

Silvercrest Asset Management Group Inc.
Form 10-Q
November 14, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED September 30, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

Commission file number: 001-35733

Silvercrest Asset Management Group Inc.

(Exact name of registrant as specified in its charter)

Delaware

45-5146560

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(State or other jurisdiction (I.R.S. Employer

of incorporation) Identification No.)

1330 Avenue of the Americas, 38th Floor

New York, New York 10019

(Address of principal executive offices and zip code)

(212) 649-0600

(Registrant's telephone number, including area code)

Not Applicable

(Formed name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of outstanding shares of the registrant's Class A common stock, par value \$0.01 per share, and Class B common stock, par value \$0.01 per share, as of November 12, 2013 were 5,509,297 and 6,461,764, respectively.

Part I - Financial Information

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Except where the context requires otherwise and as otherwise set forth herein, in this report, references to the Company , we , us or our refer to Silvercrest Asset Management Group Inc. (Silvercrest) and its consolidated subsidiaries, including Silvercrest L.P. (Silvercrest L.P. or SLP). SLP s existing limited partners are referred to in this report as principals . On June 26, 2013, Silvercrest closed its corporate reorganization, and on July 2, 2013, Silvercrest closed its initial public offering. Prior to that date, Silvercrest was a private company. The reorganization and initial public offering are described in the notes to our Condensed Consolidated Financial Statements included in Part I of this Form 10-Q.

Forward-Looking Statements

This report contains, and from time to time our management may make, forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. In some cases, you can identify these statements by forward-looking words such as may , might , will , should , expects , intends , anticipates , believes , estimates , predicts , potential or continue , the negative of these terms and other comparative terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions, may include projections of our future financial performance, future expenses, anticipated growth strategies, descriptions of new business initiatives and anticipated trends in our business or financial results. These statements are only predictions based on our current expectations and projections about future events. Among the important factors that could cause actual results, level of activity, performance or achievements to differ materially from those indicated by such forward-looking statements are: fluctuations in quarterly and annual results, adverse economic or market conditions, incurrence of net losses, adverse effects of management focusing on implementation of a growth strategy, failure to develop and maintain the Silvercrest brand and other factors disclosed under Risk Factors in our prospectus dated June 26, 2013, filed with the Securities and Exchange Commission (the SEC) in accordance with Rule 424(b) of the Securities Act of 1933, as amended, which is accessible on the SEC s website at www.sec.gov. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Forward-looking statements include, but are not limited to, statements about:

our anticipated future results of operations;

our potential operating performance and efficiency;

our expectations with respect to future levels of assets under management, inflows and outflows;

our financing plans, cash needs and liquidity position;

our intention to pay dividends and our expectations about the amount of those dividends;

- our expected levels of compensation of our employees;

- our expectations with respect to future expenses and the level of future expenses;

- our expected tax rate, and our expectations with respect to deferred tax assets; and

- our estimates of future amounts payable pursuant to our tax receivable agreements and the contingent value rights we have issued.

Part I Financial Information

Item 1. Financial Statements

Silvercrest Asset Management Group Inc.

Condensed Consolidated Statements of Financial Condition

(Unaudited)

(In thousands)

	September 30, 2013	December 31, 2012
Assets		
Cash and cash equivalents	\$ 25,055	\$ 13,443
Restricted certificates of deposit and escrow	1,078	1,020
Investments	84	1,980
Receivables, net	3,930	3,675
Due from Silvercrest Funds	1,594	1,622
Furniture, equipment and leasehold improvements, net	1,835	2,061
Goodwill	18,236	15,891
Intangible assets, net	12,954	12,363
Deferred tax asset tax receivable agreement	12,204	
Prepaid expenses and other assets	896	399
Total assets	\$ 77,866	\$ 52,454
Liabilities, Redeemable Partners' Capital and Stockholders' Equity/Partners		
Deficit		
Accounts payable and accrued expenses	\$ 3,436	\$ 4,513
Accrued compensation	11,334	3,656
Notes payable	9,715	3,315
Borrowings under revolving credit facility	5,022	
Deferred rent	1,870	2,268
Deferred tax and other liabilities	3,759	565
Total liabilities		