

Silvercrest Asset Management Group Inc.  
Form 10-Q  
May 03, 2018

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 March 31, 2018

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

of incorporation)                      Identification No.)

1330 Avenue of the Americas, 38th Floor

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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, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth 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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act

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 May 1, 2018 was 8,279,056 and 4,922,383, respectively.



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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 subsidiary, Silvercrest L.P., the managing member of our operating subsidiary (“Silvercrest L.P.” or “SLP”). SLP is a limited partnership whose existing limited partners are referred to in this report as “principals”.

#### 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”, “p”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue”, the negative of these terms and other comparable 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. Important factors that could cause actual results, level of activity, performance or achievements to differ materially from those indicated by such forward-looking statements include but are not limited to: incurrence of net losses, fluctuations in quarterly and annual results, adverse economic or market conditions, our expectations with respect to future levels of assets under management, inflows and outflows, our ability to retain clients from whom we derive a substantial portion of our assets under management, our ability to maintain our fee structure, our particular choices with regard to investment strategies employed, our ability to hire and retain qualified investment professionals, the cost of complying with current and future regulation, coupled with the cost of defending ourselves from related investigations or litigation, failure of our operational safeguards against breaches in data security, privacy, conflicts of interest or employee misconduct, our expected tax rate, and our expectations with respect to deferred tax assets, 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 annual report on Form 10-K for the year ended December 31, 2017 which is accessible on the SEC’s website at [www.sec.gov](http://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.

## Part I – Financial Information

## Item 1. Financial Statements

Silvercrest Asset Management Group Inc.

Condensed Consolidated Statements of Financial Condition

(Unaudited)

(In thousands, except share and par value data)

	March 31 2018	December 31, 2017
Assets		
Cash and cash equivalents	\$35,394	\$ 53,822
Investments	626	626
Receivables, net	9,224	9,436
Due from Silvercrest Funds	1,879	1,094
Furniture, equipment and leasehold improvements, net	2,419	2,453
Goodwill	25,168	25,168
Intangible assets, net	11,153	11,578
Deferred tax asset—tax receivable agreement	12,128	11,838
Prepaid expenses and other assets	2,158	1,345
Total assets	\$100,149	\$ 117,360
Liabilities and Equity		
Accounts payable and accrued expenses	\$2,800	\$ 3,506
Accrued compensation	7,862	28,274
Notes payable	749	740
Deferred rent	4,765	3,473
Deferred tax and other liabilities	9,690	9,248
Total liabilities	25,866	45,241
Commitments and Contingencies (Note 10)		
Equity		
Preferred Stock, par value \$0.01, 10,000,000 shares authorized; none issued and outstanding, as of March 31, 2018 and December 31, 2017	—	—
Class A common stock, par value \$0.01, 50,000,000 shares authorized; 8,259,056 and 8,142,120 issued and outstanding, as of March 31, 2018 and December 31, 2017, respectively	82	81
Class B common stock, par value \$0.01, 25,000,000 shares authorized; 4,942,383 and 5,059,319 issued and outstanding, as of March 31, 2018 and December 31, 2017, respectively	48	49
Additional Paid-In Capital	42,203	41,606
Retained earnings	8,446	7,359
Total Silvercrest Asset Management Group Inc.'s equity	50,779	49,095

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Non-controlling interests	23,504	23,024
Total equity	74,283	72,119
Total liabilities and equity	\$100,149	\$ 117,360

See accompanying notes to condensed consolidated financial statements.

Silvercrest Asset Management Group Inc.

Condensed Consolidated Statements of Operations

(Unaudited)

(In t