

Evercore Partners Inc.
Form S-1/A
May 09, 2007
Table of Contents

As filed with the Securities and Exchange Commission on May 8, 2007.

Registration No. 333-142274

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1 TO
FORM S-1
REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

EVERCORE PARTNERS INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

6199
(Primary Standard Industrial
Classification Code Number)

20-4748747
(I.R.S. Employer
Identification No.)

55 East 52nd Street

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New York, NY 10055

Telephone: (212) 857-3100

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(Address, including zip code, and telephone number,

including area code, of Registrant's principal executive offices)

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Approximate date of commencement of the proposed sale of the securities to the public: **As soon as practicable after the Registration Statement becomes effective.**

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Amount To Be Registered(1)	Proposed Maximum Aggregate Offering Price Per Share(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Class A Common Stock, par value \$.01 per share	4,830,000 shares	\$ 30.42	\$ 146,928,600	\$ 4,511

- (1) Includes 630,000 shares subject to the underwriters' option to purchase additional shares.
- (2) Estimated solely for the purpose of calculating the registration fee, in accordance with Rule 457(c) under the Securities Act of 1933. The proposed maximum offering price per share, the proposed maximum aggregate offering price and the amount of the registration fee have been computed on the basis of the average of the high and low prices per share of the Class A common stock on the New York Stock Exchange on April 13, 2007.
- (3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated May 8, 2007

Prospectus

4,200,000 Shares

Class A Common Stock

Evercore Partners Inc. is selling 1,581,778 of the shares in this offering and the selling stockholders named in this prospectus, including members of our senior management, are selling 2,618,222 of the shares in this offering. We will not receive any proceeds from the sale of shares of Class A common stock by the selling stockholders.

Our Class A common stock is listed on the New York Stock Exchange under the symbol **EVR**. On May 4, 2007, the last reported sale price of the Class A common stock on the New York Stock Exchange was \$29.30 per share.

*Investing in our Class A common stock involves risks. See **Risk Factors** beginning on page 16.*

	Per Share	Total
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to Evercore Partners Inc.	\$	\$
Proceeds, before expenses, to the selling stockholders	\$	\$

The selling stockholders have granted the underwriters a 30-day option to purchase up to 630,000 additional shares of Class A common stock at the public offering price less the underwriting discount if the underwriters sell more than 4,200,000 shares of Class A common stock in this offering.

Neither the Securities and Exchange Commission, or the SEC, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

It is expected that the shares will be delivered to purchasers on or about _____, 2007.

Goldman, Sachs & Co.

Lehman Brothers

JPMorgan

Credit Suisse
, 2007

E*TRADE Securities

Table of Contents

Founded in 1996

Advisory and Investment Management businesses

34 Senior Managing Directors at May 8, 2007

Offices in New York, Los Angeles, San Francisco, London, Mexico City and Monterrey

Selected Advisory Transactions

<p><i>April 2, 2007</i> Advised</p> <p>on its pending \$27.0 billion leveraged buyout by KKR</p>	<p><i>February 10, 2007</i> Advised</p> <p>on its pending \$5.8 billion sale to Hindalco</p>	<p><i>January 15, 2007</i> Advised</p> <p>on its \$4.8 billion sale of its Aerospace division to GE</p>	<p><i>December 15, 2006</i> Advised</p> <p>on its \$7.0 billion leveraged buyout by Apollo Management</p>
<p><i>November 1, 2006</i> Advised</p> <p>on its \$25.1 billion acquisition of Caremark Rx</p>	<p><i>June 14, 2006</i> Advised</p> <p>on its \$10.0 billion sale of</p>	<p><i>April 2, 2006</i> Advised</p> <p>on its \$7.9 billion sale of a 51% interest in</p>	<p><i>March 5, 2006</i> Advised</p> <p>on its \$89.4 billion acquisition of BellSouth</p>
<p><i>January 22, 2006</i> Advised</p> <p>on its acquisitions of Osco Drug and Sav-on Drug as part of the \$17.4 billion asset sale of Albertsons</p>	<p><i>January 16, 2006</i> Advised</p> <p>on its \$11.3 billion sale</p>	<p><i>January 13, 2006</i> Advised</p> <p>on its pending split-up</p>	<p><i>October 24, 2005</i> Advised</p> <p>on its \$22.1 billion split-up</p>

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Private Equity Funds
as of December 31, 2006

<i>1997</i>	<i>2001</i>	<i>2000</i>	<i>2003</i>
Evercore Capital Partners I	Evercore Capital Partners II	Evercore Ventures	Discovery Americas
\$512 million committed	\$663 million committed	\$62 million committed	\$68 million committed

In the majority of the transactions presented, Evercore provided financial advisory services in conjunction with one or more other investment banking firms.

We do not consolidate these funds in our financial statements. See Management's Discussion and Analysis of Financial Condition and Results of Operations Key Financial Measures Revenue for a discussion of how we generate revenue from the private equity funds we manage.

Table of Contents

Table of Contents

	Page
<u>Summary</u>	1
<u>Risk Factors</u>	16
<u>Forward-Looking Statements</u>	34
<u>Use of Proceeds</u>	35
<u>Price Range of Evercore Class A Common Stock</u>	35
<u>Dividend Policy</u>	36
<u>Capitalization</u>	37
<u>Selected Historical Financial and Other Data</u>	38
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	40
<u>Business</u>	67
	Page
<u>Management</u>	78
<u>Related Party Transactions</u>	94
<u>Principal and Selling Stockholders</u>	99
<u>Description of Capital Stock</u>	103
<u>Shares Eligible for Future Sale</u>	106
<u>Certain United States Federal Income and Estate Tax Consequences to Non-U.S. Holders of Class A Common Stock</u>	108
<u>Underwriting</u>	111
<u>Legal Matters</u>	117
<u>Experts</u>	117
<u>Where You Can Find More Information</u>	118
<u>Unaudited Pro Forma Financial Information</u>	P-1
<u>Index to Financial Statements</u>	F-1

You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus.

In this prospectus, references to Evercore, the Company, we, us, our and our Successor Company refer, subsequent to the reorganization described in Management's Discussion and Analysis of Financial Condition and Results of Operations Reorganization, to Evercore Partners Inc., a Delaware corporation, and its consolidated subsidiaries. These references (other than Successor Company) refer, prior to such reorganization, to Evercore Holdings, or our Predecessor Company, which was comprised of certain combined and consolidated entities under the common ownership of the Evercore Senior Managing Directors. Unless the context otherwise requires, references to (1) Evercore Partners Inc. refer solely to Evercore Partners Inc., and not to any of its consolidated subsidiaries and (2) Evercore LP refer solely to Evercore LP, a Delaware limited partnership, and not to any of its consolidated subsidiaries. References to the IPO refer to our initial public offering on August 10, 2006 of 4,542,500 shares of our Class A common stock, including shares issued to the underwriters of the IPO pursuant to their election to exercise in full their overallotment option.

Unless indicated otherwise, the information included in this prospectus assumes no exercise by the underwriters of their option to purchase additional shares of Class A common stock from the selling stockholders.

Table of Contents

SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all the information you should consider before investing in our Class A common stock. You should read this entire prospectus carefully, including the section entitled "Risk Factors" and the historical financial statements and related notes, before you decide to invest in our Class A common stock.

Evercore Partners

Overview

Evercore is the leading investment banking boutique in the world based on the dollar volume of announced worldwide merger and acquisition (M&A) transactions on which we have advised since 2002. When we use the term "investment banking boutique," we mean an investment banking firm that directly or through its affiliates does not underwrite public offerings of securities or engage in commercial banking activities. We provide advisory services to prominent multinational corporations on significant mergers, acquisitions, divestitures, restructurings and other strategic corporate transactions. Evercore also includes a successful investment management business through which we manage private equity funds and public securities for sophisticated institutional investors. We serve a diverse set of clients around the world from our offices in New York, Los Angeles, San Francisco, London, Mexico City and Monterrey.

Our senior leadership is comprised of Roger Altman, the former U.S. Deputy Treasury Secretary and Vice Chairman of The Blackstone Group; Austin Beutner, a former General Partner of The Blackstone Group; Eduardo Mestre, the former head of Citigroup's Global Investment Bank; Pedro Aspe, the former Minister of Finance of Mexico; and Bernard Taylor, the former Vice Chairman of JPMorgan Investment Banking (Europe) and Chief Executive of Robert Fleming & Co. Limited.

We were founded on the belief that there was an opportunity within the investment banking industry for a firm free of the potential conflicts of interest created within large, multi-product financial institutions. We also believed that an independent advisory business, with its broad set of relationships, would provide a differentiated investment platform from which to make private equity investments. We employ the Evercore relationship network throughout the investment process in our private equity business to originate investment opportunities, evaluate those opportunities and add value after an investment is made.

From the time of our founding in 1996, we have grown by expanding the range of our advisory and investment management services. In our advisory business, at December 31, 2006 we had 21 Senior Managing Directors with expertise and client relationships in a number of industry sectors, including telecommunications, technology, media, energy and power, general industrial, consumer products and financial institutions: 13 in the United States, 6 in Mexico and 2 in Europe. Our advisory business has a particular focus on advising multinational corporations on large, complex transactions. In addition, we have professionals with extensive restructuring experience. In our investment management business, at December 31, 2006 we had 9 Senior Managing Directors with expertise and relationships in a variety of industries: 7 in the United States, 1 in Mexico and 1 in Europe. A majority of our investment management team's Senior Managing Directors have worked together since 1999. As of December 31, 2006 the four private equity funds we manage had capital commitments of over \$1.3 billion. In addition to our private equity funds, we also manage public equities in the United States through our joint venture, Evercore Asset Management L.L.C. (EAM), and fixed income securities in Mexico through our subsidiary, Protego Casa de Bolsa (PCB).

We have grown from three Senior Managing Directors at our inception to 33 at December 31, 2006. We expect to continue our growth by hiring additional highly qualified professionals with a broad range of product

Table of Contents

and industry expertise, expanding into new geographic areas, raising additional private equity funds and diversifying our investment management products and services. We opened our New York office in 1996, our Los Angeles office in 2000 and our San Francisco office in 2005. On August 10, 2006 we combined with Protego Asesores S. de R.L. (Protego) in Mexico, with offices in Mexico City and Monterrey, and on December 19, 2006 we acquired Braveheart Financial Services Limited (Braveheart), with an office in London.

We believe maintaining standards of excellence in our core businesses demands a spirit of cooperation and hands-on participation more commonly found in smaller organizations. Since our inception, we have set out to build in the employees we choose and in the projects we undertake an organization dedicated to the highest caliber of professionalism.

Advisory

Our advisory business provides confidential, strategic and tactical advice to both public and private companies, with a particular focus on large, multinational corporations. By virtue of their prominence, size and sophistication, many of our clients are more likely to require expertise relating to larger and more complex situations. We have advised on numerous noteworthy transactions, including:

First Data on its pending leveraged buyout by Kohlberg Kravis & Roberts & Co.	Novelis on its pending sale to Hindalco
Smiths on its sale of its Aerospace division to General Electric	Realogy on its leveraged buyout by Apollo Management
CVS on its acquisition of Caremark	Credit Suisse on its sale of Winterthur
General Motors on its sale of a 51% interest in GMAC to an investor group	AT&T on its acquisition of BellSouth
CVS on its acquisitions of Osco Drug and Sav-on Drug as part of the asset sale of Albertsons	VNU on its sale to a private equity consortium
Tyco on its pending split-up	Cendant on its split-up
E*TRADE on its acquisitions of Harrisdirect and Brown & Co.	Swiss Re on its acquisition of General Electric's reinsurance business
SBC on its acquisition of AT&T and on Cingular's acquisition of AT&T Wireless	IntercontinentalExchange on its acquisition of the New York Board of Trade
	Aquila on its pending sale to Great Plains Energy

Our approach is to work as a trusted senior advisor to top corporate officers and boards of directors, helping them devise strategies for enhancing shareholder value. We believe this relationship-based approach to our advisory business gives us a competitive advantage in serving a distinct need in the market today. Furthermore, we believe our advisory business is differentiated from that of our competitors in the following respects:

Objective Advice with a Long-Term Perspective. We seek to recommend shareholder value enhancement strategies or other financial strategies that we would pursue ourselves were we acting in management's capacity. This approach often includes advising our clients against pursuing transactions that we believe do not meet that standard.

Transaction Excellence. Since the beginning of 2004, we have advised on more than \$375 billion of announced transactions, including acquisitions, sale processes, mergers of equals, special committee advisory assignments, recapitalizations and restructurings. We have provided significant advisory

Table of Contents

services on multiple transactions for AT&T (including its predecessor company, SBC), CVS, Dow Jones, EDS, E*TRADE, General Mills and Swiss Re, among others.

Senior Level Attention and Experience. The Senior Managing Directors in our advisory business participate in all facets of client interaction, from the initial evaluation phase to the final stage of executing our recommendations. Our advisory Senior Managing Directors have on average more than 21 years of relevant experience.

Independence and Confidentiality. We do not underwrite securities, publish securities research, or act as a lender. This enables us to avoid the potential conflicts that may arise from these activities at larger, more diversified competitors. In addition, we believe our commitment to discretion and the smaller size of our firm enhance our ability to provide our clients with strict confidentiality.

Our advisory business generates revenue from fees for providing advice and investment banking services on mergers, acquisitions, restructurings and other strategic transactions. In 2006 our advisory business generated \$183.8 million, or 87.6%, of our net revenue and earned advisory fees from 63 clients.

Investment Management

Our investment management business manages four private equity funds with aggregate capital commitments of over \$1.3 billion as of December 31, 2006, as well as public securities in the U.S. and Mexico. Mr. Beutner is the Chief Investment Officer of Evercore and a majority of the investment team's Senior Managing Directors have worked together since 1999. Our team brings a diverse set of skills and experiences to the investment process and includes experienced investors, former senior executives from Fortune 100 companies, buy-side research analysts and strategic consultants. Our investment management business principally manages and invests capital on behalf of third parties. A broad range of institutional and high net worth investors, including corporate and public pension funds, endowments, foundations, insurance companies and family offices, have committed capital to the funds we manage. The investments made by our private equity funds are typically control or significant influence investments while the investments made by our Evercore Ventures fund are typically minority investments.

Evercore Capital Partners L.P. and its affiliated entities (collectively, ECP I), Evercore Capital Partners II L.P. and its affiliated entities (collectively, ECP II) are value-oriented, middle-market private equity funds. We believe Evercore differentiates itself from other managers of middle-market private equity funds by the breadth, depth, quality and stability of its investment team, its ability to leverage the broader Evercore relationship network throughout the investment process, and its ability to bring world class operating expertise to its portfolio companies.

We seek to generate attractive risk-adjusted returns in all of our funds by adhering to the following investment approach:

Employing the Evercore Relationship Network. We employ the Evercore relationship network throughout the investment process to originate investments, evaluate potential opportunities thoroughly, and add value after an investment is made. We enhance the breadth and depth of our advisory relationship network with our investment management business' advisory board, in-house operating executives and the collective experience of our investment team.

Value Discipline: Focus on Risk Adjusted Returns. We focus on the fundamentals of the underlying business rather than relying on capital markets arbitrage, future acquisitions or valuation multiple expansion to achieve returns.

World Class Operating Expertise and Post-Investment Value Creation. We devote considerable time and resources to working closely with the funds' portfolio companies to determine business strategy,

Table of Contents

allocate capital and other resources, evaluate expansion and acquisition opportunities and participate in implementing these plans. Our investment management team benefits from Fortune 100 CEO-level operating experience and is able to apply world class operating expertise to our middle market portfolio companies.

As of December 31, 2006, ECP I and ECP II have invested over \$990 million in 21 companies. The funds typically hold investments for three to seven years and systematically evaluate exit opportunities throughout the holding period. Evercore Venture Partners L.P. and its affiliated entities (collectively, EVP) has invested \$37.4 million in emerging technology companies in specific growth sectors including data storage, wireline and wireless communications, enterprise software and technology enabled services.

Our investment management business primarily generates revenue from (1) fees earned for our management of the funds, (2) portfolio company fees, (3) incentive fees, referred to as carried interest, earned when specified financial returns are achieved over the life of a fund and (4) gains (or losses) on investments of our own capital in the funds. See Management's Discussion and Analysis of Financial Condition and Results of Operations Key Financial Measures Revenue Investment Management. Our investment management business generated \$23.3 million, or 11.1%, of our net revenue in 2006, which was comprised of \$16.7 million of management and portfolio company fees and \$6.5 million of carried interest and investment losses.

The Evercore entities entitled to the management and portfolio company fees from the private equity funds we manage were contributed to us as part of our reorganization prior to the IPO. Accordingly, we continue to receive these fees from all of the funds we manage following the IPO. However, with the exception of a non-managing minority equity interest in the general partner of ECP II, the general partners of the private equity funds we currently manage and certain other entities through which Messrs. Altman and Beutner have invested capital in ECP I were not contributed to us and continue to be owned by our Senior Managing Directors and other third parties. Accordingly, we no longer receive any carried interest from ECP I or EVP or any gains or losses arising from investments in those funds. However, through our equity interest in the general partner of ECP II, we receive 8% to 9% (depending on the particular fund investment) of any carried interest realized from that fund, as well as gains (or losses) on investment based on the amount of capital in that fund which is contributed to, or is subsequently funded by, us. We also will receive a portion of the carried interest realized from any future private equity funds we manage and gains (or losses) on investment based on the amount of capital we contribute in respect of any such future fund.

Our investment management business also manages public securities in the U.S. and Mexico.

In October 2005, we formed Evercore Asset Management L.L.C. (EAM). EAM's approach to investing is classic value and the firm seeks to make value investments in small- and mid-capitalization publicly-traded companies. EAM's business development focuses on the institutional pension, endowment and foundation market. As of December 31, 2006 EAM had \$157.0 million in assets under management. We do not consolidate the results of EAM, but rather recognize our pro rata share of income or losses based on our 41.7% ownership interest in the joint venture.

In 2005, Protego formed PCB, an asset management business focused on investment management in peso-denominated money market and fixed income securities for institutional and high net worth investors in Mexico. As of December 31, 2006, PCB had \$263.2 million in assets under management. We own a 70.0% interest in PCB.

Table of Contents

Our Growth Strategy

We believe this offering will allow us to continue to grow and diversify our advisory and investment management businesses and further enhance our profile and position. We seek to achieve these objectives through three primary strategies:

Add Highly Qualified Advisory Professionals with Industry and Product Expertise. We intend to continue to recruit high-caliber professionals into our advisory practice to add depth in industry sectors in which we believe we already have strength, to extend the reach of our advisory focus to industry sectors we have identified as particularly attractive and to further strengthen our restructuring business. In the 18 months preceding March 31, 2007, we hired one partner with energy and power expertise, one partner with telecom and technology expertise, and two partners with restructuring expertise.

Expand Into New Geographic Markets. We plan to expand into new geographic markets where we believe the business environment will be receptive to the strengths of our advisory and investment management business models or where our clients have or may develop a significant presence. Our combination with Protego in August 2006 and our acquisition of Braveheart in December 2006 represented important steps in this strategy. We have also entered into a strategic alliance with Mizuho Securities to provide joint advisory services for U.S.-Japan cross-border merger, acquisition and restructuring transactions. We may hire groups of talented professionals or pursue additional strategic acquisitions of or alliances with highly-regarded regional or local firms in new markets whose culture and operating principles are similar to ours.

Raise New Private Equity Funds and Diversify Into New Investment Management Services. We intend to raise additional private equity funds and diversify our business into new investment management services. We intend to raise a new private equity fund, Evercore Capital Partners III, and expect the fundraising process to take more than 12 months, subject to market conditions. EAM is evaluating new services and has recently launched a domestic, value-oriented, long-short hedge fund.

Preliminary Revenue Estimates for the First Quarter of 2007;

Compensation and Benefits Expense Target

Our expectations with respect to our results discussed below are based upon management estimates that are subject to quarterly review procedures and final reconciliations and adjustments. Actual results may differ from these estimates, and those differences may be material.

For the first quarter of 2007, we estimate that our net revenue was between \$87 million and \$89 million. This compares to \$45.6 million in net revenue for the first quarter of 2006 generated by Evercore Holdings (the Predecessor Company) and \$78.9 million in net revenue for the fourth quarter of 2006.

Our Advisory net revenue for the quarter benefited from the successful completion of several engagements as to which we were entitled to significant fees, which may not recur in subsequent periods. Our revenues and net income can fluctuate materially depending on the number, size and timing of the completed transactions on which we advised, the number and size of Investment Management gains or losses and other factors. Accordingly, the revenues and net income in any particular quarter may not be indicative of future results. Evercore believes that annual results are the most meaningful.

We currently target total employee compensation and benefits expense (excluding for these purposes, compensation and benefits expense associated with new business initiatives or any vesting of partnership units or RSUs granted in connection with the Reorganization and the IPO) at a level not to exceed 50% of revenue (excluding for these purposes any revenue associated with carried interest and reimbursable expenses). Since the acquisition of Braveheart represents a new business initiative, we have excluded the revenues and compensation

Table of Contents

expenses associated with our European operations in calculating our compensation and benefits expense target for 2007. We retain the ability to exceed our compensation and benefit expense target, change the target or change how the target is calculated at any time.

Increasing the number of high caliber Senior Managing Directors is critical to our growth efforts. Typically, we hire new Senior Managing Directors in the middle of a calendar year, but the new hires do not begin to generate significant revenue until the following calendar year. We expect new Senior Managing Directors to be accretive to our earnings by the second calendar year after joining the firm. We have hired one new Senior Managing Director already in 2007 and may add as many as ten additional Senior Managing Directors in 2007 in the United States and in Europe, although the number of actual new hires also may fall short of that target. As a result, we expect to record significant compensation expenses associated with new Senior Managing Director hires that will cause us to exceed our compensation and benefits expense target in 2007 and possibly in future periods. We expect such increased expenses, to the extent incurred, to have a material and adverse impact on our near-term margins and profitability. Accordingly, to the extent we hire at the high end of our current estimates, we expect that our earnings per share for 2007 will be significantly below our pro forma earnings per share for 2006. We undertake no obligation to publicly update or review these estimates of new hires, future expenses, margins or profitability, whether as a result of new information, future developments or otherwise.

Evercore Partners Inc. was incorporated in Delaware on July 21, 2005. Our principal executive offices are located at 55 East 52nd Street, 43rd Floor, New York, New York 10055, and our telephone number is (212) 857-3100.

Table of Contents

Organizational Structure

The diagram below depicts our organizational structure immediately following this offering and gives effect to the vesting of Evercore LP partnership units that will occur as a result of the completion of this offering as described below.

Holding Company Structure

Evercore Partners Inc. is a holding company, and its sole material asset is a controlling equity interest in Evercore LP. As the sole general partner of Evercore LP, Evercore Partners Inc. operates and controls all of the business and affairs of Evercore LP and, through Evercore LP and its operating subsidiaries, conducts our business. See Management's Discussion and Analysis of Financial Condition and Results of Operations Reorganization for a more detailed discussion of the Reorganization we effected in August 2006 to establish our current organizational structure.

Evercore Partners Inc. consolidates the financial results of Evercore LP and its subsidiaries, and the ownership interest of our Senior Managing Directors in Evercore LP is reflected as a minority interest in Evercore Partners Inc.'s consolidated financial statements.

Table of Contents

Pursuant to the partnership agreement of Evercore LP, Evercore Partners Inc. has the right to determine when distributions will be made to the partners of Evercore LP and the amount of any such distributions. If Evercore Partners Inc. authorizes a distribution, such distribution will be made to the partners of Evercore LP (1) in the case of a tax distribution (as described below), to the holders of vested partnership units in proportion to the amount of taxable income of Evercore LP allocated to such holder and (2) in the case of other distributions, pro rata in accordance with the percentages of their respective vested partnership interests. Evercore Partners Inc. may, however, authorize a distribution to the partners of Evercore LP who hold vested and unvested units in accordance with the percentages of their respective vested and unvested partnership interests in the event of an extraordinary dividend, refinancing, restructuring or similar transaction.

The holders of partnership units in Evercore LP, including Evercore Partners Inc., will incur U.S. federal, state and local income taxes on their proportionate share of any net taxable income of Evercore LP. Net profits and net losses of Evercore LP will generally be allocated to its partners (including Evercore Partners Inc.) pro rata in accordance with the percentages of their respective partnership interests. The partnership agreement provides for cash distributions to the holders of vested partnership units of Evercore LP if Evercore Partners Inc. determines that the taxable income of Evercore LP will give rise to taxable income for its partners. In accordance with the partnership agreement, we intend to cause Evercore LP to make cash distributions to the holders of vested partnership units of Evercore LP for purposes of funding their tax obligations in respect of the income of Evercore LP that is allocated to them. Generally, these tax distributions will be computed based on our estimate of the net taxable income of Evercore LP allocable to such holder of vested partnership units multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. federal, state and local income tax rate prescribed for an individual or corporate resident in New York, New York (taking into account the nondeductibility of certain expenses and the character of our income).

Evercore LP also intends to make distributions to Evercore Partners Inc. in order to fund any dividends Evercore Partners Inc. may declare on the Class A common stock. If Evercore Partners Inc. declares such dividends, our Senior Managing Directors will be entitled to receive equivalent distributions pro rata based on their partnership interests in Evercore LP, although these individuals will not be entitled to receive any such dividend-related distributions in respect of unvested partnership units.

Vesting of Evercore LP Partnership Units and Restricted Stock Units as a Result of the Completion of this Offering

In the Reorganization, our Senior Managing Directors received 13,430,500 vested and 9,706,329 unvested partnership units in Evercore LP. Under the terms of the Evercore LP partnership agreement (1) 4,853,164, or 50%, of these unvested partnership units will vest if and when Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 90% of the aggregate Evercore LP partnership units owned by them on the date the Reorganization was effected and (2) 9,706,329, or 100%, of these unvested partnership units will vest upon the earliest to occur of the following events:

when Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, cease to beneficially own at least 50% of the aggregate Evercore LP partnership units owned by them at the time of the Reorganization;

a change of control of Evercore; or

two of Messrs. Altman, Beutner and Aspe are not employed by, or do not serve as a director of, Evercore Partners Inc. or one of its affiliates within a 10-year period following the IPO.

In addition, 100% of the unvested Evercore LP partnership units held by a Senior Managing Director will vest if such Senior Managing Director dies or becomes disabled while in our employ. Our Equity Committee, which is comprised of Messrs. Altman, Beutner and Aspe, may also accelerate vesting of unvested partnership units at any time.

Table of Contents

In addition, we granted 2,286,055 RSUs to our employees at the time of the IPO. 207,116 of the RSUs are fully vested and, as a result, we recorded compensation expense at the time of the IPO equal to the value of these fully vested RSUs. The remaining 2,078,939 of these RSUs are unvested and will vest upon the same conditions as the unvested partnership units of Evercore LP issued in connection with the Reorganization (although on a different vesting schedule). Generally, 10% of the units were fully vested at the time of grant and, upon each subsequent vesting, an additional 45% of the units will vest.

We account for the unvested Evercore LP partnership units and unvested RSUs as compensation paid to employees in accordance with Statement of Financial Accounting Standard (SFAS) No. 123R, Share Based Payments (SFAS 123R), which we adopted effective January 1, 2006. The unvested Evercore LP partnership units and unvested RSUs vest based on the achievement of one of the performance and service vesting conditions as described above. In accordance with SFAS 123R, accruals of compensation costs for awards with a performance or service condition are based on the probable outcome of that service or performance condition. Compensation cost is accrued if it is probable that the performance condition will be achieved and is not accrued if it is not probable that the performance condition will be achieved.

We have heretofore concluded that it is not probable that the conditions relating to a decline in the collective beneficial ownership of Messrs. Altman, Beutner and Aspe (and trusts benefiting their families and permitted transferees), a change of control of Evercore or a lack of continued association of Messrs. Altman, Beutner and Aspe with Evercore will be achieved, or that the death or disability condition during the employment period will be satisfied. Accordingly, we have not been accruing compensation expense relating to these unvested partnership units and unvested RSUs. However, the completion of this offering will probably result in Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, ceasing to beneficially own at least 90% of the aggregate Evercore LP partnership units owned by them on the date of the Reorganization, which will in turn result in the vesting of 4,853,164, or 50%, of the unvested partnership units and 1,039,505, or 50%, of the unvested RSUs issued in conjunction with the IPO. In the event that we successfully complete this offering but Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, continue to beneficially own at least 90% of the aggregate Evercore LP partnership units owned by them on the date of the Reorganization, our Equity Committee nonetheless intends to accelerate the vesting of these unvested partnership units and RSUs.

The vesting of these partnership units and RSUs will be charged to expense at the completion of this offering based on the grant date fair value of the Evercore LP partnership units and RSUs, which is the IPO price of the Class A common stock of \$21.00 per share.

In the first quarter of 2007, and in connection with new hiring activity, we granted (1) 90,479 RSUs with a grant date fair value of \$33.27 per unit, 30,160 of which were fully vested and 60,319 of which are unvested and will vest upon the same conditions as the unvested partnership units of Evercore LP issued in connection with the Reorganization, and (2) 90,606 shares of restricted stock with a grant date fair value of \$33.64 per share, all of which are unvested and will vest upon the earlier of one year following the date of grant or Messrs. Altman, Beutner and Aspe, and trusts benefiting their families and permitted transferees, collectively, ceasing to beneficially own at least 90% of the aggregate Evercore LP partnership units owned by them on the date the Reorganization was effected. Therefore, the completion of this offering will result in the vesting of 30,160 of these RSUs and all of these 90,606 shares of restricted stock.

Accordingly, we will record a non-cash equity-based compensation charge at the completion of this offering of approximately \$127.8 million. As a result, we will record a significant loss in the quarter in which this offering is completed and expect to record a loss for the full fiscal year ending December 31, 2007.

Table of Contents**Tax Receivable Agreement**

Prior to this offering, certain of our Senior Managing Directors will exchange 2,369,540 Evercore LP partnership units that they hold on a one-for-one basis for shares of our Class A common stock. In addition, partnership units held by our Senior Managing Directors in Evercore LP may be exchanged in the future for shares of our Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications. This exchange and any such future exchanges are expected to result in an increase in the tax basis of the tangible and intangible assets of Evercore LP. These increases in tax basis would increase (for tax purposes) amortization and, therefore, reduce the amount of tax that we would otherwise be required to pay in the future.

We have entered into a tax receivable agreement with our Senior Managing Directors that provides for the payment by us to an exchanging Evercore partner of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax that we actually realize as a result of these increases in tax basis. We expect to benefit from the remaining 15% of cash savings, if any, in income tax that we realize. While the actual amount and timing of any payments under this agreement will vary depending upon a number of factors, including the timing of exchanges, the extent to which such exchanges are taxable and the amount and timing of our income, we expect that, as a result of the size of the increases of the tangible and intangible assets of Evercore LP attributable to our interest in Evercore LP, during the expected term of the tax receivable agreement, the payments that we may make to our Senior Managing Directors could be substantial.

Assuming no material changes in the relevant tax law, and that we earn sufficient taxable income to realize the full tax benefit of the increased amortization, we expect that future payments to our Senior Managing Directors in respect of the exchange of Evercore LP partnership units which will occur prior to this offering to aggregate approximately \$21.1 million, resulting in payments of approximately \$1.4 million per year over the next 15 years, based on an assumed value of the Class A common stock of \$29.30 per share (the last reported price of the Class A common stock on the New York Stock Exchange on May 4, 2007). (A \$1.00 increase (decrease) in the assumed value of the Class A common stock of \$29.30 per share would increase (decrease) the amount of future payments to our Senior Managing Directors in respect of the exchange of the Evercore LP partnership units that will occur prior to this offering by \$0.05 million per year over the next 15 years.) Future payments to our Senior Managing Directors in respect of subsequent exchanges pursuant to the tax receivable agreement would be in addition to these amounts and are expected to be substantial.

The effects of the tax receivable agreement on our consolidated statement of financial condition as a result of the exchange of 2,369,540 Evercore LP partnership units by our Senior Managing Directors prior to this offering are as follows:

we will record an increase of \$24.8 million in deferred tax assets for the estimated income tax effects of the increase in the tax basis of the assets owned by Evercore LP, based on enacted federal and state tax rates at the date of the transaction. To the extent we estimate that we will not realize the full benefit represented by the deferred tax asset, based on an analysis of expected future earnings, we will reduce the deferred tax asset with a valuation allowance; and

we will record 85% of the estimated realizable tax benefit (which is the recorded deferred tax asset less any recorded valuation allowance) as an increase of \$21.1 million to payable to related parties and the remaining 15% of the estimated realizable tax benefit, or \$3.7 million, as an increase to paid-in-capital.

Therefore, as of the date of the exchange of the Evercore LP partnership units, on a cumulative basis the net effect of accounting for income taxes and the tax receivable agreement on our financial statements will be a net increase in stockholders' equity of 15% of the estimated realizable tax benefit. The amounts to be recorded for both the deferred tax asset and the liability for our obligations under the tax receivable agreement have been estimated. Any additional payments under the tax receivable agreement that will further increase the tax benefits

Table of Contents

and the estimated payments under the tax receivable agreement have not been included in this estimate. All of the effects of changes in any of our estimates after the date of the purchase will be included in net income. Similarly, the effect of subsequent changes in the enacted tax rates will be included in net income. Future exchanges of Evercore LP partnership units for our shares of Class A common stock will be accounted for in a similar manner.

If the underwriters exercise their option to purchase additional shares from the selling stockholders, we expect that our Senior Managing Directors will exchange additional Evercore LP partnership units. The values of the deferred tax assets and payable to related parties, and the amount of expected future payments to our Senior Managing Directors under the tax receivable agreement in respect of any such exchange, will be based on the value of the Class A common stock at the time of such exchange.

Table of Contents

The Offering

Class A common stock offered by Evercore Partners Inc. 1,581,778 shares.

Class A common stock offered by the selling stockholders 2,618,222 shares.

Class A common stock outstanding immediately after this offering assuming no exercise of the underwriters' option to purchase additional shares from the selling stockholders 10,560,482 shares (or 31,327,771 shares if all vested and unvested Evercore LP partnership units, other than those held by Evercore Partners Inc., are exchanged for newly-issued shares of Class A common stock on a one-for-one basis).

Class A common stock outstanding immediately after this offering assuming full exercise of the underwriters' option to purchase additional shares from the selling stockholders 11,130,644 shares (or 31,327,771 shares if all vested and unvested Evercore LP partnership units, other than those held by Evercore Partners Inc., are exchanged for newly-issued shares of Class A common stock on a one-for-one basis).

Use of proceeds

We estimate that our net proceeds from this offering, after deducting estimated underwriting discounts and commissions and offering expenses, will be approximately \$43.0 million, based on an assumed public offering price of \$29.30 per share (the last reported price of the Class A common stock on the New York Stock Exchange on May 4, 2007). We intend to use these proceeds to expand and diversify our advisory and investment management businesses and for general corporate purposes in our operating subsidiary, Evercore LP. We will not receive any proceeds from the sale of shares by the selling stockholders.

Voting rights

Each share of our Class A common stock entitles its holder to one vote on all matters to be voted on by stockholders generally.

Each limited partner of Evercore LP holds one or more shares of our Class B common stock. The shares of Class B common stock have no economic rights but entitle the holder, without regard to the number of shares of Class B common stock held, to a number of votes that is determined pursuant to a formula that relates to the number of Evercore LP partnership units held by such holder. As a result of this formula, the limited partners of Evercore LP collectively have a number of votes in Evercore Partners Inc. that is equal to the aggregate number of

Table of Contents

vested and unvested partnership units that they hold. Under the formula, until such time as Messrs. Altman, Beutner and Aspe and certain trusts benefiting their families collectively cease to beneficially own, in the aggregate, at least 90% of the Evercore LP partnership units they held on August 10, 2006 (the date of the IPO), these three individuals will have all of the voting power of the Class B common stock and the other limited partners of Evercore LP will have no voting power. See Description of Capital Stock Class B Common Stock .

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

ANCHORAGE CAPITAL GROUP, L.L.C.

By: Anchorage Advisors Management,
L.L.C.,
its Managing Member

By: /s/ Kevin M. Ulrich
Name: Kevin M. Ulrich
Title: Managing Member

ANCHORAGE ADVISORS MANAGEMENT, L.L.C.

By: /s/ Kevin M. Ulrich
Name: Kevin M. Ulrich
Title: Managing Member

ANTHONY L. DAVIS

/s/ Anthony L Davis

KEVIN M. ULRICH

/s/ Kevin M. Ulrich

April 7, 2015

EXHIBIT INDEX

Ex.		Page No.
A	Joint Filing Agreement	11

JOINT FILING AGREEMENT

The undersigned agree that the statement on Schedule 13G with respect to the Common Stock of SMG Indium Resources Ltd., dated as of April 7, 2015, is, and any amendments thereto (including amendments on Schedule 13D) signed by each of the undersigned shall be, filed on behalf of each of them pursuant to and in accordance with the provisions of Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended.

ANCHORAGE CAPITAL GROUP, L.L.C.

By: Anchorage Advisors Management,
L.L.C.,
its Managing Member

By: /s/ Kevin M. Ulrich
Name: Kevin M. Ulrich
Title: Managing Member

ANCHORAGE ADVISORS MANAGEMENT, L.L.C.

By: /s/ Kevin M. Ulrich
Name: Kevin M. Ulrich
Title: Managing Member

ANTHONY L. DAVIS

/s/ Anthony L Davis

KEVIN M. ULRICH

/s/ Kevin M. Ulrich

April 7, 2015