

# 'May' You Take Us to the Cleaners? SEC Wants GPs to Use Definitive Language in Form ADV Brochures

## Key Points:

- A recently published piece from *Buyouts* highlighted the SEC's push for the use of definitive language in communicating with current and prospective clients via the Form ADV Brochure.
- In reviewing the most recently filed Form ADV Brochure for Almanac Realty Investors, we find that the word 'may' appears 28 times across twelve pages.
- While some instances are clearly uncontroversial, it appears that others – such as in the discussions of waivers and commitment fees – could fall into the realm of cases where the SEC believes that the adviser should indicate that it engages in a certain practice, not that it 'may.'
- Almanac Realty Investors' Brochure does not discuss the use – or potential use – of subscription credit facilities.

## SEC promotes definitive language in Form ADV Brochure language

A recently published piece from *Buyouts* highlighted a push by the SEC for the use of definitive language in communicating with current and prospective clients.<sup>1</sup> As an example, the article title asks, "Do you accelerate monitoring fees? Don't say you 'may' in your Form ADV."

Indeed, in the current version of the "General Instructions for Part 2 of Form ADV," the SEC provides specific instructions for communicating in plain English, including:

In drafting your *brochure* and *brochure supplements*, you should: (i) use short sentences; (ii) use **definite**<sup>2</sup>, concrete, everyday words; (iii) use active voice; (iv) use tables or bullet lists for complex material, whenever possible; (v) avoid legal jargon or highly technical business terms unless you explain them or you believe that your *clients* will understand them; and (vi) avoid multiple negatives. Consider providing examples to illustrate a description of your practices or policies.<sup>3</sup>

Further, the SEC provides guidance around when it is appropriate to indicate that the adviser engages in a practice rather than indicating that it "may" engage in the practice:

The brochure should discuss only conflicts the adviser has or is reasonably likely to have, and practices in which it engages or is reasonably likely to engage. If a conflict arises or the adviser decides to engage in a practice that it has not disclosed, supplemental disclosure must be provided to clients to obtain their consent. If you have a conflict or engage in a practice with respect to some (but not all) types or classes of clients, advice, or transactions, indicate as such rather than disclosing that you “**may**”<sup>4</sup> have the conflict or engage in the practice.<sup>5</sup>

## Example: Almanac Realty Investors

As an example, in the most recently filed Form ADV Brochure filed for Almanac Realty Investors (Almanac), the word ‘may’ appears 28 times across twelve pages of the document. Below, we’ve reviewed selected instances an attempt to assess where the use of ‘may’ appears appropriate.

Some instances are clearly uncontroversial. For example, informing investors how to obtain Proxy Voting Policies and Procedures:

Each Fund’s General Partner and its investors **may**<sup>6</sup> obtain a copy of Almanac Realty’s Proxy Voting Policies and Procedures and information on how proxies were voted in connection with a Fund, by written request to Almanac Realty’s Chief Compliance Officer.<sup>7</sup>

And the description of the risk of loss of capital is also straightforward:

Investing in private fund securities involves a substantial degree of risk. Investments in the Funds and the underlying real estate related investments are highly speculative and involve a significant degree of risk. The investments of a Fund **may**<sup>8</sup> lose all or a substantial portion of their value, and investors in the Funds must be prepared to bear the risk of loss of their investments.<sup>9</sup>

However, it appears that some instances could fall into the realm of cases where the SEC believes that the adviser should indicate definitively whether it engages in a certain practice, not that it ‘may’.

## Management fees and/or carried interest reductions or waivers

One case pertains to the reduction or waiver of management fees and/or carried interest:

The Management Fee and/or Carried Interest Allocation **may**<sup>10</sup> be reduced or waived in some circumstances. The Management Fee and/or Carried Interest Allocation are generally subject to waiver or reduction by Almanac Realty or its related persons in their sole discretion, including in connection with investments made by the General Partners or any related persons.<sup>11</sup>

Fees that are received for providing management services are taxed as ordinary income when earned, while the GP's share of the fund's profits is taxed at the capital gains rate when the fund recognizes income that is allocated to the manager. Management fee waivers generally involve the general partner (GP) waiving part or all of the annual management fee in exchange for a priority claim of the same amount on the fund's profits.<sup>12</sup>

In July 2015, the Treasury issued proposed regulations that included guidance to “partnerships and their partners regarding when an arrangement will be treated as a disguised payment for services.”<sup>13</sup> The proposed regulations noted that “Congress identified as its first and most important factor whether the payment is subject to significant entrepreneurial risk as to both the amount and fact of payment.”<sup>14</sup>

In its 2016 year-end tax letter, Baker Tilly suggested that fund managers should review management fee waiver arrangements in light of the proposed regulations:

Fund managers should review any potential or existing management fee waiver arrangements in light of the proposed regulations. The examples in the proposed regulations strongly suggest the management fee waiver arrangement should be economically at risk — and supported by an enforceable return obligation (i.e., a claw back) — to the extent amounts received by reason of the fee waiver exceeds the cumulative net profits over the life of the fund. Accordingly, fund managers should consider structuring their arrangements to conform to these guidelines.<sup>15</sup>

Returning to the focus of this report: Under the SEC's General Instructions for the Form ADV Brochure, should Almanac Realty Investors definitively indicate that it engages in the practice rather than saying that it “may”?

## Commitment fees from portfolio companies and management fee rebates

Another disclosure relates to commitment fees from portfolio companies:

Almanac Realty **may**<sup>16</sup> receive a Commitment Fee from a portfolio company. These fees **may**<sup>17</sup> in some instances exceed the management fee due by a fund. Such fees **may**<sup>18</sup> be paid in cash. Although such fees are in addition to the Management Fees paid by the Funds, Almanac Realty will in all circumstances reduce future Management Fees in connection with the receipt of any such fee received from a portfolio company.<sup>19</sup>

Commitment fees are received by the advisor or its affiliates in connection with making debt or equity commitments to fund investment, regardless of whether the commitments are utilized by the portfolio company.

In a 2015 whitepaper, CEM Benchmarking (CEM) argued that “the LP share of portfolio company fees is misrepresented by the industry as a management fee rebate or offset.”<sup>20</sup> Because the rebated management fee is still an expense to the portfolio company – an indirect cost to the LP – the net management fee does not fully reflect the total management fees paid to the GP, CEM argued.

CEM demonstrated their argument with a theoretical example in which the stated management fee is 165 bps, portfolio company fees are 50 bps, and there is 80% rebate. The reported net management fee under such an arrangement would be 125 bps.<sup>21</sup> However, CEM argued that the full cost to the LP is 175 bps.<sup>22</sup>

We will leave it to the reader to determine whether stating that future management fees will be reduced is an accurate reflection of the economics of such a situation and, instead, return to the question at hand: Under the SEC’s General Instructions for the Form ADV Brochure, should Almanac definitively indicate that it engages in the practice of receiving commitment fees from portfolio companies rather than saying that it “may”?

## Subscription credit facilities?

Subscription credit facilities have received considerable attention of the past year or so. To a certain extent, this was kicked-off by the release of a whitepaper from TorreyCove, which concluded that the extended use of these credit lines primarily benefited fund managers in the form of higher IRRs and slightly higher probability of hitting the preferred return target, while providing little benefit to limited partners (LP).<sup>23</sup>

In June 2017, the Institutional Limited Partners Association (ILPA) issued guidance for LPs on the use of subscription credit line by private equity funds.<sup>24</sup> The concerns raised by ILPA about the use of such facilities include the impact on the comparability of performance between funds, clawback issues, expenses incurred by the funds, liquidity risk, and legal risks, and the report includes a number of specific recommendations related to these concerns.

Almanac’s Form ADV Brochure is silent on the use of subscription credit facilities. Does Almanac currently make use of such facilities or does it intend to in the future? If so, should the adviser disclose the practice?

## Other issues?

In the Appendix to this report, the reader will find a sequential list of all instances in which the word ‘may’ is used in the most recent Almanac ADV Brochure.

## Questions for Limited Partners:

- Have current and prospective investment advisers signaled that they will move toward the use of more definitive language in their form ADV Brochures?
- Should investment advisers disclose the use of subscription credit facilities in their form ADV Brochures? Should the disclosures describe the potential impact on performance calculations and compensation as well as other concerns and risks outlined by the ILPA?

## Disclosures:

UNITE HERE is a labor union that represents working people across Canada and the United States in the hospitality industry. Through its PE Closer Look blog, UNITE HERE publishes reports that often concern private fund managers, including Almanac Reality Investors, that are current or former owners of assets within this industry.

## Appendix

In all instances below, emphasis is added.

Instance(s)	Page(s)	Section	Statement
1	2	Item 5 -- Fees and Compensation -- General Information Regarding Fees	"The Funds <b>may</b> also pay a carried interest allocation to their respective General Partners in connection with Fund distributions (a "Carried Interest Allocation"), subject to the terms of their governing documents."
2	2	Item 5 -- Fees and Compensation -- General Information Regarding Fees	"While the Carried Interest Allocation is the only performance based compensation payable by the Funds to Almanac Realty and its affiliates and related persons, certain (i) unaffiliated joint venture partners of Fund portfolio companies (or their subsidiary affiliates) and/or (ii) executives or contractors of such portfolio companies (or their subsidiary affiliates), <b>may</b> receive performance-based or other additional compensation from the portfolio companies, in connection with transactions involving a portfolio company or its assets. Such arrangements are negotiated at arms' length and, importantly, none of the persons or entities that receive such compensation are affiliates or employees of, or otherwise related to, Almanac Realty."
3	2,3	Item 5 -- Fees and Compensation -- General Information Regarding Fees	"The Funds also generally bear, directly or indirectly, all expenses related to their operations, including: fees and other out-of-pocket expenses directly related to the investigation of investment opportunities (whether or not consummated); the acquisition, ownership, financing, hedging or sale of its investments; entity-level taxes; legal, filing, accounting, audit, consulting, insurance, and other professional services rendered to the Funds; expenses of the Boards of Advisors; insurance; litigation expenses; indemnification expenses; business-related travel expenses of Almanac Realty employees and the Senior Advisor; financial statements, tax returns, Schedules K-1 and other reports to investors, as well as governmental returns, reports and other filings; printing and mailing costs; meetings of investors; fees or other governmental charges levied against the Funds; the dissolution and termination of the Funds and, subject to the approval of the Board of Advisors (as defined below in Item 11), any extraordinary expenses. The General Partners <b>may</b> receive additional compensation in connection with management and other services performed for certain portfolio companies of the Funds, and such additional compensation will offset in whole or in part the Management Fees otherwise payable to Almanac Realty. Fund expenses are disclosed in each Fund's governing documents."

Instance(s)	Page(s)	Section	Statement
4	3	Item 5 -- Fees and Compensation -- Negotiability of Fees	"The Management Fee and/or Carried Interest Allocation <b>may</b> be reduced or waived in some circumstances. The Management Fee and/or Carried Interest Allocation are generally subject to waiver or reduction by Almanac Realty or its related persons in their sole discretion, including in connection with investments made by the General Partners or any related persons."
5,6,7	4	Item 5 -- Fees and Compensation -- Other Fees and Expenses	"Almanac Realty <b>may</b> receive a Commitment Fee from a portfolio company. These fees <b>may</b> in some instances exceed the management fee due by a fund. Such fees <b>may</b> be paid in cash. Although such fees are in addition to the Management Fees paid by the Funds, Almanac Realty will in all circumstances reduce future Management Fees in connection with the receipt of any such fee received from a portfolio company."
8	4	Item 5 -- Fees and Compensation -- Other Fees and Expenses	"Almanac Realty does not generally utilize the services of broker-dealers for Fund portfolio company transactions because such transactions typically involve private companies. However, Almanac Realty <b>may</b> in the future utilize a broker-dealer for a securities transaction in a Fund when such a transaction involves a publicly traded company. In such an event, the Fund will incur brokerage and other transaction costs. Almanac Realty's Management Fees do not include brokerage commissions, transaction fees, and other related costs and expenses which would be borne by the respective Fund."
9	4	Item 6 -- Performance-Based Fees and Side-by-Side Management	"It should be noted that the possibility that Almanac Realty or its related persons could receive compensation based on the performance of the ARS Funds creates a potential conflict of interest in that it <b>may</b> incentivize Almanac Realty or its related persons to recommend investments that are riskier or more speculative than would be the case absent this performance-based compensation. Investors in the ARS Funds are informed of the performance-based compensation in the ARS Funds' offering documents."
10	5	Item 7 -- Types of Clients	"Almanac Realty provides investment advisory services to the Funds, which are pooled investment vehicles. Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund. Certain of the Funds were established to co-invest alongside another Fund. As previously noted in Item 5, the Funds generally impose a minimum investment of \$10 million, which <b>may</b> be reduced by the respective Fund's General Partner."

Instance(s)	Page(s)	Section	Statement
11	5	Item 7 -- Types of Clients	"The investors participating in the ARS Funds include public and private institutional pension plans, endowments and foundations, and also include, directly or indirectly, principals or other employees of Almanac Realty and its related persons as disclosed in the offering documents. Generally, interests in the ARS Funds <b>may</b> only be purchased by investors that are "accredited investors," as defined in Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), and "qualified clients," as defined in Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act")."
12	6	Item 8 -- Methods of Analysis, Investment Strategies and Risk of Loss -- Risk of Loss	"Investing in private fund securities involves a substantial degree of risk. Investments in the Funds and the underlying real estate related investments are highly speculative and involve a significant degree of risk. The investments of a Fund <b>may</b> lose all or a substantial portion of their value, and investors in the Funds must be prepared to bear the risk of loss of their investments."
13	6	Item 8 -- Methods of Analysis, Investment Strategies and Risk of Loss -- Risk of Loss	"Further, there can be no assurance that the Funds' objectives will be realized or that there will be any return of capital. Prospective investors are cautioned not to rely on the prior returns and prior returns should not be considered representative of the returns that <b>may</b> be received by an investor in the future. Accordingly, an investment in the Funds should only be considered by persons who can afford a loss of their entire investment."
14	6	Item 8 -- Methods of Analysis, Investment Strategies and Risk of Loss -- Risk of Loss	"The Fund investments (including investments through portfolio companies) will be subject to the risks inherent in the development, ownership and operation of real estate and real estate-related businesses and assets. Real estate investments are generally illiquid and, therefore, the ability of a General Partner or Almanac Realty to vary a Fund's portfolio promptly in response to changes in economic or other conditions <b>may</b> be limited. These risks include, but are not limited to: <ul style="list-style-type: none"> <li>o The burdens of ownership of real property;</li> <li>o General and local economic conditions;</li> <li>o Changes in environmental and zoning laws;</li> <li>o Decreases in property values;</li> <li>o Financing risks; and</li> <li>o Various insured or uninsurable risks, environmental liabilities, natural disasters, acts of God, terrorist attacks and other factors beyond the control of the General Partner."</li> </ul>

Instance(s)	Page(s)	Section	Statement
15	7	Item 8 -- Methods of Analysis, Investment Strategies and Risk of Loss -- Risk of Loss	"The Funds <b>may</b> invest in securities of private and public real estate investment trusts (REITS) and other real estate companies. Therefore the Fund's investments are subject to risks incidental to investments in such real estate companies, such as: <ul style="list-style-type: none"> <li>o Risks associated with ownership, acquisition, development, re- development, construction and operation of real estate properties;</li> <li>o General real estate investment considerations;</li> <li>o Borrowing and illiquidity risks;</li> <li>o Risks associated with the management of properties by third parties; and with respect to investments in REITs, special risks such as restrictions on ownership and tax compliance risks."</li> </ul>
16,17,18	8	Item 10 -- Other Financial Industry Activities and Affiliations	"Almanac Realty and its affiliates have and <b>may</b> continue to organize and sponsor other investment vehicles and serve as the manager, general partner, managing member or trustee of such vehicles. As discussed in Item 5 above, Almanac Realty or its affiliates <b>may</b> be entitled to receive a Carried Interest Allocation, which <b>may</b> create an incentive to make more speculative investments for a Fund than would otherwise be made in the absence of such performance-based distributions."
19	8	Item 10 -- Other Financial Industry Activities and Affiliations	"As discussed in Item 4, in certain instances, Almanac has offered co-investment rights in connection with portfolio company investments to certain large third-party investors. Such investments are made through separate Funds established by the General Partner of the corresponding main Fund. Investors, generally, should not expect to participate in such co-investment opportunities. While such co-investments are typically at the same time and on the same terms as the main Fund's investment, the interests of such co-investment Funds <b>may</b> be different from the main Fund, presenting a conflict of interest."
20	9	Item 10 -- Other Financial Industry Activities and Affiliations	"From time to time potential and actual conflicts of interest will arise as a result of the overall investment activities of the Funds or Almanac Realty and its affiliates. Almanac Realty has established policies and procedures intended to identify and mitigate conflicts of interest related to its business. In addition, the operating agreements for the Funds generally set forth provisions governing the management of certain conflicts of interest. Further, Almanac Realty addresses conflicts of interest through disclosure to its clients and investors, and Almanac Realty <b>may</b> seek the approval of clients or investors or, if applicable, a Board of Advisors, with respect to such conflicts of interest. For additional information regarding the Board of Advisors and certain conflicts of interest, please see Item 11 below."

Instance(s)	Page(s)	Section	Statement
21	9	Item 11 -- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	"The General Partner of each Fund has established a board (the "Board of Advisors" of such Fund) comprised of qualified representatives of the limited partners of such Fund. Any potential conflict of interest that <b>may</b> affect a Fund or its investors will be submitted to the Board of Advisors of such Fund for its review. Among such potential conflicts are investments made by the members and other affiliates of a Fund's General Partner, for their own accounts, in the securities of an entity in which such Fund has made an investment. Any such investments require the prior consent of the Board of Advisors of such Fund."
22	10	Item 11 -- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	"Almanac Realty or its General Partner affiliates <b>may</b> , by virtue of their private equity business, at times, become party to non-public information. A restricted list is maintained by Almanac Realty and Access Person trades are monitored to prevent conflicts of interest and disclosure of non-public information."
23	11	Item 12 -- Brokerage Practices -- Principal and Agency Cross Transactions	"Principal transactions" are generally defined as transactions where an adviser, acting as principal for its own account (or the account of an affiliated broker-dealer), buys from or sells any security to any advisory client. A principal transaction <b>may</b> also be deemed to have occurred if a security is crossed between an affiliated fund and another client account."
24	11	Item 12 -- Brokerage Practices -- Principal and Agency Cross Transactions	"An "agency cross transaction" is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions <b>may</b> arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Almanac Realty is neither registered as, nor is it affiliated with, a broker-dealer."
25	12	Item 14 -- Client Referrals and Other Compensation -- Payment for Client Referrals	"Almanac Realty <b>may</b> in the future enter into arrangements pursuant to which it compensates a third party placement agent, Broker-Dealer or consultant for referrals that results in deal flow, either on a fixed fee (non-success based) basis or transaction based method. Such fees and expenses will be borne by the respective Fund. Any such arrangements (as required) will be made in compliance with Rule 206(4)-3 under the Advisers Act."

Instance(s)	Page(s)	Section	Statement
26	13	Item 17 - Voting Client Securities	"Almanac Realty has adopted Proxy Voting Policies and Procedures. SEC Rule 206(4)-6 generally requires advisers to (i) adopt policies and procedures reasonably designed to ensure that proxies with respect to instruments in the Funds where Almanac Realty exercises voting discretion are voted in the best interest of the Funds; (ii) to disclose how information <b>may</b> be obtained on how Almanac Realty votes proxies; and (iii) to maintain records relating to Almanac Realty's proxy voting."
27	13	Item 17 - Voting Client Securities	"Almanac Realty is committed, pursuant to SEC requirements and its fiduciary duty, to vote private equity interests and other securities in a manner that best serves the interests of its clients. Almanac Realty monitors the events related to each investment. Almanac Realty's proxy voting policy seeks to ensure that proxies or similar instruments are voted in the best interest of the Funds, including when there <b>may</b> be material conflicts of interest in voting the proxies."
28	13	Item 17 - Voting Client Securities	"Each Fund's General Partner and its investors <b>may</b> obtain a copy of Almanac Realty's Proxy Voting Policies and Procedures and information on how proxies were voted in connection with a Fund, by written request to Almanac Realty's Chief Compliance Officer"

## Endnotes

- 1 Witkowsky, Chris, "Do you accelerate monitoring fees? Don't say you 'may' in your Form ADV," *Buyouts*, August 3, 2017, <https://www.pehub.com/buyouts/do-you-accelerate-monitoring-fees-dont-say-you-may-in-your-form-adv/>, accessed on September 18, 2017.
- 2 Emphasis added.
- 3 PART 2: Uniform Requirements for the Investment Adviser Brochure and Brochure Supplements, General Instructions for Part 2 of Form ADV, p.1, <https://www.sec.gov/about/forms/formadv-part2.pdf>, accessed on September 18, 2017.
- 4 Emphasis added.
- 5 Ibid.
- 6 Emphasis added.
- 7 Almanac Realty Investors, LLC, Part 2A of Form ADV Brochure (filed March 28, 2017), p.13, [https://adviserinfo.sec.gov/IAPD/Content/Common/crd\\_iapd\\_Brochure.aspx?BRCHR\\_VRSN\\_ID=434393](https://adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=434393), accessed on September 18, 2017
- 8 Emphasis added.
- 9 Ibid, p.6.
- 10 Emphasis added.
- 11 Ibid, p.3.
- 12 Omri Marian, "The Other Eighty Percent: Private Investment Funds, International Tax Avoidance, and Tax-Exempt Investors," 2016 BYU L. Rev. 1715 (2017), p. 1724, available at: <http://digitalcommons.law.byu.edu/lawreview/vol2016/iss6/7>, accessed on October 2, 2017.
- 13 Disguised Payments for Services, Proposed Treasury Reg. § 1.707-2, 80 Federal Register 43652, July 23, 2015, <https://www.gpo.gov/fdsys/pkg/FR-2015-07-23/pdf/2015-17828.pdf>, and corrected August 19, 2015, <https://www.gpo.gov/fdsys/pkg/FR-2015-08-19/pdf/2015-20476.pdf>, accessed on September 18, 2017.

- 14 Ibid, 43653.
- 15 Baker Tilly, “2016 year-end tax letter: Regulatory guidance,” November 1, 2016, Baker Tilly website, <http://bakertilly.com/insights/2016-year-end-tax-letter-regulatory-guidance>, accessed on October 2, 2017.
- 16 Emphasis added.
- 17 Emphasis added.
- 18 Emphasis added.
- 19 Almanac Realty Investors, LLC, Part 2A of Form ADV Brochure (filed March 28, 2017), p.4.
- 20 Dang, Andrea, Dupont, David, and Heale, Mike, “The Time Has Come For Standardized Total Cost Disclosure For Private Equity,” April 2015, p.2, available from CEM Benchmarking: [http://www.cembenchmarking.com/Files/Documents/CEM\\_article\\_-\\_The\\_time\\_has\\_come\\_for\\_standardized\\_total\\_cost\\_disclosure\\_for\\_private\\_equity.pdf](http://www.cembenchmarking.com/Files/Documents/CEM_article_-_The_time_has_come_for_standardized_total_cost_disclosure_for_private_equity.pdf), accessed on September 18, 2017.
- 21 Full management fees – LP share of portfolio company fees: 165 bps management fee – 80% (50 bps) = 125 bps.
- 22 Full management fees + GP share of portfolio company fees: 165 bps + 20% (50 bps) = 175 bps.
- 23 “Subscription Credit Lines: Impact on GPs and LPs,” September 2016, available from TorreyCove Capital Partners: [https://www.torreycove.com/wp-content/uploads/2012/02/2016.09-Subscription-Credit-Lines\\_Impact-on-GPs-and-LPs-1.pdf](https://www.torreycove.com/wp-content/uploads/2012/02/2016.09-Subscription-Credit-Lines_Impact-on-GPs-and-LPs-1.pdf), accessed on September 18, 2017.
- 24 “Subscription Lines of Credit and Alignment of Interests: Considerations and Best Practices for Limited and General Partners,” June 2017, available from ILPA: <https://ilpa.org/wp-content/uploads/2017/06/ILPA-Subscription-Lines-of-Credit-and-Alignment-of-Interests-June-2017.pdf>, accessed on September 18, 2017.