Investments by the Funds provide capital to companies for growth, acquisitions, recapitalizations and buyouts with and without leverage. Although the primary focus of each Fund is on growth equity investments in companies based in North America, JMI may from time to time recommend other types of investments (such as publicly traded equity or investments in companies outside of North America) to the extent consistent with the respective Fund’s investment strategy and objectives and its Governing Documents. JMI primarily targets for investment growing companies with proven business models that are profitable or have a clear path to profitability. On a selective basis, JMI also may pursue early-stage investments for the Funds in JMI’s targeted industries.

Methods of Analysis

JMI has developed and refined a proactive primary research process in order to identify potential investments, which includes research-based, macro theme-driven identification of attractive industry segments and businesses, followed by proactive outreach to companies. JMI maintains a proprietary database with a large number of companies in its target markets and develops additional company and market intelligence through calls and meetings, as well as through long-term relationship building with companies.

JMI also receives investment opportunities through its extensive network of contacts in the software industry (including executives, bankers and service providers) developed through its history of focusing on software industry investments.

Once potential investments are identified, JMI's rigorous investment due diligence processes provide for a disciplined review, assessment, and investment decision-making process. JMI leverages its understanding of the markets on which it focuses in reviewing and selecting investment opportunities. When identifying prospective investments, JMI generally targets established, growing companies with the following characteristics:

- High growth
- Rich intellectual property that solves difficult business problems with a measurable return on investment ("ROI")
- Recurring revenues, high gross margins and low capitalized expenditures
- High competitive market share or emerging market share
- High switching costs and barriers to entry for long-term growth potential without significant cyclicity
- Primarily based in North America
- Strong management team as a partner
- Established businesses with proven business models

Material Risks

The task of identifying investment opportunities and managing such investments is difficult. There can be no assurance that a Fund will be able to make any particular investment or that a Fund will be able to generate returns for its investors. In addition, there can be no assurance that any investor will receive any distribution from a Fund. Investing in a Fund involves a risk of loss that investors should be prepared to bear. Investors should carefully consider, among other factors, the following material risks involved with JMI's investment strategies. Please refer to the Governing Documents of the applicable Fund for more complete information on the investment strategies employed by such Fund and corresponding risks associated with such investment strategies.

Market and Business Risks Associated with Portfolio Investments. The marketability and value of each investment will depend upon many factors beyond JMI's control. Typically, although a JMI related person may serve on a Fund portfolio company's board of directors, each portfolio company will be managed by its own officers (who generally will not be affiliated with JMI). A Fund may hold minority positions in portfolio

companies or acquire securities that are subordinated vis-à-vis other securities as to economic, management or other attributes. Fund portfolio companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. New technological developments may have a negative effect on a Fund portfolio company's products and business. Fund portfolio companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms. Any Fund's capital is limited and may not be adequate to protect such Fund from dilution in multiple rounds of portfolio company financing. The public market for software and technology-enabled services companies and other growth companies is extremely volatile. Such volatility may adversely affect the development of Fund portfolio companies, the ability of a Fund to dispose of investments, and the value of investment securities on the date of sale or distribution by a Fund. In particular, the receptiveness of potential acquirors to a Fund's portfolio companies will vary over time and, even if a portfolio company investment is disposed of via a merger, consolidation or similar transaction, a Fund's stock, security or other interests in the surviving entity may not be marketable. Similarly, the receptiveness of the public market to initial public offerings by a Fund's portfolio companies may vary dramatically from period to period. An otherwise successful Fund portfolio company may yield poor investment returns if it is unable to consummate an initial public offering at the proper time. Even if a Fund portfolio company effects a successful public offering, such Fund or its portfolio company's securities typically will be subject to contractual "lock-up," securities law or other restrictions, which may, for a material period of time, prevent a Fund or its investors from disposing of such securities. There can be no guarantee that any Fund portfolio company investment will result in a liquidity event via a merger, acquisition, initial public offering or otherwise, and there is a significant risk that a Fund's investments will yield little or no return. Generally, the investments made by a Fund will be illiquid and difficult to value, and there typically will be no collateral to protect an investment once made. In most cases, investments will be long term in nature and may require many years from the date of initial investment before disposition. It is likely that a Fund will still hold some illiquid securities at the time of such Fund's dissolution, with the result that such securities may be distributed in-kind or sold for a price that reflects their illiquid nature.

Concentration of Investments. A Fund's portfolio is typically concentrated in a limited number of companies in the software and technology-enabled services industries and related sectors, increasing the vulnerability of the portfolio as compared to a portfolio that is more diversified. In certain cases, a Fund may acquire majority or greater interests in portfolio companies, which could further increase the vulnerability of the portfolio.

Bridge Financings. From time to time, a Fund may lend to portfolio companies, including on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in a Fund's control, such long-term securities may not issue and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by such Fund.

Leverage. Portfolio companies in which a Fund invests may borrow without limitation (including for purposes of financing a portion of a Fund's acquisition of its investments in such portfolio companies). While leverage presents opportunities to increase a Fund's total return, it has the effect of potentially increasing losses as well. If the income of such portfolio companies is less than the required interest payments on the borrowings, the value of the portfolio companies, and thus of a Fund's net assets, may decrease or, in certain cases, the lender could foreclose on the portfolio company and a Fund could suffer a total loss. In certain cases and subject to the applicable limitations in a Fund's Governing Documents, a Fund may guarantee borrowings by portfolio companies. Such guarantees could result in additional losses for a Fund with respect to such portfolio companies and could cause a Fund to reserve cash to support such guarantees that it might otherwise use for different purposes. Accordingly, any event that adversely affects the value of an investment by a Fund may be magnified to the extent that a portfolio company in which a Fund invests is leveraged.

Line of Credit. A Fund will, at times, utilize a line of credit to borrow on a short-term basis (generally up to 365 days) to fund investments and to pay expenses and other liabilities. Though JMI intends to use a Fund's line of credit primarily for administrative convenience to reduce the overall number of capital calls from the Fund's investors and avoid having excess cash on hand, such Fund's net IRR may be higher than it would be in the absence of such line of credit, since the Fund's net IRR will be based on the time such investors contributions are made and use of the line of credit will delay such contributions. In addition, a reduction in the frequency of capital calls as a result of the use of the line of credit means that the size of individual capital calls will be greater. A Fund (and indirectly its investors) will bear any interest expense, fees or other costs in connection with such line of credit. A Fund's line of credit may provide the lender with certain rights, which JMI expects to include, among others, the right to call capital from the investors in the event of a default and, in the event of a failure by an investor to fully fund its capital contributions to the Fund when due, the right to exercise certain default remedies directly against such investor. A Fund's line of credit may also include restrictions on investors' rights to transfer their interests in the Fund, which may in certain cases require prior approval from the lender.

Reserves. In managing a Fund, JMI will establish reserves for follow-on investments in portfolio companies, operating expenses (including advisory fees payable to JMI), Fund liabilities and other matters. Estimating the amount necessary for such reserves will be difficult, particularly because follow-on investment opportunities will be directly tied to the success and capital needs of portfolio companies. As set forth in a Fund's Governing Documents, the authority of JMI to cause a Fund to borrow will be limited, which will further increase the difficulty of estimating the proper size of reserves. Inadequate or excessive reserves could have a material adverse effect upon the investment returns to a Fund's investors. For example, if reserves are inadequate, a Fund may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with a "pay-to-play" or similar investment round. If reserves are excessive, a Fund may decline attractive investment

opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company's management. In all cases, projections are only estimates of future results that are based upon assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, the inaccuracy of certain assumptions, general economic conditions and other factors, which are not predictable, can have a material impact on the reliability of projections.

Non-United States Investments. A Fund may invest in securities of non-United States portfolio companies. Such investments may present a variety of risks not presented by investments in United States portfolio companies, including risks associated with: (i) fluctuating currency exchange rates; (ii) limitations on currency exchange or the transfer of capital/profits across international boundaries; (iii) different accounting standards; (iv) different legal protections for investors; (v) unusual regulatory burdens; (vi) political instability; and (vii) multiple taxing jurisdictions.

Even those portfolio companies that nominally are United States portfolio companies by virtue of their jurisdiction of organization or management headquarters may be exposed to significant non-United States risks due to the increasingly international nature of many technology companies, which may, for example, (i) rely upon international location or outsourcing of research, development, manufacturing or other operations; (ii) seek alliances with non-United States partners; or (iii) seek non-United States customers.

Any adverse change to the political, economic, military or social environments in the host countries of a Fund's portfolio companies could have a significant adverse effect upon the operations or financial performance of a Fund

Litigation Risks. A Fund will be subject to a variety of litigation risks, particularly in consequence of the substantial likelihood that one or more portfolio companies will face financial or other difficulties during the term of the Fund's investment. For example, it is anticipated that JMI or its related persons will actively assist Fund portfolio companies in differing capacities (including, without limitation, by serving as directors or advisors). Such Fund may also participate in portfolio company financings at implicit portfolio company valuations lower than the valuations implicit in preceding rounds of financing, vote portfolio company shares in a manner contrary to the interests of other shareholders, or be exposed to flow-through liability for portfolio company debts and obligations (*e.g.*, under laws governing liability for environmental damage). In the event of a dispute arising from any of the foregoing activities (or other activities relating to the operation of a Fund), it is possible that such Fund, JMI or its related persons may be named as defendants. Under most circumstances, a Fund will indemnify JMI and its related persons for any costs they incur in connection with such disputes. Beyond direct costs, such disputes may adversely affect a Fund in a variety of ways, including by distracting JMI and harming relationships

between such Fund and its portfolio companies or other investors in such portfolio companies.

Contingent Liabilities on Disposition of Investments. In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. A Fund may also be required to indemnify the purchasers of such company to the extent that any such representations or representations made by the portfolio company are inaccurate. These arrangements may result in the incurrence of contingent liabilities, which might ultimately have to be funded by the investors in such Fund to the extent of their unpaid capital commitments to such Fund or through the return of certain prior distributions.

Cyber Security Breaches. JMI and the Funds' portfolio companies depend heavily upon computer systems to perform necessary business functions. Although JMI has implemented, and portfolio companies will likely implement, a variety of security measures, these computer systems could be subject to cyber-attacks and unauthorized access, such as physical and electronic break-ins or unauthorized tampering. Like other companies, JMI and the Funds' portfolio companies may experience threats to their respective data and systems, including malware and computer virus attacks, unauthorized access, system failures and disruptions. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary and other information processed and stored in, and transmitted through, such computer systems and networks, or otherwise cause interruptions or malfunctions in JMI, the Funds or their portfolio companies' operations, which could result in damage to JMI, the Funds, or their portfolio companies' reputation, financial losses, litigation, increased costs, regulatory penalties and/or customer dissatisfaction or loss.

Item 9 - Disciplinary Information

JMI and its management persons have not been the subject of any material legal or disciplinary proceeding required to be disclosed in response to this item.

Item 10 - Other Financial Industry Activities and Affiliations

Registered Broker-Dealers

Neither JMI nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors

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

Relationships with Related Persons

JMI and its related persons engage in a broad range of activities, including investment activities for their own account. As a result, the interests of a Fund may conflict with the interests of JMI or its related persons or one or more other Funds. Certain of these conflicts of interest are described below (although the discussion below does not necessarily describe all of the conflicts that may potentially be faced by a Fund). Please also refer to the subsection titled “*Participation or Interest in Client Transactions; Personal Trading*” in Item 11 below and the Governing Documents of each Fund for more information, including with respect to transactions that are subject to specific consent requirements.

JMI and its related persons manage multiple Funds. This can create potential conflicts in the allocation of time, resources and investment opportunities among the Funds. Please refer to the Governing Documents of the relevant Fund for more complete information on the requisite time commitments (if any) of JMI and its related persons to the Funds and the allocation of investment opportunities among the Funds. Please also refer to the description of JMI’s investment allocation policy described in the subsection “*Side-by-Side Management*” in Item 6 above.

Subject to any specific consent or other requirements under the Governing Documents of the relevant Funds, certain Funds may hold or may acquire positions in portfolio companies in which other Funds invest or have invested. Such investments may be coincident with or precede one another. Follow-on investments in companies in which multiple Funds have invested will be considered first for each such Fund on a pro rata basis based on existing ownership in such companies, but depending on various factors (including available capital and limitations in each Fund’s Governing Documents) follow-on investments may not always be made on such pro rata basis. Where investments by multiple Funds in the same company are made at different times or in different proportions in separate financing rounds for that company, conflicts of interest may arise with regard to valuations, exit opportunities and other matters. Even if investments in the same company by multiple Funds are made in the same securities, at the same time and in the same proportions across multiple financing rounds, conflicts may arise because of different liquidity needs and different time horizons among the relevant Funds. In addition, conflicts will tend to arise in the event that the Funds have invested in securities of the same company with different rights. JMI will use its good faith judgment in addressing any such conflicts. Please also refer to the description of JMI’s investment disposition policy described in the subsection “*Side-by-Side Management*” in Item 6 above.

Investments by a Fund may cause JMI and its related persons to become subject to legal or contractual restrictions on their ability to effect transactions for other Funds, for example due to the receipt of non-public information or due to the existence of a control relationship between JMI and a portfolio company. In addition, it is possible that in a bankruptcy proceeding a Fund’s interest in a portfolio company may be adversely affected by another Fund’s involvement and such other Fund’s actions relating to its investment.

From time to time, a portfolio company of a Fund may engage in commercial transactions or other transactions (such as a merger or acquisition) with a portfolio company of a

different Fund. Depending on the nature of the transaction, a transaction between portfolio companies of different Funds can create potential conflicts of interest. JMI anticipates that material transactions between portfolio companies would generally be on arms'-length terms or on other terms considered equitable to both companies under the circumstances.

JMI anticipates that it may, from time to time, recommend the products or services of a portfolio company of a Fund to other portfolio companies of such Fund or different Funds. Although use of any such products or services by such portfolio company would be voluntary, such portfolio company may nevertheless feel conflicted in its choice of vendors or suppliers and might select the other portfolio company of such Fund or different Funds when there are better or less expensive products or services offered by unrelated companies.

In connection with certain investments by a Fund, some of the Fund's investors may participate in such investments directly or indirectly through a "blocker corporation" while other investors (and the JMI related person serving as the Fund's general partner) may participate without use of an intervening "blocker corporation". This may create conflicts for JMI, particularly in structuring an exit from such investments given the varying tax implications to the Fund's general partner and the Fund's other investors resulting from different exit structures. Returns from such investments to the Fund's general partner, including in respect of its carried interest, typically would not be reduced by any taxes, reduction in proceeds or other expenses borne by any investor participating in such investments directly or indirectly through a "blocker corporation".

JMI will determine all matters relating to structuring transactions, including the amount and terms of securities, allocation of securities among the relevant Funds and amounts potentially available for co-investment opportunities, using its best judgment considering all factors it deems relevant and subject to any specific consent or other requirements under the Governing Documents or "side letters" for the relevant Funds.

In connection with co-investment opportunities, some co-investors (which may include one or more investors in the Funds) may be provided with the opportunity to serve on the board of directors or board of advisors of the applicable portfolio company. Positions on board of directors or board of advisors of such portfolio companies provide such co-investors with voting rights, access to information and the ability to potentially influence the operations and decision-making of the portfolio company that are not available to other investors in the Funds. In certain cases, co-investors may also have contractual rights that require the approval of the co-investors for certain major actions relating to the applicable portfolio company, such as a sale of the company or the issuance of additional equity by the company. Such rights may limit the ability of JMI to take actions with respect to the portfolio company that JMI considers to be in the best interests of the Funds.

Certain service providers to the Funds or their portfolio companies (e.g., lawyers, accountants, lenders, banks, brokers) are also expected to provide services to JMI or its personnel or affiliates. The terms on which such services are provided to JMI or its personnel or affiliates may, in certain circumstances, differ from (and be more favorable than) those on which similar services are provided by such service providers to the Fund or its portfolio companies or other third parties. In other cases, JMI and its personnel may

benefit from pricing discounts offered by such service providers to both the Funds and JMI and its personnel (as compared to pricing available to other customers) that may primarily be the result of volume of activity (or expected volume of activity) with such service providers from the Funds. However, it is JMI's practice to seek to select service providers for the Funds (and, if requested, to recommend service providers for portfolio companies) that it believes are in the best interests of the Funds (or their portfolio companies) based on their merits and not based on the services, or the terms of such services, provided to JMI or its personnel or affiliates.

Selection or Recommendation of Other Advisers

JMI does not recommend or select other investment advisers for its clients and does not receive compensation from such advisers in a manner that would create a material conflict of interest. JMI does not have other business relationships with other advisers that create a material conflict of interest.

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

Code of Ethics

JMI adopted a code of ethics ("Code of Ethics") under Rule 204A-1 of the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"), expressing JMI's commitment to ethical conduct. JMI's Code of Ethics describes its fiduciary duties and responsibilities to its advisory clients (such as a Fund), and sets forth, among other things, JMI's policies and procedures for (i) identifying, escalating and addressing any potential conflicts of interest, (ii) monitoring and preventing JMI or its supervised persons from engaging in insider trading, (iii) pre-clearance requirements, trading restrictions and reporting requirements for JMI's supervised persons' personal securities transactions, (iv) the receipt of gifts by supervised persons and the making of political campaign contributions, and (v) pre-approval of the engagement by JMI's employees in certain outside business activities. Under JMI's Code of Ethics, all of its supervised persons have a duty to act only in the best interests of the Funds and are required to promptly report all violations of the Code of Ethics to JMI's Chief Compliance Officer ("CCO"). All supervised persons must acknowledge receipt of the Code of Ethics and any amendments thereto.

JMI will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions; Personal Trading

As limited partners or members of the general partner (or equivalent control person) of each of the Funds or as limited partners of a "parallel fund" formed in connection with a Fund, JMI and its related persons generally have indirect beneficial interests in the securities owned by the Funds and will share in any profits and losses generated by the Funds' investments.

In certain situations, JMI and/or related persons of JMI may purchase interests in the same portfolio company in which one or more Funds is investing or has invested or a Fund may purchase interests in a portfolio company in which JMI and/or related persons of JMI are investing or have invested. All such transactions are subject to compliance with JMI's Code of Ethics and to any required consents under a Fund's Governing Documents. Before JMI makes a recommendation that a Fund invest in a company, its related persons that have an ownership interest in that company (other than through a Fund) are required to disclose such interest to JMI.

JMI may cause a Fund to engage in "cross transactions" via the purchase of a portfolio investment from, or the sale of a portfolio investment to, another Fund, provided that the transaction is consistent with JMI's fiduciary obligations to each Fund participating in the cross transaction and subject to any conditions or required consents under a Fund's Governing Documents. Funds that are formed as "parallel funds" to co-invest in all investments such Funds make will typically engage in re-balancing "cross transactions" pursuant to the terms of their Governing Documents as the relative capital commitments between the parallel funds change during their respective fund-raising periods.

While JMI endeavors at all times to act in the best interests of the Funds, investors should be aware that the types of transactions described above create potential conflicts of interest with respect to JMI and the Funds.

Item 12 - Brokerage Practices

Discretionary Brokerage

With respect to those limited instances in which the Funds purchase, sell or distribute publicly traded securities through a broker-dealer, JMI seeks to satisfy its best execution obligation by considering all relevant facts and circumstances, including, but not limited to, the price and size of the order, the trading characteristics of the securities involved, the value of research provided by the broker, and the broker's execution abilities, commission rates, financial responsibility and responsiveness. JMI will not necessarily select the broker-dealer offering the lowest commission cost.

Research and Soft Dollar Benefits

JMI does not engage in soft dollar arrangements with respect to securities transactions for the Funds. Any research services and/or other products or services that are provided to JMI by brokers or dealers may be used for the benefit of all clients of JMI and do not necessarily benefit solely the Fund from which the commissions were generated. The receipt of research and/or other products or services is not directly connected to the recommendation of brokerage services to the Funds, but does create a potential conflict of interest of which investors should be aware in assessing JMI's choice of broker-dealers.

Brokerage for Client Referrals

In determining its selection of broker-dealers, JMI does not consider whether JMI receives referrals of potential investors from a broker-dealer or third party.

Directed Brokerage

JMI has discretionary authority to select the brokers or dealers in connection with securities transactions of the Funds, and investors are not permitted to direct JMI to use a particular broker or dealer to execute portfolio transactions on behalf of a Fund.

Trade Aggregation

Although JMI does not often trade in public securities, in such circumstances JMI will, to the extent possible, generally place a combined order for two or more Funds it manages engaged in the purchase or sale of the same public security at the same time if, in its good faith determination, joint execution would be consistent with its duty to seek best execution, consistent with the terms of the relevant Funds' Governing Documents, and otherwise in the best interest of the relevant Funds.

Item 13 - Review of Accounts

Review of Client Accounts

JMI will regularly monitor portfolio investments on behalf of the Funds. Investments are also reviewed in the context of each Fund's stated investment objectives, guidelines and restrictions as set forth in the Governing Documents of such Fund. JMI's Chief Financial Officer reviews the investment portfolios of the Funds for consistency with such objectives, guidelines and restrictions as needed in connection with the investment activities of the Funds.

Reports to Clients

JMI distributes quarterly and annual written reports to the investors in each Fund. Quarterly reports generally contain unaudited financial statements of the Fund for the quarter and a brief narrative report as to the status and operations of the Fund. Annual reports generally contain a list of, and status report on, investments held by the Fund at the end of the year and the audited financial statements of the Fund for such year. Annual reports are accompanied by capital account statements as of the end of such year.

Investors should refer to the Governing Documents of the relevant Fund for further information on the reports provided by a particular Fund to its investors.

Item 14 - Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

In connection with investments made by Funds, JMI (or persons associated with JMI) may receive an annual management fee and/or monitoring, consulting, directors' or other fees (whether in cash or options or other securities) from a portfolio company while the

applicable Fund continues to have an investment in such portfolio company. JMI may receive a “break-up” fee from a prospective portfolio company if an investment does not close for certain reasons after a letter of intent related to such investment has been signed with such portfolio company. JMI may also receive commitment, structuring and/or other transaction fees from portfolio companies in which one or more of the Funds invests or intends to invest (although in most cases JMI does not receive these types of transaction-based fees). The amount of any fees that JMI or any of its associated persons receives from portfolio companies is determined by negotiations between JMI and the applicable portfolio companies.

These types of arrangements present potential conflicts of interest and provide JMI with an incentive to recommend investments based on compensation received rather than the best interests of a Fund. To help mitigate potential conflicts, such benefits received by JMI or its employees in connection with services rendered to portfolio companies or transactions of a Fund are generally offset in whole or substantial part against (and therefore reduce) advisory fees payable by the relevant Fund, to the extent provided in and subject to certain exceptions described below and in the Governing Documents of such Fund. To the extent that such fees do not result in a full, dollar-for-dollar offset against the advisory fees payable by the relevant Fund, however, such potential conflicts remain.

JMI engages specialist consultants in certain areas of expertise to serve as “functional consultants” for portfolio companies of the Funds. Functional consultants typically are persons (or firms who employ such persons) who have previously served in various roles with operating companies (including portfolio companies of the Funds) and that JMI believes added, or are capable of adding, material value in such roles with portfolio companies of the Funds. JMI’s engagement terms with functional consultants generally include an agreement for JMI to pay the functional consultant at an hourly rate based upon hours devoted to JMI portfolio company engagements and to pay for a minimum number of hours regardless of actual usage of the functional consultant by JMI portfolio companies. As part of its portfolio monitoring and management, JMI introduces or refers functional consultants to portfolio companies that JMI believes may benefit from the expertise of the functional consultant (e.g., in areas such as sales and marketing, customer success, product and human resources) on one or more specific projects. If the portfolio company engages a functional consultant, JMI will bill the applicable portfolio company for the services of such functional consultant at cost based on the hours of service performed by such functional consultant for such portfolio company and the hourly rate included in JMI’s engagement with the functional consultant. Such portfolio company will remit payment for such services to JMI (effectively reimbursing JMI for the hourly payment amounts JMI made to the functional consultant in respect of its engagement with such portfolio company). Such portfolio company may also reimburse JMI or the functional consultant for travel and travel-related expenses related to services provided to such portfolio company. Amounts paid to JMI or a functional consultant by a portfolio company in respect of services provided by a functional consultant do not reduce any advisory fees payable to JMI by any of the Funds or otherwise benefit any of the Funds or their investors. JMI bears any other expenses associated with engaging such functional consultants, including to fulfill any minimum hours requirement.

JMI retains former executives as part-time consultants serving as “senior advisors” to JMI who also provide services to portfolio companies of the Funds, such as serving on the board of directors or consulting with portfolio companies on operational matters. Such senior advisors are compensated by such portfolio companies, as determined by negotiations between such senior advisor and the applicable Fund portfolio company. Such compensation may be in the form of cash, options or other securities. Senior advisors may also receive expense reimbursement (including travel and travel-related expenses) from the applicable portfolio company. Also, as part of such negotiated arrangement with a portfolio company, a senior advisor may be provided with the opportunity to invest in such portfolio company. Directors’ fees or consulting fees received by such persons from portfolio companies, whether in cash or in the form of options or securities, do not reduce advisory fees payable to JMI by the Funds or otherwise benefit any of the Funds or their investors.

JMI engages other consultants (i.e., in addition to individuals engaged by JMI as functional consultants or senior advisors), including consultants provided through “expert networks”, to provide services to the Funds or their portfolio companies and such consultants would receive fees or other remuneration, and potentially expense reimbursement (including travel and travel-related expenses), from the applicable Fund and/or the applicable portfolio companies (rather than from JMI). Such fees or other remuneration do not reduce any advisory fees payable to JMI by any of the Funds or otherwise benefit any of the Funds or their investors. Such services may include, among others, assisting JMI with research or due diligence with respect to companies in which a Funds is considering an investment or have invested or providing technical, financial or other operational services to portfolio companies.

Please refer to the Governing Documents of the relevant Fund for more complete information about advisory fee offsets.

Third Party Compensation for Investor Referrals

JMI and related persons of JMI may enter into cash compensation arrangements with unaffiliated placement agents or third parties for introducing investors to a Fund. Any sales charge or placement fee associated with such arrangements will ultimately be payable by JMI and/or its related persons, either directly or through an offset of the advisory fee payable by the relevant Fund to JMI.

Item 15 - Custody

JMI will not have physical custody of any client assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Nevertheless, JMI will generally be deemed to have custody of the assets of the Funds as a result of its position as an affiliate of the general partner (or equivalent control person) of each Fund.

It is JMI’s general policy to cause the annual financial statements of each Fund with assets over which JMI is deemed to have “custody” to be audited annually and to distribute such audited financial statements, prepared in accordance with U.S. generally accepted

accounting principles (“GAAP”), to investors in such Fund no later than 90 days after the end of each fiscal year. In addition, upon the final liquidation of any such Fund, JMI will generally obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all of its investors promptly after completion of the audit. For these Funds, investors will not receive account statements from the bank or other qualified custodian holding physical custody of such Fund’s securities.

In the cases where a Fund does not deliver audited financial statements to investors as provided above, a qualified custodian will send quarterly account statements to each investor in such Fund. Investors should review these account statements carefully. If JMI, on behalf of the Fund, also provides investors in such Fund with a quarterly report detailing account holdings for such Fund, investors are urged to compare the account statements received from the Fund with account statements received from the qualified custodian.

Item 16 - Investment Discretion

Subject to the investment objectives, guidelines and restrictions of each Fund as set forth in its Governing Documents, JMI has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of such Fund, including the selection of, and commissions paid to, broker-dealers.

The terms upon which JMI serves as an investment manager with respect to any Fund are established at the time that such Fund is formed and generally are set forth in such Fund’s Governing Documents. JMI’s investment advice is provided directly to the Funds and not to investors in the Funds individually. JMI is not required to contact investors in the Funds prior to transacting any business for the Funds.

To invest in a Fund, an investor must execute a subscription agreement (or similar agreement) with such Fund. Investors in a Fund may seek to impose limitations on JMI’s authority with respect to such Fund through “side letter” or similar agreements, and JMI, in its discretion, may choose to accept limitations or restrictions that it considers to be reasonable and consistent with the general investment strategy described in such Fund’s Governing Documents.

Item 17 - Voting Client Securities

Because JMI has, or will accept, authority to vote securities held by a Fund, JMI has adopted policies and procedures (the “Proxy Voting Policies and Procedures”) which have been designed to ensure that JMI complies with the requirements of Rule 206(4)-6 under the Advisers Act, and reflect JMI’s commitment to vote all Fund securities for which it exercises voting authority in a manner consistent with the best interests of the applicable Funds.

In general, JMI will vote all voting securities held by each Fund. The investors in the Funds are not permitted to direct the vote of JMI with respect to the securities held by such Fund. JMI reviews each proposal submitted to the Funds for a vote on a case-by-case basis.

When exercising its voting authority with respect to securities held by a Fund, JMI considers information related to the applicable company, evaluates other issues that could have an impact on the value of the Fund's investment in the applicable company and votes with a view toward maximizing overall value to the Fund.

Prior to exercising its voting authority, the JMI related person with primary responsibility for the applicable portfolio company, in consultation with the CCO and outside counsel, if appropriate, reviews the relevant facts and determines whether or not a material conflict of interest exists due to business, personal or family relationships of JMI or any of its supervised persons or affiliates. If a material conflict exists, JMI takes steps to ensure that its voting decision is based on the best interests of the applicable Fund and is not a product of the conflict. JMI may, at its discretion, (1) seek the advice of the applicable advisory committee of a Fund (if any) in voting such security; (2) disclose the conflict of interest to the applicable advisory committee of a Fund and defer to the recommendation of such advisory committee; (3) (in the case of a publicly traded company) defer to the voting recommendation of an independent third party provider of proxy voting services; (4) exclude the supervised person with whom the conflict exists from the decision on voting the securities; and/or (5) take such other actions in good faith which would serve the best interest of the Fund. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even if the general facts underlying both conflicts are similar (or identical).

JMI will deliver to each Fund and each investor in a Fund, upon written request, a complete copy of its Proxy Voting Policies and Procedures and/or information on how it voted securities for the applicable Fund.

Item 18 - Financial Information

JMI has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.