

Crestview Advisors, L.L.C.  
Part 2A of Form ADV  
The Brochure

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This brochure provides information about the qualifications and business practices of Crestview Advisors, L.L.C. (“**Crestview**”). If you have any questions about the contents of this brochure, please contact us at (212) 906-0700. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“**SEC**”) or by any state securities authority. Crestview is an investment adviser that is registered with the SEC. Registration with the SEC does not imply a certain level of skill or training.

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

## Material Changes

There have been no material changes to this brochure since it was last filed with the SEC in March 2022.

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## Advisory Business

Crestview was founded in 2004 by Barry S. Volpert and Thomas S. Murphy, Jr. and is principally owned by entities controlled by them and certain of Crestview's other senior professionals. The firm's senior professionals with the title of Partner are Brian P. Cassidy, Robert V. Delaney, Jr., Daniel G. Kilpatrick, Lindsey L. King, Adam J. Klein, Mr. Murphy, Ross A. Oliver, Evelyn C. Pellicone, Alexander M. Rose and Mr. Volpert. Mr. Volpert is the Chief Executive Officer, and Messrs. Cassidy, Delaney, Murphy, Oliver, Rose as well as Ms. Pellicone, also serve as officers of the company. In such capacity, Messrs. Delaney, Murphy and Volpert also have the title Managing Director, Messrs. Cassidy and Rose have the title Co-President, Mr. Oliver has the title General Counsel and Ms. Pellicone has the title Chief Financial Officer.

Crestview provides investment advisory services to Crestview Partners, L.P. and its affiliated co-investing funds (collectively, "**Fund I**"), Crestview Partners II, L.P. and its affiliated co-investing funds (collectively, "**Fund II**"), Crestview Partners III, L.P. and its affiliated co-investing funds (collectively, "**Fund III**") and Crestview Partners IV, L.P. and its affiliated co-investing funds (collectively, "**Fund IV**"). All of the funds to which Crestview provides advice are privately offered. The Fund I complex is principally composed of the following legal entities: Crestview Partners, L.P., Crestview Partners (TE), L.P., Crestview Partners (ERISA), L.P., Crestview Partners (PF), L.P. and Crestview Partners (Cayman), L.P. The Fund II complex is principally composed of the following legal entities: Crestview Partners II, L.P., Crestview Partners II (TE), L.P., Crestview Partners II (FF), L.P., Crestview Partners II (Cayman), L.P., Crestview Partners II (FF Cayman), L.P. and Crestview Partners II (892 Cayman), L.P. The Fund III complex is principally composed of the following legal entities: Crestview Partners III, L.P., Crestview Partners III (TE), L.P., Crestview Partners III (TE 2), L.P., Crestview Partners III (FF), L.P., Crestview Partners III (Offshore), L.P., Crestview Partners III (FF Offshore), L.P., Crestview Partners III (892), L.P., Crestview Partners III (DE Offshore), L.P., Crestview Partners III Co-Investors, L.P. and Crestview Partners III (Co-Investment B), L.P. The Fund IV complex is principally composed of the following legal entities: Crestview Partners IV, L.P., Crestview Partners IV (TE), L.P., Crestview Partners IV (FF), L.P., Crestview Partners IV (Offshore), L.P., Crestview Partners IV (FF Offshore), L.P., Crestview Partners IV (892), L.P., Crestview Partners IV (DE Offshore), L.P., Crestview Partners IV Co-Investors, L.P. and Crestview Partners IV (Bluebonnet), L.P. The general partner of each of

the Fund I entities listed above is Crestview Partners GP, L.P. (“**GP I**”); the general partner of each of the Fund II entities listed above is Crestview Partners II GP, L.P. (“**GP II**”); the general partner of each of the Fund III entities listed above is Crestview Partners III GP, L.P. (“**GP III**”), and the general partner of each of the Fund IV entities listed above is Crestview Partners IV GP, L.P. (“**GP IV**” and, together with GP I, GP II, GP III and any vehicle formed in the future to serve as the general partner of an entity advised by Crestview, the “**General Partners**”). The general partner of each General Partner is Crestview, L.L.C. Crestview Partners (Cayman), Ltd. is the administrative general partner of certain of the foregoing entities. In addition to the entities described above, certain other legal entities have been formed to serve as vehicles for the purpose of holding specific investments or for other legal, regulatory, tax or business reasons.

This brochure is not an offer to invest in any of Crestview’s private funds. Any such offer would only be made through the provision of such fund’s confidential offering materials. Information included in this brochure is intended to provide a useful summary about Crestview, but it is qualified in its entirety by information included in its private funds’ confidential offering materials.

Crestview’s private funds tend to invest in middle-market companies that are active in media, financial services and industrial sectors. Crestview’s private funds target approximately \$100 million to \$300 million equity investments in companies with enterprise values that are typically between \$250 million and \$1 billion.

Crestview’s investment advice is carefully tailored to the objectives of each private fund but not to the objectives of underlying investors in those funds. From time to time, investors in the private funds and others are offered an opportunity to make a co-investment with the funds. In general, each investor is individually responsible for determining whether it wants to participate in such a co-investment opportunity, unless such investment discretion has been granted to Crestview.

As of December 31, 2022, private funds advised by Crestview had regulatory assets under management of approximately \$10,932,943,224, which comprises assets with a fair value of approximately \$8,353,656,062 and uncalled capital commitments of approximately \$2,579,287,162. Crestview and the General Partners have discretionary authority over the private funds’ investment activities.

## **Fees and Compensation**

### Management Fees and Carried Interest Distributions

Crestview receives management fees, and the General Partners are expected to receive carried interest distributions, from Crestview's private funds. Management fees generally equal 1.75% or 2% of each investor's capital commitment during a fund's commitment period and 1.5% of invested capital thereafter, subject to certain adjustments. For example, amounts equal to organizational expenses over a certain dollar amount, placement fees funded by a Crestview private fund and a portion of transaction fees and special income received by Crestview (including financial advisory fees, break-up fees, net monitoring fees, director fees and other similar fees, which at times include lump-sum, accelerated or termination payments in respect of such fees in the event of the sale or initial public offering of the relevant portfolio company or other termination of the arrangement) are reduction items in computing the management fee. Any direct, unreimbursed monitoring expenses generally result in a reduction in the calculation of net monitoring fees. In addition, amounts equal to a portion of the cost of investments funded (or to be funded) by the investors in a Crestview private fund will reduce the management fee. Management fees generally are due in advance on a quarterly basis and are collected directly by Crestview from the private funds.

Carried interest distributions are typically 20% of the investors' gains realized on the disposition of investments after returning invested capital, management fees and other expenses and priority returns to the investors, subject to catch-up provisions that are described in detail in each private fund's confidential offering materials. Carried interest distributions are generally made at the time that a private fund disposes of an investment and are subject to a potential claw-back depending on the aggregate return of all of the fund's investments. Depending on the particular fund, such claw-backs occur during the fund's term and/or at the end of its term.

Crestview and the General Partners are entitled to reduce or waive management fees or carried interest distributions at their discretion. In addition, Crestview and the General Partners enter into side letter arrangements with particular investors in a private fund which alter or supplement the terms of the governing documents (including the terms related to fees) of such fund with respect to such investors.

### Transaction Fees and Special Income Received by Crestview

Crestview receives all transaction fees and special income with respect to its private funds and their investments (including financial advisory fees, break-up fees, net monitoring fees, director fees and other similar fees, which at times include lump-sum, accelerated or termination payments in respect of such fees in the event of the sale or initial public offering of the relevant portfolio company or other termination of the arrangement), but an amount equal to a portion of such fees and income received by Crestview will reduce the management fees owed by the Crestview private funds. Any direct, unreimbursed monitoring expenses generally result in a reduction in the calculation of net monitoring fees. The amount equal to the portion of such fees and income that is considered a negative item in computing the management fee is described in detail in each fund's confidential offering materials.

If Crestview or a co-investor in a particular investment receives transaction fees or special income of the type referred to in the preceding paragraph, the portion of such fees or income received by, on behalf of or with respect to such co-investor would not reduce the management fee payable by any Crestview private fund that has also invested in such investment. As a result, the Crestview private fund would, in such a case, only benefit with respect to its allocable portion of any such fee or income and not the portion of any fee or income that relates to such co-investor, which could be significant.

### Other Fees and Expenses Borne by the Private Funds

Crestview's private funds pay, and the investors in those funds indirectly bear, a number of other fees, costs, liabilities, expenses and obligations. These vary from private fund to private fund and in many cases are limited by the applicable private fund's limited partnership agreement or other governing documents, but generally include, without limitation, fees, costs, liabilities, expenses and obligations associated with the following:

- the investigating, making, evaluating, originating, structuring, holding, managing, valuing, hedging, sale or proposed sale of investments, or any fees, costs, expenses, liabilities and obligations associated with proposed investments that are ultimately not made, together with any associated legal, financing, commitment, transaction, origination or fairness opinions or other fees and expenses payable to attorneys, accountants (including allocable compensation

for in-house attorneys and accountants (which, for the avoidance of doubt, may include an allocable portion of any overhead (including salaries, benefits and rent), support staff and other similar expenses)) based upon time spent and which, together with any applicable overhead borne by the General Partners, may not exceed fees payable to Crestview's private funds' primary outside counsel or accountants, as applicable, with similar experience), tax professionals, investment bankers, lenders, third-party software and service providers, consultants and similar professionals (including consultants and other expenses related to environmental, social and governance ("ESG") due diligence, training and other ESG initiatives) in connection therewith and any fees and expenses related to transactions that have been offered to co-investors;

- indebtedness of, or guarantees made by, a private fund, a General Partner or any of their respective affiliates on behalf of such private fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee;
- broker, dealer, finder (including in respect of Strategic Alliances and Senior Advisors), underwriting (including both commissions and discounts), loan administration, sales commissions, investment banker and similar services;
- brokerage, sale, custodial, depository (including a depository appointed pursuant to the Alternative Investment Fund Managers Directive ("AIFMD") or any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction or any similar law in any jurisdiction), Swiss representative and paying agent (pursuant to the Swiss Collective Investment Schemes Act (as amended) including any law, rule or regulation relating to the implementation thereof or any similar law in any jurisdiction), trustee, record-keeping, administrative, accounting and similar services (whether in the U.S. or in any non-U.S. jurisdiction);
- third-party legal, accounting, research, auditing, administration (including fees and expenses associated with a private fund's third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), tax and other professional services (including



information technology, human resources, public relations, ESG, restructuring, legal, accounting and insurance consultants, industry executives, subject matter experts or similar persons providing services to portfolio companies);

- directors' and officers' liability, errors and omissions liability, general partnership liability, cybersecurity liability and other similar insurance premiums and liability policies and regulatory expenses;
- filing, title, transfer, registration and other similar fees and expenses;
- printing, communication, marketing and publicity;
- maintenance of a private fund's books and records;
- the preparation, distribution or filing of financial statements or other reports, tax returns, tax estimates, Schedules K-1 (or other similar schedules) related to a private fund or any investment thereof, or any other administrative, compliance or regulatory filings or reports (including Form PF and any filings or reports or other regulatory requirements contemplated by or arising under AIFMD or any similar law, rule or regulation, including amounts paid to locally licensed intermediaries, distributors or similar service providers that the General Partners determine are necessary for compliance with laws and regulations governing the offer and sale of interests in a private fund in any jurisdiction and the private funds' and their General Partners' registered office fees and filing fees) or other information, including fees, costs and expenses of any third-party service providers and professionals related to the foregoing;
- developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of a private fund or its investors (for the avoidance of doubt, including the fees, costs and expenses of any third-party administrator hired for the establishment and maintenance of an online platform to process investor subscriptions or other transactions), as well as fees, costs and expenses incurred in connection with purchasing, licensing or leasing computer software systems and hardware for the purpose of

producing, preparing or distributing reports or other communications or activities described herein; and fees, costs and expenses incurred in connection with providing private fund investors access to a database or other forum hosted on a website designated by such private fund's General Partner);

- any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information or data relating to the business or affairs of the private funds, including compliance with the California Consumer Privacy Act in the State of California or the General Data Protection Regulation in the European Union and similar data protection or privacy regulations in any other jurisdiction;
- activities or proceedings of the "LP Advisory Committee" or similar body of any private fund (including any reasonable out-of-pocket fees, costs and expenses (such as, without limitation, travel, meal and lodging expenses) incurred by Crestview's representatives or members of such committee, permitted observers (if any) and other persons attending or otherwise participating in meetings of such committee in connection with attending such meetings, as well as consulting, accounting and legal expenses with respect to any matter for review or approval by such committee);
- the termination, liquidation, winding up or dissolution of a private fund;
- except as otherwise determined by the General Partners in their sole discretion, any fees, costs, expenses, liabilities and obligations in connection with raising and putting in place co-investment vehicles where desirable for accomplishing an investment, to the extent not borne by the applicable co-investors, any fees, costs, expenses, liabilities and obligations incurred in connection with the formation, management, operation, termination, liquidation, winding up or dissolution of any feeder vehicles related to a private fund to the extent not paid by the investors investing in such entities and any other costs and any fees, costs, expenses, liabilities and obligations related to any structuring, restructuring, re-domiciliation, tender offer for any investor's interests in a private fund or reorganization of a private fund and/or its affiliated entities, whether or not consummated, including associated amendments to the constituent documents of such entities;

- all actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith;
- indemnification expenses (including any fees, costs and expenses incurred in connection with indemnifying any person pursuant to the partnership agreement of a private fund or otherwise and advancing fees, costs and expenses (including costs with respect to insurance coverage, including premiums and charges thereon, for indemnification obligations) incurred by any indemnified person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to such partnership agreement or otherwise);
- the holding of annual or other periodic meetings of a private fund's investors, if any, or any other conference or meeting with any investors and any periodic executive forum of portfolio company management and other persons (including travel, meal and lodging expenses of the limited partner and its representatives, and meal and lodging expenses of Crestview and its representatives, and meal and lodging expenses of the investors, in each case, incurred in connection with attending such meetings, as well as consulting, accounting and legal expenses with respect to any matter to be discussed, reviewed or approved at any such meeting, conference or forum) and fees and costs of responses to questions and inquiries and fulfillment of requests from investors and others regarding investments, operations and compliance of a private fund;
- borrowing costs arising other than with respect to any private fund investment;
- amendments to, and waivers, consents or approvals pursuant to, the constituent documents of a private fund, its General Partner and their respective related entities (including any alternative investment vehicle), including the organization, preparation, distribution and implementation thereof;
- complying with (or remedying non-compliance with) any law, rule or regulation related to the activities of a private fund (including regulatory expenses of such private fund's General Partner incurred in connection with the operation of such private fund and legal fees and expenses) and negotiating and complying with any side letter agreements related to a private

fund, including conducting any “most favored nation” or similar process in respect of side letters issued to limited partners;

- any governmental inquiry, investigation or proceeding involving a private fund, including any costs and expenses of any discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith;
- any amounts attributable to any defaults by any investor in a private fund in respect of expenses (but only to the extent not paid or otherwise borne by such defaulting investor);
- unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer (or admission of a substituted limited partner) by a limited partner in a private fund;
- fees, costs and expenses incurred in connection with assessing and reporting the ESG performance of a private fund’s investments and potential Investments (including fees, costs and expenses payable to any third-party service provider or otherwise incurred in connection with designing, implementing and monitoring participation by portfolio companies in compliance with operational “best practices” programs and initiatives);
- any travel (including the cost of first class or business class commercial airfare, chartered or private airfare and ground transportation (including coach, rail and train)), lodging, meals or entertainment related to any private fund matters, including in connection with consummated and unconsummated investment and disposition opportunities, limited partner and other private fund-related meetings, and transportation and meals for Crestview employees working on private fund matters outside of normal business hours;
- costs of organizing the private fund, provided that certain “excess organizational expenses” will generally be applied to reduce a private fund’s management fees;
- a proportionate share of all placement fees and expenses payable to any person serving as a placement agent in connection with the offering of limited partner interests in a private fund, *provided* that placement fees funded by a private fund reduce the management fees payable by such private fund;

- any taxes (including entity-level taxes), fees and other governmental charges levied against, imposed on or incurred or payable by a private fund or any related entity, including any taxes imposed on a private fund or its General Partner in the capacity of withholding agent, and any interest, penalties and expenses relating to any such taxes (except to the extent that such amount is reimbursed by an investor or treated as having been distributed to an investor), including all fees, costs or expenses incurred in connection with tax audit, investigation, settlement or review;
- costs and expenses incurred in connection with compliance with the Foreign Account Tax Compliance Act and other applicable tax laws and regulations and costs and expenses with respect to a private fund's tax representative;
- any principal, interest on and fees and expenses arising out of a private fund's hedging activities and the indebtedness of, or guarantees made by, a private fund, its General Partner, Crestview or any of their respective affiliates on behalf of such private fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such hedge, indebtedness or guarantee;
- routine expenses of a private fund that are not reimbursed by portfolio companies, including financing fees, management fees and other administrative expenses of such private fund; and
- any other fees, costs, expenses and liabilities or obligations approved by the LP Advisory Committee of a private fund.

In addition, portfolio companies of Crestview's private funds reimburse Crestview for out-of-pocket fees, costs, liabilities and expenses (and the investors in those funds would therefore indirectly bear such amounts) of the types described above, which may be in the form of a direct reimbursement or a payment in lieu of a monitoring or other transaction fee (in which case, the amount of such payment would not be considered a reduction item in the calculation of the management fee paid by the private funds).

Crestview retains and enters into arrangements with senior advisory consultants, who could have the title “Senior Advisor,” “Operating Executive,” “Operating Partner,” “Vice Chairman,” “Industry Advisor,” “Entrepreneur in Residence” or a similar title (collectively, “**Senior Advisors**”), other industry experts or certain strategic alliances (“**Strategic Alliances**”) for various purposes, including, among other things, to generate, evaluate, execute and manage opportunities in certain sectors or provide similar services to Crestview’s private funds, any alternative investment vehicle or any portfolio company or prospective portfolio company of any Crestview private fund. Senior Advisors with the title Vice Chairman include former employees and partners of Crestview, and Operating Executives often include current and former portfolio company CEOs or other executives. Certain services frequently include serving as directors or in other policy-making positions and, in some cases, include serving in management positions of Crestview’s portfolio companies. Crestview’s private funds or their portfolio companies typically contract with, and negotiate and arrange the compensation of, Senior Advisors, which may take the form of set fees, retainers, success fees or other arrangements, including such compensation paid to former employees or partners of Crestview serving as Senior Advisors, and are borne by such private funds or portfolio companies. Similarly, Strategic Alliance parties provide services (such as sourcing investment opportunities, monitoring investments or serving on the board of directors of Crestview’s portfolio companies) and receive transaction, monitoring, directors’ and other fees from Crestview’s private funds or such portfolio companies, in addition to any such fees that Crestview may receive from such portfolio companies. In addition, Senior Advisors and Strategic Alliances from time to time receive a profit interest in, or other compensation from, Crestview’s private funds or their portfolio companies depending on their respective level of involvement in the portfolio companies. Expenses, fees and other compensation paid to Senior Advisors and Strategic Alliances (whether paid by the Crestview private funds directly, by a portfolio company or by Crestview and subsequently reimbursed by a Crestview private fund or a portfolio company) will not result in an offset to the management fees owed to Crestview by the private funds. In addition to such fees, Crestview’s private funds will generally bear any travel costs or other out-of-pocket expenses incurred by Senior Advisors in connection with the provision of their services.

In general, expenses attributable to a particular private fund complex are allocated to the fund vehicles which compose such fund complex according to the methodology set forth in the limited partnership or other agreements governing such fund vehicles. Expenses that are attributable to

more than one fund complex generally are allocated among such fund complexes based on their respective remaining invested capital and unfunded capital commitments (net of any fund-level borrowing); however, Crestview has discretion to use another methodology if Crestview believes it is more fair and equitable.

Crestview is permitted to exempt any investor in Crestview's private funds from payment of all or a portion of management fees and/or carried interest, including Crestview and any other person affiliated with or designated by Crestview. Any such exemption from fees and/or carried interest is made by a direct exemption, a rebate by Crestview or through other Crestview private funds which co-invest with a Crestview private fund. For example, in instances where a Crestview professional (or an affiliated entity thereof) invests in a Crestview private fund, such professional (or such affiliated entity) generally will be exempt from payment of the management fee and carried interest with respect to such private fund. Additionally, to the extent permitted by the relevant partnership agreement, Crestview has the right to permit investors, affiliated with Crestview or otherwise, to invest through the relevant General Partner or other vehicles that do not bear management fees or carried interest.

Crestview's private funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the relevant partnership agreement, over the term of a Crestview private fund, and investors generally are not permitted to withdraw or redeem interests in such private fund.

Principals or other current or former employees of Crestview generally receive salaries and other compensation derived from, and in certain cases including a portion of, the management fee, distributions in respect of carried interest or other compensation received by Crestview or its affiliates.

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

As described above, the General Partners and, in certain cases, other parties (such as Strategic Alliances or Senior Advisors), receive carried interest distributions depending on the returns generated by the private funds' investments. This arrangement could give Crestview an incentive to invest in a potentially speculative or imprudent manner in an effort to earn outsized returns.

Despite this potential conflict of interest, Crestview will always seek to manage its private funds in accordance with their stated investment objectives. Crestview and the General Partners have sought to further mitigate this risk by including claw-back provisions in the carried interest distribution structure, disclosing information about investments to investors and requiring the General Partners' members to make personal investments in the funds through the General Partners or affiliated co-investing funds.

To the extent that one or more of Crestview's private funds experience gains and one or more other funds experience losses, Crestview could have an incentive to allocate a disproportionate amount of time and resources to the funds that are most likely to generate carried interest distributions. Crestview seeks to mitigate this risk by seeking capital commitments for a new fund complex only as it approaches the end of the investment period for an earlier fund complex.

## **Types of Clients**

Crestview provides advisory services to privately offered pooled investment vehicles that make private equity investments. The minimum capital commitment to invest in one of the private funds advised by Crestview is typically \$1 million, but the General Partner for each fund reserves the right to reduce or waive this minimum.

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

Crestview's private funds tend to invest in middle-market companies that are active in media, financial services and industrial sectors. Crestview's private funds target approximately \$100 million to \$300 million equity investments in companies with enterprise values that are typically between \$250 million and \$1 billion.

Crestview often sources transaction opportunities from its extensive professional network and seeks to negotiate transactions on an exclusive basis. The private funds advised by Crestview generally make investments with a contrarian theme with the belief that assets or sectors that are out of favor can yield attractive opportunities for returns. Crestview generally evaluates more than 200 potential investment opportunities each year, with the expectation of completing two to four transactions annually.



Each potential investment is reviewed by one or more investment professionals, generally a Partner, Senior Advisor, Principal or Vice President, who make an initial determination regarding its attractiveness. These preliminary decisions are based on a number of important criteria, including an evaluation of the quality of the business, the competitive dynamic and fundamental position of the industry, competitive advantages and disadvantages, the management team, potential valuation, transaction dynamics, likely competition for the transaction, potential upside, downside risk and the private funds' relative advantages compared to other potential investors. In general, Crestview will not pursue an opportunity unless Crestview believes that its private funds have a significant edge—superior insight, information, relationships, potential value to add and/or ability to move quickly and decisively.

Potential investment opportunities that pass the initial review are discussed with the investment committee of a private fund's General Partner (each, an **"Investment Committee"**). Certain senior investment professionals of the firm (Messrs. Cassidy, Delaney, Kilpatrick, Klein, Murphy, Rose and Volpert) currently compose the Investment Committee for each of Fund I, Fund II, Fund III and Fund IV. The approval of a supermajority of the members of the relevant Investment Committee, as well as the approval of the chairman of the Investment Committee (currently, Mr. Volpert), is required to approve the making of any investment by Fund I, Fund II, Fund III or Fund IV, as the case may be, other than a follow-on investment as defined in the constituent documents of those funds. The approval of a majority of the members of the relevant Investment Committee, as well as the approval of the chairman of the Investment Committee, is required to approve (i) the making of any follow-on investment, (ii) the sale, disposition or other realization of any investment or (iii) any other matter relating to an investment held by any fund. Although the private funds may invest alongside other investors in a particular portfolio company, the investment decisions of the private funds are the responsibility of the respective Investment Committees.

Approved potential investments are assigned to an investment team generally composed of one or more Partners and additional investment professionals. The investment team is then responsible for Crestview's comprehensive due diligence efforts, budget, structuring, contract negotiations and financing. The team submits a report to the relevant Investment Committee for discussion regarding whether to proceed with the investment, and Investment Committee approval is required at each critical stage of a transaction, such as the decision whether to proceed with full due diligence (which

generally entails engaging outside advisors) and whether to commit the private fund's capital to the investment.

Due diligence efforts are supported by industry consultants and advisers that, in Crestview's experience, add valuable perspectives and expertise. For previous investments, Crestview and its private funds have retained the services of Davis Polk & Wardwell LLP; Paul, Weiss, Rifkind, Wharton & Garrison LLP; Gibson, Dunn & Crutcher LLP; Vinson & Elkins LLP; PricewaterhouseCoopers LLP; Ernst & Young LLP and Lockton, Inc., among others. Crestview often relies as well on the expertise of its Senior Advisors and selected limited partners of its private funds.

Following an investment, the investment team responsible for such investment continues to have primary responsibility for monitoring the portfolio company's performance. Material events and disposition opportunities are discussed at Crestview's weekly staff meetings.

Despite Crestview's efforts to identify promising investment opportunities for its private funds, an investment in the private funds entails a high degree of risk. Risks associated with an investment in the private funds are described in detail in the funds' confidential offering materials. These risks include, but are not limited to, the following:

- *No assurance of return* – There can be no assurance that the private funds' investment objectives will be achieved or that there will be any return of capital.
- *Concentrated investments* – The private funds will make relatively few investments, so poor performance by any investment could have a materially adverse effect on the funds.
- *Long-term investment with limited transferability* – Capital committed to one of Crestview's private funds is expected to be invested in portfolio companies for many years. Interests in the private funds are highly illiquid, and investors may not withdraw capital from the funds.
- *Leverage* – The private funds may use leverage in connection with making investments, and their portfolio companies may incur a significant amount of leverage. This leverage will increase the exposure of such investments to adverse economic factors and could result in the permanent loss of capital for the funds and their investors.

- *Reliance on key persons* – The success of the private funds will depend upon, among other things, the skill and expertise of Crestview’s Partners and employees, including the members of the Investment Committees. There can be no assurance, however, that such individuals will continue to be associated with Crestview throughout the life of the funds.
- *Tax risks* – Tax consequences to the investors from an investment in the private funds are complex. The structure of the funds’ investments, the timing of their disposition and other factors may result in different tax consequences and, therefore, different returns to different investors. Crestview will consider the investment and tax objectives of the funds and their investors as a whole and not the investment, tax or other objectives of any investor individually.
- *Control person liability* – Because Crestview’s private funds expect to obtain rights to participate in the management of their portfolio companies, including by appointing members to their boards of directors, the funds could be exposed to claims by a portfolio company, its security holders and its creditors, including claims for alleged violations of securities laws, breach of fiduciary or other duties and failure to exercise the appropriate levels of care under corporate, securities, environmental or other applicable laws.
- *Minority Investments* – The private funds at times make minority investments in portfolio companies and, despite seeking representation on their boards of directors, may be unable to control the business and affairs of such companies. In such circumstances, there is a possibility that a portfolio company’s other security holders have economic or business interests or goals that are inconsistent with those of the funds, and the funds may not be in a position to limit or otherwise protect the value of the funds’ investment in such portfolio company.
- *Indemnification* – Although Crestview and its private funds maintain insurance coverage, the funds will be required to indemnify their General Partners, affiliates of the General Partners and certain other persons for liabilities incurred in connection with the affairs of the private funds. Such liabilities could be material and have an adverse effect on the returns to the investors.

## **Cyber Security Breaches and Identity Theft**

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Each private fund, its portfolio companies' and their service providers' information and technology systems are vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including nonpublic personal information and material nonpublic information. Although Crestview has implemented, and the private funds' portfolio companies and their service providers are expected to implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. In addition, while it reviews them on a regular basis, Crestview does not control the cyber security plans and systems put in place by third-party service providers, and such third-party service providers generally have limited indemnification obligations to Crestview, the private funds and/or a portfolio company, each of which could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. Crestview, the private funds and/or a portfolio company may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Crestview's, the private funds' and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to limited partners (and their beneficial owners), material nonpublic information, intellectual property, trade secrets and other sensitive information of Crestview and/or portfolio companies. Such a failure could harm Crestview's, the private funds' and/or a portfolio company's reputation, subject any such entity and its affiliates to legal claims,

regulatory action or enforcement arising out of applicable privacy or other laws and adverse publicity and otherwise affect its business and financial performance.

### **Certain Conflicts of Interest**

There are certain actual, inherent and potential conflicts of interest between Crestview and its respective employees, officers, directors, principals, members and/or an investment fund designed to allow such persons to co-invest with the Crestview private funds, on the one hand, and Crestview's private funds and/or their investors, on the other. The discussion below enumerates certain of such conflicts of interest. Crestview can give no assurance that conflicts of interest will be resolved in favor of Crestview's private funds and/or their limited partners, and, in fact, they might not be. By acquiring an interest, each investor will be deemed to have acknowledged the existence of such actual, apparent and potential conflicts of interest and that, subject to the terms of the partnership agreement of each Crestview private fund, such conflicts will be resolved by Crestview in its sole discretion but without any guarantee that any situation involving a conflict will be resolved in favor of the Crestview's private funds and/or their investors.

### *Other Activities of the General Partner and Management of the Crestview Private Funds*

Except as provided in the partnership agreement of each Crestview private fund, the General Partners and their affiliates will not be restricted in the scope of their business or in the performance of any services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest and whether or not such conflicts are described herein. Employees, officers, directors, principals, members and affiliates of Crestview are not obligated to devote their full time to the Crestview private funds but will devote such time as required by each Crestview private fund's partnership agreement and as the relevant General Partner in its sole discretion deems necessary to effectively carry out the operations of each Crestview private fund. Crestview and its personnel may have conflicts of interest in allocating their time and services among the Crestview private funds. In addition, subject to the partnership agreement of each Crestview private fund, Crestview personnel may devote a portion of their business time to other activities, such as serving on boards of directors of public and private companies, engaging in civic, professional, industry and charitable activities and conducting and managing personal and family investment activities. Such activities could be viewed as creating a conflict of interest in that the time and effort of such

principals may not be devoted exclusively to the business of Crestview's private funds but are expected to be allocated between the business of Crestview's private funds and such other activities.

### *Carried Interest*

Carried interest creates an incentive for a General Partner to make potentially more speculative investments for the relevant Crestview private fund than it would otherwise make in the absence of such performance-based distributions. In addition, the method of calculating a General Partner's carried interest could result in conflicts of interest between the General Partner, on the one hand, and Crestview's private fund, on the other hand, with respect to the management and disposition of investments, including the timing and sequence of such dispositions. Moreover, upon a withdrawal by an investor from a Crestview private fund (in limited circumstances) and upon the liquidation of a Crestview private fund, the relevant General Partner would receive carried interest distributions with respect to a distribution in kind of non-marketable securities or obligations (if the relevant partnership agreement provides for such a carried interest distribution). The valuation of such securities and obligations for such purposes will be determined by each General Partner in a manner as set forth in the applicable partnership agreement of each Crestview private fund.

Pursuant to the partnership agreements of the Crestview's private funds, a General Partner will be required under certain circumstances to return excess amounts of carried interest as a "clawback." This clawback obligation could create an incentive for a General Partner to defer disposition of one or more investments or delay the liquidation of the relevant Crestview private fund if the disposition and/or liquidation would result in a realized loss to the Crestview private fund or would otherwise result in a clawback situation for the General Partner. To address this risk, certain partnership agreements of Crestview's private funds include "interim" clawbacks, which would occur at various points in time prior to final liquidation of the fund.

### *Conflicts with Portfolio Companies*

Officers, employees and Senior Advisors of Crestview often serve as directors of certain portfolio companies and, in that capacity, are required to make decisions that they consider to be in the best interests of the portfolio company. In certain circumstances, for example, in situations involving bankruptcy or near insolvency of the portfolio company, actions that may be in the best interest of

the portfolio company might not be in the best interests of Crestview's private funds, and vice versa. Accordingly, if such a situation were to occur, there are potential conflicts of interests between such individual's duties as an officer or employee of Crestview and such individual's duties as a director of the portfolio company. Further, a director position could increase the risk that regulators or private litigants will hold, or seek to hold, Crestview's private funds responsible for non-compliance issues at the portfolio company.

Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to Crestview, Senior Advisors or Strategic Alliances in connection with services such parties provide to such portfolio company, and, except to the extent such amounts are subject to the offset provision's of the partnership agreements of Crestview's private funds, these amounts are in addition to the management fee or carried interest payable by Crestview's private funds discussed herein. Crestview's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to Crestview, Senior Advisors or Strategic Alliances subjects Crestview and any such portfolio company board appointees to potential conflicts of interest.

Additionally, a portfolio company typically will reimburse Crestview or service providers retained at Crestview's discretion for expenses (including, without limitation, expenses related to meetings and other events (to the extent that such meetings or events are attended by portfolio company personnel), certain entertainment expenses (to the extent that such expenses are attributable to portfolio company usage), travel expenses and expenses relating to recruiting, relocation and background checks for portfolio company positions) incurred by Crestview or such service providers in connection with their performance of services for such portfolio company, as well as consulting fees (and other cash and non-cash compensation) incurred. This subjects Crestview to conflicts of interest because Crestview's private funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements may be substantial. Crestview determines the amount of these reimbursements for such services in its own discretion. Although the amount of individual reimbursements typically is not disclosed to all investors in Crestview's private funds, their effect is reflected in each Crestview private fund's audited financial statements, and any fee paid or expense reimbursed to Crestview or such service providers generally is subject to an agreement with sellers, buyers or management team, the review and supervision of the board

of directors of or lenders to portfolio companies and/or third party co-investors. These factors help to mitigate related conflicts of interest.

Crestview periodically receives transaction fees and special income with respect to Crestview's private funds and their investments (including financial advisory fees, break-up fees, net monitoring fees, director fees and other similar fees, which at times include lump-sum, accelerated or termination payments in respect of such fees in the event of the sale or initial public offering of the relevant portfolio company or other termination of the arrangement), but an amount equal to a portion of such fees and income received by Crestview is a reduction item in the computation of the management fee owed by Crestview's private funds. Any direct, unreimbursed monitoring expenses generally result in a reduction in the calculation of net monitoring fees.

Portfolio companies periodically are counterparties or participants in agreements, transactions or other arrangements with other portfolio companies of Crestview's private funds that involve fees and/or servicing payments to such other portfolio companies, which are not subject to fee offsets or otherwise shared with Crestview's private funds.

#### *Diverse Membership*

Investors in Crestview's private funds include taxable and tax-exempt entities and persons from the United States and jurisdictions outside of the United States. Such persons often have conflicting investment, tax and other interests with respect to their investments in Crestview's private funds. The conflicting interests of individual investors relate to or arise from, among other things, the nature of the investments made by Crestview's private funds, the structuring of the acquisition of Crestview's private funds' investments, the purchase by Crestview's private funds of assets from a portfolio company where certain limited partners did not participate in Crestview's private funds' investment in such portfolio company, the desire to consummate co-investment opportunities and the timing of disposition of investments. Such structuring of Crestview's private funds' investments and other factors results in different returns being realized by different investors if, for example, one set of investors invests through a structure that results in taxes or other expenses that another set of investors does not incur. As a consequence, a potential conflict of interest arises in connection with decisions made by Crestview that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations, including with respect to the



nature or structuring of investments. In selecting and structuring investments appropriate for Crestview's private funds, Crestview will consider the investment and tax objectives of Crestview's private funds and the investors as a whole and not the investment, tax or other objectives of any investor of such fund individually.

### *Co-Investments*

Crestview's private funds in a particular fund complex generally will co-invest together in each portfolio company (including through one or more aggregator vehicles), and exit or dispose of each such investment, at substantially the same time and on substantially similar terms, except to the extent necessary to address regulatory, tax or other legal considerations. Potential conflicts of interest arise in connection with decisions made by Crestview, including in respect of the nature or structuring of investments that may be more beneficial for one of Crestview's private funds than for another of Crestview's private funds, as discussed in the preceding paragraph.

Crestview periodically offers co-investment opportunities to third-parties, investors or prospective investors in a Crestview private fund or a committed discretionary co-investment vehicle organized to accommodate an investor in a private fund, in the event that the amount of an investment opportunity offered to Crestview's private funds exceeds the amount that the applicable Crestview private funds have committed to invest. There can be no assurances with respect to the amount of any co-investment opportunity that will be made available in connection with Crestview's private funds, and Crestview does not provide any guarantee or prediction of the availability of future co-investment opportunities. Investing in Crestview's private funds does not entitle any investors to allocations of co-investment opportunities.

Each co-investment opportunity (should any exist) is likely to be different, and allocation of each such opportunity will depend on the facts and circumstances specific to that unique situation (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). As a general matter, Crestview, in determining the allocation of discretionary co-investment opportunities, expects to take into account various facts and circumstances deemed relevant by Crestview. Such factors are likely to include, among others, a current or prospective limited partner's ability to execute and fund a transaction quickly, strategic benefits that may arise from being associated with a co-investor, value that such co-investor or its representatives may add

to a portfolio company such as through board representation, the amount of capital that such co-investor has or may commit to Crestview's private funds and whether the co-investor has expressed an interest in co-investments and the views or recommendations of any other investor alongside whom Crestview's private fund is making an investment, and such other factors that Crestview deems relevant under the circumstances. The factors listed in the foregoing sentence are neither presented in order of importance nor weighted. In addition, an investor may be offered fewer co-investment opportunities than investors with the same, larger or smaller capital commitments in Crestview's private funds, and some investors may receive no such offers while other investors with capital commitments of the same, higher or lower amount may receive substantial offers for such opportunities. In cases where a Crestview private fund invests alongside other investors, including as part of a "club deal," such other investors may have a substantial role in the allocation of co-investment opportunities and may do so according to criteria of their own choosing.

Certain of Crestview's employees and other professionals make co-investments in portfolio companies alongside the private funds in dedicated co-investing funds that are part of such private funds' fund complex, through the General Partner of such private funds or otherwise. Any such co-investment is made concurrently with the private funds and in the same portion of the capital structure and on terms substantially the same as the private funds invest. Crestview's employees, a General Partner or its affiliates will not dispose of any co-investment ahead of the private funds, and concurrent dispositions will be on substantially the same terms. The terms applicable to a co-investing fund for employees or other professionals will differ materially from the terms of the other Crestview private funds, including the fact that such investments will not be subject to any carried interest or management fees.

Although Crestview believes that employee and General Partner (or General Partner affiliate) co-investments align the interests of the employees or the General Partner with those of the private funds, co-investments could give the appearance that employees or the General Partner is taking investment opportunities that could be used by the funds. Crestview seeks to mitigate this potential conflict of interest by limiting the size of employees' and General Partner (or General Partner affiliate) co-investments, as described in the private funds' confidential offering materials.

### *Other Considerations Applicable to Co-Investments*

As discussed in the preceding paragraph, Crestview is entitled, in its sole discretion, to provide or commit to provide co-investment opportunities to one or more investors and/or other persons (including pursuant to a discretionary arrangement with such persons), in each case on terms to be determined by Crestview in its sole discretion. Crestview's private funds may be required to bear all costs, expenses, liabilities and obligations relating to any non-consummated investment that may have been allocated to one or more persons co-investing in such proposed investment (whether pursuant to a discretionary arrangement or otherwise) had the proposed investment been consummated.

In general, co-investors do not bear expenses (such as management fees, carried interest, administrative expenses and, except as described below, expenses associated with proposed investments that are ultimately not made by Crestview's private funds) that other investors in a fund complex bear, unless such expenses are attributable to an investment (or investment vehicle) in which such co-investors have invested.

In the case of expenses related to proposed investments that are ultimately not made, generally, the only co-investors who bear a *pro rata* portion of such expenses are those prospective co-investors who had entered into in a prior discretionary arrangement with Crestview and had agreed to bear their share of such expenses if Crestview determines during its consideration of the proposed investment opportunity that such co-investors would participate in such proposed investment. Otherwise, in the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of Crestview, ultimately is not consummated, all broken deal expenses relating to such proposed transaction are most likely to be borne entirely by Crestview's private funds and not by any prospective co-investors that might have participated in such transaction. In many cases, no co-investment vehicle will have been formed at such time.

Finally, Senior Advisors often make co-investments in portfolio companies with respect to which they provide advice or consultation. Such Senior Advisors also act as directors or management of portfolio companies and receive compensation directly from such portfolio companies. The

investors in the private funds which own such portfolio companies would indirectly bear such expenses, and such amounts would not be reduction items in computing the management fees payable by the private funds.

Co-investors generally either purchase their interest in an investment at the same time as Crestview's private funds or from Crestview's private funds after the funds have consummated the investment, structured in such case as a post-closing sell down or transfer. Crestview generally seeks to ensure that Crestview's private funds and any co-investors participate in any co-investment and any related transactions on comparable economic terms to the extent Crestview determines appropriate and subject to legal, tax and regulatory considerations. Investors should note that such participation may not be appropriate in all circumstances and that Crestview's private funds may participate in investments on different and potentially less favorable economic terms than other parties if Crestview deems such participation as being otherwise in Crestview's private funds' interests. This may have an adverse impact on Crestview's private funds.

#### *LP Advisory Committee*

The General Partners in certain situations choose to seek the approval of a majority of the members of a limited partner advisory committee ("**LP Advisory Committee**") with respect to potential conflict of interest situations. The General Partners may also choose to seek the approval of the investors of Crestview's private funds with respect to such situations. Such approval may be sought from investors having a majority of the aggregate limited partner commitments, or from those having a majority of the capital invested in a particular investment, depending upon the circumstances. Any such approval by an LP Advisory Committee or investors will be binding upon Crestview's private funds and all the investors in such private funds. The members of an LP Advisory Committee or investors holding a majority of the aggregate commitments, as applicable, may disproportionately represent one or more of Crestview's private funds or categories of investors. To the extent members of an LP Advisory Committee or investors vote on any matter regarding conflicts or otherwise participate in matters involving a vote or action thereby, any such limited partners, as applicable, could have interests in a number of Crestview private funds and, as a result, may not vote (and will be exculpated from liability for not voting) solely in accordance with their interests related to one Crestview private fund. For example, certain LP Advisory

Committee members of one Crestview fund may also be members of one or more LP Advisory Committees of other Crestview private funds and, therefore, may be required to vote, among other matters, on issues regarding conflicts between the Crestview private funds. Moreover, such investors are unrestricted from voting, and are affirmatively permitted to vote, in a manner that is in their own interest and adverse to the interest of other investors and Crestview private funds. Any decision by Crestview to seek such approval will not be construed as an acknowledgement that a conflict existed.

#### *Conflicts among Crestview's Private Funds*

In accordance with restrictions contained in Crestview's private funds' partnership agreements, Crestview's private funds invest in securities of companies that are actual or potential investments of another Crestview private fund. The trading activities of those Crestview private funds may differ from or be inconsistent with activities that are undertaken for the account of another Crestview private fund in such securities or related securities. In addition, a Crestview private fund may not pursue an investment as a result of such trading activities by other Crestview private funds or may invest in opportunities that one or more Crestview private funds has declined, and vice versa. The foregoing creates conflicts of interest for Crestview in allocating investment and/or add-on opportunities among the private funds and/or their respective portfolio companies. In determining whether a Crestview private fund should participate in investment opportunities suitable for multiple Crestview private funds (or a portfolio company thereof), Crestview is subject to potential conflicts of interest among the investors in the relevant private funds. Investments by multiple Crestview private funds in a portfolio company may also raise the risk of using assets of one such investment fund to support positions taken by the other investment fund. In providing advice and recommendations to such investments and in dealing with such investments on behalf of any Crestview private fund or successor investment funds, to the extent not prohibited by law or the partnership agreement of each private fund, Crestview will take into consideration factors other than the interests of the relevant private funds and their portfolio companies and investments. Accordingly, such advice, recommendations and dealings may result in adverse consequences to Crestview's private funds or their investments.

In the case where two or more of Crestview's private fund complexes invest in the same portfolio company, the amount available for investment by one Crestview private fund will be correspondingly reduced by the amount of the investment of the other private fund. In addition, with the consent of the relevant LP Advisory Committees, the terms of a Crestview private fund's investment, including the type of security or instrument purchased, may be different from the terms of a co-investing Crestview private funds' investment. Conflicts could arise after Crestview's private funds make investments in the same portfolio company in respect of the portfolio company's strategy, growth, including, for example, the allocation of add-on opportunities, and financing alternatives and in respect of the manner and timing of a Crestview private fund's exit from the investment compared to other co-investing private funds' exit. If a Crestview private fund invests in a type of security different from the security purchased by other Crestview private funds, additional conflicts may arise, particularly if the portfolio company experiences financial difficulties.

It is possible that a Crestview private fund will invest in a company that is or becomes a competitor of a portfolio company of other Crestview private funds, which may lead to, among other things, a negative impact on one or more Crestview private funds' portfolio company's sales performance. Such investment could create a conflict among Crestview's private funds. In such a situation, Crestview may also have a conflict in the allocation of its own resources to the portfolio company.

Although uncommon, from time to time Crestview may cause one Crestview private fund to enter into a transaction whereby the Crestview private fund purchases securities from, or sells securities to, other Crestview private funds, or co-investors or co-investment vehicles. Such transactions raise potential conflicts of interest, including where the investment of one Crestview private fund supports the value of portfolio companies owned by another Crestview private fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant private funds' limited partnership agreements or otherwise in the sole discretion of Crestview, Crestview may seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price) or by obtaining the consent of the relevant private fund(s).

(including, where authorized, the consent of each private fund's LP Advisory Committee) to such transactions. In certain circumstances, Crestview may determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the private fund under then-current market conditions. Crestview intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each Crestview private fund under the circumstances, including a consideration of the potential present and future benefits with respect to each private fund.

Although Crestview generally structures its private funds to avoid cross-guarantees and other circumstances in which one Crestview private fund bears liability for all or part of the obligations of another Crestview private fund in a different fund complex, in certain circumstances lenders and other market parties negotiate for the right to face only select Crestview private fund entities, which may result in a single Crestview private fund being solely liable for other private funds' shares of the relevant obligation and/or joint and several liability among Crestview's private funds. In such cases, the limited partnership agreements of the relevant private funds generally provide for allocation of such obligation and/or joint and several liability among the private funds, although the private fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements.

#### *Expense Allocation*

Crestview is faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to its private funds. Crestview, in its sole discretion, will allocate fees and expenses in accordance with the applicable limited partnership agreement of each Crestview private fund and in a manner that it believes in good faith is fair and equitable to the Crestview private funds under the circumstances and considering such factors as it deems relevant. The allocations of such expenses are not always proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size.

### *Follow-on Investments*

Investments to finance follow-on acquisitions are a regular part of the business of Crestview's private funds. Follow-on investments present potential conflicts of interest, including determination of the equity component and other terms of the new financing. In addition, a Crestview private fund may participate in releveraging and recapitalization transactions involving portfolio companies in which other Crestview private funds have invested or may invest. Recapitalization transactions may present conflicts of interest, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms. Crestview will resolve conflicts using its best judgment but in its sole discretion, subject in certain cases to approval by the relevant LP Advisory Committees.

### *Research Costs for Investments*

There are circumstances when Crestview considers a portfolio company on behalf of a Crestview private fund and initially determines not to make such an investment, but eventually makes an investment in such portfolio company through another Crestview private fund or investment vehicle sponsored by Crestview. In these circumstances, Crestview or such funds or investment vehicles benefit from research by the original investment team researching the investment and/or from costs borne by the initial Crestview private fund (if any) in pursuing the potential portfolio investment but will not be required to reimburse the Crestview private fund for expenses incurred in connection with such investment.

### *Valuation*

Crestview's private funds expect to make investments for which market values based on publicly available quotations are not available. Valuations of such investments that are determined by Crestview could vary from similar valuations performed by independent third parties for similar types of investments. Inaccurate valuations may, among other things, prevent Crestview's private funds from effectively managing their investment portfolio and risks or affect the diversification and risk management of the private funds. Additionally, Crestview has a conflict of interest with



respect to such valuations or the timing of recognition of a permanent impairment because the compensation paid or allocated by Crestview's private funds to Crestview or the General Partners will depend in part on the value assigned to such investments and the timing of such recognition.

### *Industry Relationships*

As with other private equity fund sponsors, as part of Crestview's business, Crestview and its employees and Senior Advisors have developed many relationships with third parties which have the potential to raise conflicts of interest. Such third parties include, but are not limited to, investment bankers, consultants, professional advisors (such as attorneys and accountants), private equity and venture capital investors, co-investors, current and former directors, officers and employees of current and former portfolio companies and former employees and partners of Crestview. Certain of such third parties introduce investment opportunities to Crestview, arrange for, or facilitate the financing of, the purchase or recapitalization of potential portfolio companies, introduce portfolio investments to potential acquisition or merger candidates, introduce Crestview or its affiliates to potential buyers of portfolio investments, facilitate the acquisition or disposition of portfolio investments, provide investment banking, consulting or advisory services to Crestview, Crestview's private funds or portfolio companies, invest in Crestview's private funds (including on a no-fee, no-carry basis), co-invest in portfolio companies or provide other significant business or investment services to or otherwise transact with, including the direct purchase or sale of portfolio companies from or to, Crestview, Crestview's private funds and portfolio companies. Such third parties receive direct commercial compensation from a portfolio company or Crestview for providing these services, which compensation and services are intended to be on arm's-length terms, and such amounts are not offset against the management fee payable by Crestview's private funds.

### *Senior Advisors and Strategic Alliances*

Crestview's Senior Advisors assist Crestview in evaluating and managing investments and often act as directors or senior management of portfolio companies. Senior Advisors are senior advisory consultants but are not members of Crestview's full-time, dedicated staff (regardless of tax classification as an employee or independent contractor) or an Investment Committee member. The Senior Advisors regularly provide services to, or in connection with, Crestview's private funds in relation to their activities, or to one or more portfolio companies in relation to the identification,

acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies. Crestview also has established a Strategic Alliance with a non-affiliated firm to provide exclusive investment opportunities to Crestview's private funds in Western Europe. This Strategic Alliance is with an independent investment firm Aleph Capital Partners Ltd. In addition, Strategic Alliance parties provide services such as monitoring services or serving on the boards of directors of portfolio companies (all such services provided by the Seniors Advisors and the Strategic Alliances, the "**Services**").

Pursuant to the partnership agreement of each Crestview private fund, fees, compensation, obligations and expenses associated with the Services (collectively "**Consulting Fees and Expenses**") will be paid and/or reimbursed by applicable portfolio companies and/or Crestview private funds, and Consulting Fees and Expenses do not offset the management fees. Consulting Fees and Expenses are expected to include cash fees, loans or other extensions of credit to purchase equity interests in a portfolio company, profits or equity interests in a portfolio company, a share of proceeds upon sale of a portfolio company and/or other incentive-based compensation to such Senior Advisor or Strategic Alliance, which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Senior Advisor or Strategic Alliance, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company.

Additionally, portfolio companies generally provide opportunities for Senior Advisors and Strategic Alliances to invest in such portfolio company and reimburse costs and expenses incurred by Senior Advisors and Strategic Alliances. Senior Advisors and Strategic Alliances also generally receive remuneration from Crestview and/or are entitled to other forms of compensation, including equity grants in portfolio companies. Such investment opportunities, reimbursements and other compensation paid to a Senior Advisor or Strategic Alliance will not offset the management fees. Senior Advisors and Strategic Alliances often have a limited partner or profits interest in Crestview's private funds, the General Partners, one or more other investment funds sponsored by the General Partners or in an affiliate of the General Partners.

Although Crestview intends to retain Senior Advisors with a view to identifying investment opportunities, reducing costs to portfolio companies (and, ultimately, to Crestview's private funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. Crestview intends to retain only such Senior Advisors which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

### *Service Providers*

In addition to Crestview's Senior Advisors, certain other advisors or service providers (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants and investment or commercial banking firms) to Crestview's private funds, Crestview or the companies in which the private funds invest also provide goods or services to or have business, personal, financial or other relationships with Crestview. Such advisors and service providers at times are limited partners in Crestview's private funds, affiliates of the General Partners, sources of investment opportunities or co-investors or commercial counterparties. Additionally, certain employees of Crestview have family members or relatives employed by such advisors and service providers. These relationships may influence Crestview in deciding whether to select or recommend such a service provider to perform services for Crestview's private funds or a company in which Crestview's private funds invest (the cost of which will generally be borne directly or indirectly by the relevant private funds or such company, as applicable). Advisors and service providers, or their affiliates, often charge different rates or have different arrangements for specific types of services. Therefore, based on the types of services used by Crestview's private funds and the companies in which the private funds invest as compared to Crestview and the terms of such services, Crestview may benefit to a greater degree from such vendor arrangements than the private funds or such companies.

### *Other Conflicts*

Crestview also, from time to time, employs personnel with pre-existing ownership interests in portfolio companies owned by Crestview's private funds or other investment vehicles advised by Crestview; conversely, former personnel or executives of Crestview from time to time serve in significant management roles at portfolio companies or service providers recommended by

Crestview. Similarly, Crestview and/or its personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks and brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities may invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to Crestview and/or the funds or other investment vehicles Crestview advises. Crestview has a conflict of interest with a Crestview private fund in recommending the retention or continuation of a third-party service provider to such Crestview private fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Crestview private funds, will provide Crestview information about markets and industries in which Crestview operates (or is contemplating operations) or will provide other services that are beneficial to Crestview. Crestview may have a conflict of interest in making such recommendations, in that Crestview has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Crestview private fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Crestview private fund.

Crestview and equity holders, officers, principals and employees of Crestview are entitled under limited circumstances to buy or sell securities or other instruments that Crestview has recommended to a Crestview private fund. In addition, officers, principals and employees can buy securities in transactions offered to but rejected by a Crestview private fund. Such transactions are subject to any restrictions in the private fund's partnership agreement and any policies and procedures set forth in Crestview's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Crestview private fund. Employees and related persons of Crestview have, and are expected to continue to have, capital investments in or alongside certain Crestview private funds, or in prospective portfolio companies directly or indirectly, and therefore have additional conflicting interests in connection with these investments.

Because there is a fixed investment period after which capital from investors in a Crestview private fund may only be drawn down in limited circumstances and because management fees are, at certain times during the life of a Crestview private fund, based upon capital invested by such private fund, this fee structure creates an incentive to deploy capital when Crestview may not otherwise have done so.

Crestview enters into side letters with certain investors in a Crestview private fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, excuse rights and liquidity or transfer rights.

To the extent that an investment or relationship raises particular conflicts of interest, Crestview will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Crestview consults and receives consent to conflicts from an LP Advisory Committee consisting of investors of the relevant private fund(s) and such other investment vehicles.

#### *Global Events and Threats*

Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts, wars and social unrest) will occur that have significant impacts on issuers, industries, governments and other systems, including the financial markets. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat. Crestview's private funds will be negatively impacted if the values of their portfolio companies decrease as a result of such events, if these events adversely impact the operations and effectiveness of Crestview or its key service providers or if these events disrupt systems and processes necessary or beneficial to the management of its private funds.

For example, in late 2019 and early 2020, a novel coronavirus (SARS-CoV-2) and related respiratory disease (COVID-19) emerged in China and spread rapidly across the world, including

to the United States. This outbreak led and for an unknown period of time will continue to lead to disruptions in local, regional, national and global markets and economies affected thereby. With respect to the U.S., this outbreak resulted in, and until fully resolved is likely to continue to result in, the following, among other things: (i) government imposition of various forms of “stay at home” orders and the closing of “non-essential” businesses resulting in significant disruption to the businesses of many companies including both supply chains and demand, and in lay-offs of employees, which effects are hoped to be temporary but may be permanent for some of these businesses; (ii) increased indebtedness by businesses; (iii) increased requests by borrowers for amendments and waivers of their credit agreements to avoid default, increased defaults by such borrowers and/or increased difficulty in obtaining refinancing at the maturity dates of their loans; and (iv) rapidly evolving proposals and/or actions by state and federal governments to address problems being experienced by the markets and by businesses and the economy in general which may or may not adequately address these problems. This outbreak is having, and any future outbreaks could have, an adverse impact on the economy in general, which could have a material adverse impact on, among other things, the ability of Crestview’s portfolio companies to continue operations profitably. As of the date of this Brochure, it is impossible to determine the scope of this outbreak, or any future outbreaks, how long any such outbreak, market disruptions or uncertainties may last, the effect any governmental actions may have or the full potential impact on Crestview, its private funds or their portfolio companies.

#### *Depository Institution Risk*

Crestview’s private funds’ cash is deposited with depository institutions. Deposits placed at depository institutions up to the FDIC’s Standard Maximum Deposit Insurance Amount (SMDIA) generally carry no principal risk because those deposits are backed by the full faith and credit of the U.S. government. If a depository institution were to fail, Crestview would submit a claim to the FDIC on behalf of its private funds and any deposits maintained by such bank on behalf of such private fund. Any deposits in excess of the SMDIA carry principal risk. Crestview monitors the credit worthiness and overall health of each bank used to hold private fund assets.

### *General Economic and Market Conditions*

The success of Crestview's private funds' activities may be affected by general economic and market conditions, such as interest rates and changes in interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of a private fund's investments), trade barriers, currency exchange controls and national and international political circumstances (including wars, terrorist acts or security operations), although the success of a particular investment may be less correlated to changes in general economic and market conditions.

### *Financial Institution Risk; Distress Events*

An investment in Crestview's private funds is subject to the risk that one of such funds' banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "**Financial Institution**") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "**Distress Event**"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Crestview, its private funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("**FDIC**"), in the case of banks, or the Securities Investor Protection Corporation ("**SIPC**"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Crestview to manage its private funds and their investments, and on the ability of Crestview, any of its private funds and/or

portfolio companies to maintain operations, which in each case could result in significant losses and un consummated investment acquisitions and dispositions. Such losses have the potential to include a private fund paying fees and expenses in the event the private fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a private fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although Crestview expects to exercise contractual remedies under agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Many Financial Institutions require, as a condition to using their services or otherwise, that Crestview and/or its private funds maintain all or a set amount or percentage of their respective accounts or assets with such Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institution. Although Crestview seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, Crestview is under no obligation to use a minimum number of Financial Institutions with respect to any private fund, or to maintain account balances at or below the relevant insured amounts.

## **Disciplinary Information**

Crestview and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to an investor's evaluation of Crestview or its personnel.

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

Crestview is affiliated with GP I, GP II, GP III and GP IV, which serve as the general partners, respectively, of the entities composing Crestview's Fund I, Fund II, Fund III and Fund IV complexes. Crestview is also affiliated with Crestview Partners (Cayman), Ltd., the Cayman Islands administrative general partner of certain private funds that are organized in that jurisdiction, and Crestview, L.L.C., the general partner of the General Partners.



The private funds own interests in a number of legal entities that hold investments in portfolio companies, and the investors in the private funds at times invest through special purpose vehicles for specific investments. More detailed information about the entities that may be used to structure specific investments is included in the private funds' confidential offering materials.

From time to time, Crestview utilizes the services of entities that have, directly or indirectly, or whose affiliates have, investments in private funds managed by Crestview. Such services will only be used on an arm's length basis and when they are in the best interest of the private funds advised by Crestview.

The legal entities that principally compose the Fund I complex are as follows:

- Crestview Partners, L.P.
- Crestview Partners (TE), L.P.
- Crestview Partners (ERISA), L.P.
- Crestview Partners (PF), L.P.
- Crestview Partners (Cayman), L.P.

The legal entities that principally compose the Fund II complex are as follows:

- Crestview Partners II, L.P.
- Crestview Partners II (TE), L.P.
- Crestview Partners II (FF), L.P.
- Crestview Partners II (Cayman), L.P.
- Crestview Partners II (FF Cayman), L.P.
- Crestview Partners II (892 Cayman), L.P.

The legal entities that principally compose the Fund III complex are as follows:

- Crestview Partners III, L.P.
- Crestview Partners III (TE), L.P.
- Crestview Partners III (TE 2), L.P.
- Crestview Partners III (FF), L.P.

- Crestview Partners III (Offshore), L.P.
- Crestview Partners III (FF Offshore), L.P.
- Crestview Partners III (892), L.P.
- Crestview Partners III (DE Offshore), L.P.
- Crestview Partners III Co-Investors, L.P.
- Crestview Partners III (Co-Investment B), L.P.

The legal entities that principally compose the Fund IV complex are as follows:

- Crestview Partners IV, L.P.
- Crestview Partners IV (TE), L.P.
- Crestview Partners IV (FF), L.P.
- Crestview Partners IV (Offshore), L.P.
- Crestview Partners IV (FF Offshore), L.P.
- Crestview Partners IV (892), L.P.
- Crestview Partners IV (DE Offshore), L.P.
- Crestview Partners IV Co-Investors, L.P.
- Crestview Partners IV (Bluebonnet), L.P.

Additional information regarding actual or potential conflicts involving Crestview, Crestview's private funds and their related persons is set forth above under "Certain Conflicts of Interest" in the "Methods of Analysis, Investment Strategies and Risk of Loss" section.

On March 4, 2021, Live Oak Crestview Climate Acquisition Corp. ("LOCC"), a special purpose acquisition company, or SPAC, formed to pursue an initial business combination in the climate and sustainability spaces filed a registration statement for an initial public offering with the SEC.

A wholly owned subsidiary of GP IV invested in LOCC's sponsor, alongside Live Oak Merchant Partners and other individuals and institutions. Live Oak Merchant Partners, a merchant bank, was co-founded by Richard Hendrix, a Crestview Operating Executive and chairman of the board of a Fund III portfolio company. Adam J. Klein, a Partner of Crestview and member of the Investment Committees of Crestview's private funds, sits on the board of directors of LOCC. A risk exists that

Crestview's resources, which otherwise would be directed toward investments and potential investments of its private funds, will instead be directed toward the activities of LOCC and that a conflict may arise if an investment opportunity is appropriate for both LOCC and Crestview's private funds. This risk is mitigated by the fact that the investment objectives of LOCC are not substantially similar to Crestview's private funds. LOCC intends to pursue business combinations with companies in the climate and sustainability spaces, while Crestview's private funds focus on media, financial services and industrials investments.

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

Crestview has adopted a written code of ethics that is applicable to all employees, including officers and principals. Among other things, the code requires Crestview and its employees to act in the private funds' best interests, abide by all applicable regulations, avoid even the appearance of insider trading and pre-clear and report on many types of personal securities transactions. Crestview's restrictions on personal securities trading apply to employees and certain of their family members living in the same household. A copy of Crestview's code of ethics is available upon request by calling the number on the cover page of this brochure. See the section "Methods of Analysis, Investment Strategies and Risk of Loss" under the heading "Co-Investments" for a description of conflicts related to employee co-investment alongside Crestview funds.

## **Brokerage Practices**

As an investment adviser to private equity funds, Crestview does not typically engage in active trading of publicly traded securities. When, on occasion, Crestview or the private funds that it manages transact in publicly traded securities, Crestview seeks to facilitate such transactions through the retention of professional services firms that provide high quality services at reasonable costs. Crestview does not always select the service provider with the lowest costs, particularly if other providers offer better services at costs that are believed to be reasonable relative to their value. Crestview's Best Execution Review Committee meets periodically to evaluate the quality and cost of transaction-related services obtained from third parties and to identify any actual or apparent conflicts of interest associated with the chosen third parties.

Crestview does not have formal soft-dollar arrangements, but from time to time, it obtains proprietary research or market color from broker-dealers and other trading counterparties. Crestview does not believe that it pays higher commissions than those charged by other broker-dealers in exchange for such research; however, Crestview's receipt of such research from third-party service providers that are paid by the private funds that it advises could pose a conflict of interest because Crestview could have tried to use its own resources to generate similar research internally. This conflict of interest could give Crestview an incentive to choose third-party service providers for the private funds who include research as part of their service packages. Research costs borne by the private funds can be for market research, industry research and regulatory research, among other things. Research obtained as part of a package of services might be used for the benefit of all of Crestview's private funds, even if the services are paid for by just one fund.

Crestview typically has only one private fund that is making active investments at any given time, so there is generally not an opportunity to aggregate orders among the private funds. To the extent that more than one fund is active at the same time and an investment opportunity is suitable for multiple active funds, each applicable Investment Committee will seek to allocate the opportunity in a manner that is fair to all potential participants in accordance with the governing documents of such funds.

## **Review of Accounts**

Each of the private funds' investments is assigned to a team of investment professionals who have an ongoing responsibility to monitor the asset for any material developments. Additionally, Crestview's entire investment staff meets weekly to review the private funds' holdings. Certain senior investment professionals of the firm (Messrs. Cassidy, Delaney, Kilpatrick, Klein, Murphy, Rose and Volpert) currently compose the Investment Committee for each of Fund I, Fund II, Fund III and Fund IV.

Crestview provides investors in its private funds with information about the funds' performance and investments during annual limited partner meetings. Information provided during the annual meetings are provided through speeches and presentations. Each limited partner also receives quarterly financial information, annual audited financial statements and, if applicable, an annual tax

Schedule K-1. Crestview provides additional information to investors in oral or written format at their discretion.

## **Client Referrals and Other Compensation**

Crestview's clients are its private funds. Crestview does not compensate any third parties for client referrals. However, Crestview and its affiliates have entered into placement agent agreements in the past for its private funds, whereby third-party placement agents introduce investors to the private funds. Placement agents collect fees from the private funds, which will reduce the amount of capital available to the funds for making investments, but an amount equal to the payments made by the private funds to such placement agents is a reduction item in the calculation of the management fees paid by such funds. The admission periods for Fund I, Fund II, Fund III and Fund IV are closed, so such funds do not currently use placement agents, although they have in the past. Placement agent fees have totaled approximately 2% of the solicited investors' capital commitments and approximately 0.3% of the funds' overall capital commitments for Fund I, Fund II, Fund III and Fund IV, combined.

From time to time, portfolio companies provide products or services including at rates generally offered to the public or pursuant to employee or other affiliated discount plans to Crestview, its employees and affiliates, other portfolio companies and/or investors in the private funds. Such discounts are not expected to be material.

## **Custody**

In order to comply with SEC requirements and ensure that the private funds' assets are appropriately protected, Crestview and its affiliates have arranged for annual audits of the private funds' assets. These audited financial statements are distributed to all investors in a private fund within 120 days or less of such fund's fiscal year end. Crestview and its affiliates have also arranged for all of the private funds' cash and securities (other than privately offered, uncertificated securities with limited transferability and other securities exempt from such requirements under the Custody Rule) to be held with qualified custodians.

## **Investment Discretion**

Crestview serves as the investment adviser, and the relevant General Partner has discretionary authority to implement investment decisions, for each of the funds which Crestview advises. Crestview's investment decisions and advice with respect to each private fund are subject to investment advisory agreements between Crestview and such fund, such fund's limited partnership agreement and any side letters that such fund or its General Partner executes with investors.

## **Voting Client Securities**

The General Partners have the opportunity to vote on a variety of corporate actions on behalf of the private funds with respect to the private funds' investments in portfolio companies. Crestview has adopted written policies and procedures in an effort to ensure that any such voting opportunity is exercised with diligence, care and loyalty. For routine corporate actions that do not pose a conflict of interest, the investment professional with primary responsibility for overseeing a portfolio company will determine how the relevant General Partner should direct the funds to vote. For corporate actions that are non-routine, or that pose an actual or apparent conflict of interest, the responsible investment professional will prepare a written summary of the matter under consideration, any actual or apparent conflicts of interest, the professional's voting recommendation and the basis for such recommendation and will discuss the matter with the relevant Investment Committee. The investment professional will then arrange for the General Partner to vote based on the Investment Committee's decision. In all cases, Crestview and the General Partner will seek to vote in a way that is believed to be in the best interests of the private fund holding the portfolio company securities in question. Investors cannot direct the way in which Crestview will vote on behalf of the private funds.

Current and prospective investors in the private funds may request a copy of Crestview's written policies and procedures governing the voting of corporate actions. Current investors may also request information about the way in which the General Partner voted in connection with assets held by their respective funds.

The private funds advised by Crestview sometimes approve one or more Crestview employees or advisors (including Partners, Senior Advisors, Principals, Vice Presidents and other employees) to

act as representatives on the boards of directors of the funds' portfolio companies. In situations where Crestview votes the proxy for a company in which employees or advisors of Crestview serve on the board of directors, Crestview has determined that this does not inherently present a conflict of interest as such employees or advisors are on the board of directors as representatives of the funds advised by Crestview. Given these facts, Crestview believes that the funds' and the representatives' roles are aligned with respect to proxy voting and otherwise.

## **Financial Information**

Crestview has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage the private funds.