

**Recent Resolutions of SEC Enforcement Actions Against Private Equity Advisors**

| Date      | Category   | Summary   | Penalty | Disgorgement and Prejudgment Interest | Imposition of Undertakings or Consultants | Relevant Statutory or Regulatory Violations |                 |           |           |          |          |        |          |       |   |
|-----------|--|---|---------|---------------------------------------|---|---|-----------------|-----------|-----------|----------|----------|--------|----------|-------|---|
|           |  |   |         |                                       |   | EA 10(b) or SA 17(a)(1)                     | 17(a)(2) or (3) | AA 206(1) | AA 206(2) | 206(4)-8 | 206(4)-7 | AA 207 | 206(4)-2 | Other |   |
| 11-Mar-13 | Valuation; disclosures   | Representing that a fund investment was valued based on the underlying managers estimated values when actually valued at a significant undisclosed markup to those estimates.   |         |                                       |   |   | X               |           |           |          | X        | X      |          |       |   |
| 22-Sep-14 | Expense allocation   | Improperly sharing expenses between portfolio companies in separate funds in a manner that benefited one fund over the other.   |         |                                       |   |   |                 |           |           |          | X        | X      |          |       |   |
| 29-Jun-15 | Broken deal expenses   | Failing to disclose that the adviser did not allocate any "broken deal" expenses to co-investors, including affiliated co-investors, despite their participation in the investments incurring those expenses.   |         |                                       |   |   |                 |           |           |          | X        | X      |          |       |   |
| 7-Oct-15  | Monitoring fees; conflicts of interest   | Failing to disclose the practice of accelerated monitoring fees until after those fees were taken.<br>Failing to disclose that a manager negotiated a greater discount on legal services for itself than for its funds.   |         |                                       |   |   |                 |           |           |          | X        | X      | X        |       |   |
| 3-Nov-15  | Monitoring fees; conflicts of interest   | Failing to disclose that portfolio company monitoring fees were shifted to a new entity and would no longer be offset against management fees.<br>Failing to disclose conflicts of interest when fund and portfolio company assets were used for payments to former firm employees and an affiliated entity.                                  |         |                                       |   |   |                 |           |           |          | X        | X      |          |       |   |
| 5-Nov-15  | Expense allocation   | Allocating legal and compliance expenses stemming from regulatory obligations as registered investment advisors to client funds without explicitly disclosing the same.   |         |                                       |   |   |                 |           |           |          | X        | X      | X        |       |   |
| 23-Nov-15 | Conflicts of interest; disclosures   | Failing to disclose potential conflicts created by loans senior to fund investments and cross-over investments.<br>Failing to disclose when certain concentration limits were exceeded.   |         |                                       |   |   |                 |           |           |          | X        | X      |          |       |   |
| 1-Jun-16  | BD<br>Registration / reporting violations; expense allocation; conflicts of interest | Engaging in brokerage activity and charging fees without registering as a broker-dealer.<br>Failing to disclose conflicted transactions, including where operating fees were paid to adviser<br>Improperly using fund assets for political contributions and entertainment related expenses.  |         |                                       |   |   |                 |           |           |          | X        | X      | X        |       | Section 15(a) of the Securities Exchange Act        |
| 23-Aug-16 | Monitoring fees; conflicts of interest; failure to supervise                         | Failing to adequately disclose prior to the capital commitment that future monitoring fees could be accelerated upon termination of the monitoring agreements.<br><br>Failing to adequately disclose the allocation of loan interest.<br><br>Failing to supervise a senior partner who improperly charged personal expenses to advised funds. |         |                                       |   |   |                 |           |           |          | X        | X      | X        |       | Section 203(e)(6) of the Advisers Act (Supervision) |

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|                           |  |   |  |                                       |   | EA 10(b) or SA 17(a)(1)                     | 17(a)(2) or (3) | AA 206(1) | AA 206(2) | 206(4)-8 | 206(4)-7 | AA 207 | 206(4)-2 | Other |  |   |   |   |  |   |   |
| 24-Aug-16                 | Transaction fee offsets  | Failing to disclose that adviser retained all transaction fees which would have otherwise been allocated to co-investors for purposes of offsetting management fees (this practice resulted in fewer transaction fees being offset against management fees than if these fees had been allocated pro rata among the funds). | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        | X        | X     |  |   |   |   |  |   |   |
| 14-Sep-16                 | Conflicts of interest  | Failing to disclose conflicts of interest arising from (1) structuring an investment so that additional fees and expenses charged to the funds allowed the managing entity to avoid other fees and, (2) accepting a discount from an outside law firm without passing that benefit through to the funds.                    | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        |          |       |  | X | X | X |  |   |   |
| 17-Jan-17                 | Pay-to-play  | Making contributions to elected officials within two years of providing investment advice to pension funds over which those officials had influence.  | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        |          |       |  |   |   |   | Section 206(4) of the Advisers Act and Rule 206(4)-5 |   |   |
| 7-Feb-17                  | Improper fees; conflicts of interest                                 | Failing to disclose the existence of service fees for over 8 years and associated conflicts of interest with awarding those fees to an affiliate of the general partner.  | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 | X         | X         | X        |          |        |          |       |  |   |   |   |  |   |   |
| <a href="#">29-Jun-17</a> | Conflicts of interest; policies and procedures; disclosures          | Improperly borrowing money from private funds to pay adviser's expenses without disclosure<br>Failure to make timely GP capital call contributions<br>Providing misleading statements in capital call notices, LPAs, and audited financial statements<br>Making false books and records entries.                            | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        |          |       |  | X | X | X | AA 204-2   |   |   |
| 25-Jul-17                 | Registration / reporting violations; expense allocation              | Claiming exemption from AA reporting requirements where the fund was under common control and operationally integrated with a non-exempt fund and related violations.<br>Improper use of fund assets to pay legal fees incurred in connection with the SEC investigation.   | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        |          |       |  | X | X | X | X  | X | Section 203(a) of the Advisers Act; Section 205(a)(1) of the Advisers Act |
| 11-Sep-17                 | Expense allocation; fee offsets; related party transaction conflicts | Improperly using fund assets for (1) adviser-related expenses and (2) services provided by adviser affiliates to portfolio companies.<br>Failing to offset portfolio company fees against management fees.<br>Failing to disclose related-party transactions.   | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        |          |       |  | X | X | X | X  | X |   |
| 21-Sep-17                 | Broken deal expenses   | Failing to adequately disclose that the funds would pay all "broken deal" expenses, including those for portions of the investment attributable to co-investors.  | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        |          |       |  | X |   | X |  |   |   |

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|                           |  |   |         |                                       |   | EA 10(b) or SA 17(a)(1)                     | 17(a)(2) or (3) | AA 206(1) | AA 206(2) | 206(4)-8 | 206(4)-7 | AA 207 | 206(4)-2 | Other |  |
| <a href="#">26-Oct-17</a> | Conflict of interest; disclosures; improper fees                         | Lending money to two entities in which the owners had an interest without disclosure<br>Using investor funds to cover overhead<br>Unilaterally determining which investments were allocated to which investors, instead of following the preferred investments of the investors<br>Failure to inform investors of losses and bankruptcies, and prevented redemptions and exits from the fund. |         |                                       |   |   |                 | X         | X         | X        |          |        |          |       |  |
| 21-Dec-17                 | Monitoring fees  | Failing to adequately disclose accelerated monitoring fees in marketing documents and fund agreements.  |         |                                       |   |   |                 |           |           | X        | X        | X      |          |       |  |
| 24-Apr-18                 | Conflicts of interest  | Failing to disclose conflicts of interest where the management company received a share of the revenue from a service provider used by its portfolio companies.   |         |                                       |   |   |                 |           |           | x        | x        |        |          |       |  |
| <a href="#">29-Jun-18</a> | Improper fees  | Failure to follow LPAs and PPMs and offset consulting fees against the management fees paid by certain funds it advised. The SEC approvingly noted remedial measures Aisling undertook, including naming a new CCO and retaining a compliance consulting firm.  |         |                                       |   |   |                 |           |           | X        | X        |        |          |       |  |
| <a href="#">29-Jun-18</a> | Conflict of interest; disclosures; policies and procedures; duty of care | Improperly charging consulting fees which accelerated upon the early termination of portfolio company agreements; failure to disclose this arrangement to 25% of the fund's LPs; failure to adopt and implement written policies and procedures to prevent Advisers Act violations arising from this accelerated fee arrangement.   |         |                                       |   |   |                 |           |           | X        | X        | X      |          |       |  |
| 17-Jul-18                 | Custody Rule   | Failing to timely distribute annual audited financial statements for six consecutive years under audit exception to custody rule.   |         |                                       |   |   |                 |           |           |          |          | X      |          | X     |  |
| 19-Jul-18                 | Conflicts of interest  | Failing to disclose a personal conflict of interest where a principal arranged for an adviser-managed fund to invest in a subsidiary of a portfolio company on the condition that a portion of the investment proceeds be used to purchase a personal investment from the principal.  |         |                                       |   |   |                 |           |           | X        |          |        |          |       |  |
| 7-Sep-18                  | Disclosures  | Failing to inform the limited partners that the value of a fund's assets materially increased between the managing general partner's first offer to repurchase the limited partners' partnership interests and his second offer.  |         |                                       |   |   |                 |           |           |          |          | X      |          |       |  |

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|           |  |  |         |                                       |   | EA 10(b) or SA 17(a)(1)                     | 17(a)(2) or (3) | AA 206(1) | AA 206(2) | 206(4)-8 | 206(4)-7 | AA 207 | 206(4)-2 | Other |                                    |
| 16-Oct-18 | Valuation; disclosures                                     | Constructing fraudulent transaction to misappropriate funds from insurance companies and reinsurance trusts that were controlled by the private equity firm.<br>Selling securities based on those insurance companies and reinsurance trusts to advisory clients at overstated valuations, without fully disclosing related-party conflicts and overvaluation.                                     |         |                                       |   | X   |                 | X         | X         |          |          |        |          |       | Section 206(3) of the Advisers Act |
| 13-Dec-18 | Conflicts of interest; expense allocation                  | Failing to disclose the managing general partner's practice of charging the funds it managed for the cost of certain in-house employees who assisted in preparing the funds' tax returns.<br>Failing to disclose its arrangements with, and investments in, two third-party service providers that resulted in expense allocation decisions that posed actual and potential conflicts of interest. |         |                                       |   |   |                 |           | X         | X        | X        |        |          |       |                                    |
| 17-Dec-18 | Expense allocation   | Allocating compensation-related expenses generated by a particular business unit to certain private equity funds without accounting for the fact that the employees that comprised that unit also spent a percentage of their time on activities unrelated to those private equity funds, which should have been born by the adviser.  |         |                                       |   |   |                 |           | X         | X        | X        |        |          |       |                                    |
| 26-Dec-18 | Expense allocation; fee offsets                            | Allocating various expenses only to certain funds, without disclosing that other funds and co-investors would not be allocated a proportional share of these expenses.<br>Failing to properly offset management fees in connection with undisclosed "fee-sharing agreements" with certain co-investors.  |         |                                       |   |   |                 |           | X         | X        | X        |        |          |       |                                    |
| 26-May-19 | Fee offsets; related-party loans; expense allocation       | Failing to offset certain retroactive "deemed contributions" against the corresponding managements fees, as prescribed in the LPA.<br>Improperly using assets from an advised fund as a loan in order to pay certain adviser expenses.<br>Improperly calculating and classifying certain expenses (some of which had not yet been incurred).<br>Failing to comply with the Custody Rule.           |         |                                       |   |   |                 |           | X         | X        | X        |        | X        |       |                                    |
| 17-Sep-19 | Disclosures; improper fees; improper use of investor funds | Misusing investor funds for high-risk loans that went beyond the investment mandate.<br>Charging undisclosed monitoring fees to certain portfolio companies.<br>Breaching fund concentration limits without investor consent, and misstating the value of certain investments to conceal that breach from investors.   |         |                                       |   | X   | X               |           | X         | X        |          |        |          |       |                                    |
| 27-Sep-19 | Valuation; improper fees                                   | Collecting management fees on invested capital for an investment that had been written off   |         |                                       |   |   |                 |           | X         | X        |          |        |          |       |                                    |

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|                           |  |  |  |                                       |   | EA 10(b) or SA 17(a)(1)                     | 17(a)(2) or (3) | AA 206(1) | AA 206(2) | 206(4)-8 | 206(4)-7 | AA 207 | 206(4)-2 | Other |  |  |   |
| 4-Apr-20                  | Disclosures; performance marketing                               | Failing to accurately disclose prior performance at a predecessor adviser by including performance of a legacy fund investment that was managed by a separate adviser instead of being a directly managed investment; fund's marketing materials and legacy portfolio track record asserted that manager had direct management over its investments. | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        |          |       |  |  | Section 206(4) of the Advisers Act and Rule 206(4)-1 (Advertising Rule) |
| 22-Apr-20                 | Operating partners; disclosures                                  | Failing to make adequate disclosures regarding the practice of charging portfolio companies for the services of operating partners affiliated with the adviser.  | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        |          |       |  |  |   |
| 26-May-20                 | Policies and procedures; MNPI                                    | Implementation of policies and procedures regarding MNPI in connection with board representation at a portfolio company.   | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        |          |       |  |  | Section 204A of the Advisers Act  |
| 7-Aug-20                  | Expense allocation; disclosures to LPACs                         | Misallocating reimbursable expenses to funds that should have been allocated to related co-investment vehicles, failing to accurately disclose to the funds' LPACs the nature of those expenses, and compliance failures.  | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        |          |       |  |  |   |
| 22-Oct-20                 | Improper fees  | Failing to reduce management fees to reflect write-downs of portfolio securities as required by the LPA.   | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        |          |       |  |  |   |
| 10-Sep-21                 | Conflicts of interest; custody rule                              | Failing to disclose loans and investments made from fund to service provider owned by a relative of the adviser's principal owner.<br>Failing to timely distribute copies of audited financial statements to investors.  | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        |          |       |  |  |   |
| <a href="#">19-Nov-21</a> | Inadequate policies and procedures to prevent the misuse of MNPI | Failure to establish and maintain policies and procedures reasonably designed to prevent the misuse of material non-public information (MNPI)  | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        |          |       |  |  | Section 204A of the Advisers Act  |



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| 12-Sep-22                 | Conflicts of interest  | Caused certain funds to make undisclosed inter-fund loans to other venture funds managed by the adviser; Failure to create or consult LPACs in connection with conflicted transactions  | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           | X         | X        |          |        |          |       |  |  |
| <a href="#">23-Sep-22</a> | Fee offsets  | Failed to timely offset against management fees under the LPA certain amounts charged to the fund for placement agent fees  | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           | X         | X        |          |        |          |       |  |  |
| <a href="#">24-May-23</a> | Valuation  | Failure to appropriately adopt and implement valuation procedures for Level 3 assets held in private funds  | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          | X        |        |          |       |  |  |
| <a href="#">20-Jun-23</a> | Improper fees; conflicts of interest                                   | Charged excess management fees due to inaccurate application of its permanent impairment policy; failure to disclose conflicts with respect to that policy  | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           | X         | X        | X        |        |          |       |  |  |
| <a href="#">5-Sep-23</a>  | Improper fees  | Failing to disclose fees paid to affiliates of fund sponsor that were not disclosed to investors or in marketing materials  | <a href="#">Contact Proskauer for additional info.</a> |                                       | X   |   |                 |           |           |          |          |        |          |       |  |  |
| <a href="#">22-Sep-23</a> | Monitoring fees, Transfer of Fund Assets to New Fund, Undisclosed loan | Failing to disclose, or obtain LPAC consent for, amending monitoring agreement to insert an acceleration fee provision; Causing a soon-to-be expiring private equity fund to sell assets to another fund advised by the same manager; Failing to disclose loan from one of its funds to another   | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          | X        | X      | X        |       |  |  |
| <a href="#">26-Dec-23</a> | MNPI; Policies and procedures  | Disclosure of confidential and non-public information concerning un consummated mergers, strategy for auction bids, information about meetings with acquisition target management with investors and potential investors, as well as distributing marketing material without proper approval, both contrary to the manager's compliance procedures. | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        | X        |       |  | AA 204A  |
| <a href="#">15-Apr-24</a> | Pay-to-play  | Covered associate of firm made contribution to elected official who had influence over a government pension fund that had a pre-existing investment in manager-advised fund.  | <a href="#">Contact Proskauer for additional info.</a> |                                       |   |   |                 |           |           |          |          |        |          |       |  | Section 206(4) of the Advisers Act and Rule 206(4)-5 |

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| <b>Contacts</b>  |          |  |         |   |   |   |                 |           |           |          |          |        |
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