

RadNet, Inc.  
Form PRE 14A  
April 20, 2009

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934

Filed by the Registrant  x  
Filed by a Party other than the  o  
Registrant

Check the appropriate box:

- x Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- o Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to § 240.14a-12

RADNET, INC.  
(Name of Registrant as Specified in its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No fee required
- o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies: Not applicable

(2) Aggregate number of securities to which transaction applies: Not applicable

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined): Not applicable

(4) Proposed maximum aggregate value of transaction: [\_\_\_\_\_]

(5) Total fee paid: [\_\_\_\_\_]

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o Fee paid previously with preliminary materials:

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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RADNET, INC.  
1510 Cotner Ave.  
Los Angeles, CA 90025

May 6, 2009

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders of RadNet, Inc. to be held at The Olympic Collection, 11301 Olympic Blvd., Los Angeles, California on Friday, June 5, 2009, at 10:00 a.m. (Pacific time).

The attached notice of annual meeting and proxy statement include the agenda for the stockholders' meeting, explain the matters that we will discuss at the meeting and provide general information about our company.

Your vote is very important. We have provided a postage-paid envelope for your convenience. If you plan to attend the annual meeting and prefer to vote in person, you may still do so even if you have already given your proxy. If your shares are registered in the name of a broker or other nominee, your nominee may be participating in a program provided through Broadridge Financial Solutions, Inc. that allows you to vote by telephone or the Internet. If so, the voting form that your nominee sends you will provide telephone and Internet instructions.

We look forward to seeing you at the annual meeting.

Sincerely,

Norman R. Hames  
Corporate Secretary

RADNET, INC.  
1510 Cotner Ave.  
Los Angeles, CA 90025

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
June 5, 2009

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The annual meeting of stockholders of RadNet, Inc. will be held at The Olympic Collection, 11301 Olympic Blvd., Los Angeles, California on Friday, June 5, 2009, at 10:00 a.m. (Pacific time) for the following purposes:

1. To elect seven nominees named in the attached proxy statement as directors to hold office until the 2010 annual meeting of stockholders;
2. To amend our 2006 Equity Incentive Plan to allow for a stock option exchange for eligible employees, consultants and directors, including the cancellation of certain stock options held by our current employees, consultants and directors;
3. To amend our 2006 Equity Incentive Plan to increase the number of shares available to 5,500,000;
4. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009; and
5. To transact any other business that may properly come before the meeting or any adjournment or postponement of the meeting.

The foregoing items of business are more fully described in the proxy statement.

The board of directors has fixed the close of business on May 4, 2009 as the record date for the determination of stockholders entitled to notice of and to vote at the annual meeting and at any adjournment or postponement thereof. A list of stockholders entitled to vote at the meeting will be available for inspection at our offices.

Important Notice Regarding the Availability of Proxy Materials for the 2009 Annual Meeting to be held on June 5, 2009: In accordance with new rules issued by the Securities and Exchange Commission, you may access our 2008 Annual Report and our Proxy Statement at <http://materials.proxyvote.com/750491> which does not have "cookies" that identify visitors to the site.

By order of the board of directors,

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Norman R. Hames  
Corporate Secretary  
Dated: May 6, 2009

All stockholders are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, please complete, sign, date and return the enclosed proxy card as soon as possible to ensure your

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representation at the meeting. A postage-paid return envelope is enclosed for your convenience. Stockholders holding shares with a broker, bank or other nominee may also be eligible to vote via the Internet or to vote telephonically if their broker, bank or other nominee participates in the proxy voting program provided by Broadridge Financial Solutions, Inc. (formerly ADP Investor Communication Services). See "Voting Shares Registered in the Name of a Broker or Bank" in the proxy statement for further details on the Broadridge program. Even if you have given your proxy, you may still vote in person if you attend the meeting. Please note, however, that if a broker, bank or other nominee holds your shares of record and you wish to vote at the meeting, then you must obtain from the record holder a proxy issued in your name.

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RADNET, INC.  
1510 Cotner Ave.  
Los Angeles, CA 90025

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2009 PROXY STATEMENT

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### General Information

The board of directors of RadNet, Inc., a Delaware corporation, is providing these proxy materials to you in connection with the solicitation of proxies for use at our 2009 annual meeting of stockholders. The meeting will be held at The Olympic Collection, 11301 Olympic Blvd., Los Angeles, California on Friday, June 5, 2009, at 10:00 a.m. (Pacific time) or at any adjournment or postponement thereof, for the purposes stated herein. This proxy statement summarizes the information that you will need to know to vote in an informed manner.

### Voting Rights and Outstanding Shares

We will begin mailing this proxy statement and the accompanying proxy card on or about May 6, 2009 to all stockholders of record that are entitled to vote. Only stockholders that owned our common stock at the close of business on May 4, 2009, the record date, are entitled to vote at the annual meeting. On the record date, 35,924,279 shares of our common stock were outstanding.

Each share of our common stock that you own entitles you to one vote on all matters to be voted upon at the meeting. The proxy card indicates the number of shares of our common stock that you own. We will have a quorum to conduct the business of the annual meeting if holders of a majority of the shares of our common stock are present in person or represented by proxy. Abstentions and broker non-votes (i.e., shares of common stock held by a broker, bank or other nominee that are represented at the meeting, but that the broker, bank or other nominee is not empowered to vote on a particular proposal) will be counted in determining whether a quorum is present at the meeting.

Directors will be elected by a plurality of votes cast by shares present or represented at the meeting. Shares not present at the meeting, broker non-votes and shares voting "abstain" will have no impact on the election of directors. The proposals to exchange options, increase the number of shares available under our equity incentive plan and ratify the appointment of our independent registered public accounting firm must be approved by a majority of the shares present in person or represented by proxy and entitled to vote on such matter at the annual meeting. With respect to such proposals, abstentions will be included in the number of shares present and entitled to vote with respect to a proposal and, accordingly, will have the effect of a vote "AGAINST" the proposal. However, broker non-votes with respect to such proposals will not be counted as shares present and entitled to vote and, accordingly, will not have any effect with respect to the approval of such proposals (other than to reduce the number of affirmative votes required to approve the proposal).

### Voting Shares Registered in Your Name

If you are a stockholder of record, you may vote in one of two ways:

- Attend the 2009 annual meeting and vote in person; or

Complete, sign, date and return the enclosed proxy card.

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Voting Shares Registered in the Name of a Broker, Bank or Other Nominee

Most beneficial owners whose stock is held in street name will receive instructions for voting their shares from their broker, bank or other nominee, rather than our proxy card.

A number of brokers and banks participate in a program provided through Broadridge Financial Solutions, Inc. that allows stockholders to grant their proxy to vote shares by means of the telephone or Internet. If your shares are held in an account with a broker or bank participating in the Broadridge program, then you may vote your shares telephonically by calling the telephone number shown on the instruction form received from your broker or bank, or over the Internet at Broadridge's web site at <http://www.proxyvote.com>.

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If you wish to vote in person at the annual meeting, then you must obtain a legal proxy issued in your name from the broker, bank or other nominee that holds your shares of record.

#### Tabulation of Votes

A representative from our transfer agent, American Stock Transfer & Trust Company, will tabulate the votes. The shares of our common stock represented by proxy will be voted in accordance with the instructions given on the proxy so long as the proxy is properly executed and received by us prior to the close of voting at the meeting or any adjournment or postponement of the meeting (or in the case of proxies submitted by telephone or via the Internet, by the deadline specified in the instructions you receive from your broker or bank). If no instruction is given, then the proxy will be voted for the nominees for director, for the option exchange and amendment to the equity incentive plan and for the proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm. In addition, the individuals that we have designated as proxies for the meeting will have discretionary authority to vote for or against any other stockholder matter presented at the meeting.

#### Revocability of Proxies

As a stockholder of record, once you have submitted your proxy you may revoke it at any time before it is voted at the meeting. You may revoke your proxy in any one of three ways:

- You may grant another proxy marked with a later date (which automatically revokes the earlier proxy) using any of the methods described above (and until the applicable deadline for each method);
- You may notify our Corporate Secretary in writing that you wish to revoke your proxy before it is voted at the annual meeting; or
  - You may vote in person at the annual meeting.

#### Solicitation

This solicitation is made by our board of directors, and we will bear the entire cost of soliciting proxies, including preparation, assembly, printing and mailing of this proxy statement, the proxy card and any additional information furnished to stockholders. We will provide copies of solicitation materials to banks, brokerage houses, fiduciaries and custodians holding in their names shares of our common stock that are beneficially owned by others for forwarding to the beneficial owners. We may reimburse persons representing beneficial owners of common stock for their costs of forwarding solicitation materials to the beneficial owners. Solicitations will be made primarily through the mail, but may be supplemented by telephone, telegram, facsimile, Internet or personal solicitation by our directors, executive officers, employees or other agents. No additional compensation will be paid to these individuals for these services.

#### Stockholder Proposals for 2010

Requirements for Stockholder Proposals to be Considered for Inclusion in RadNet, Inc.'s Proxy Materials. Stockholder proposals submitted pursuant to Rule 14a-8 under the Exchange Act and intended to be presented at our 2010 annual meeting must be received by us not later than January 6, 2010, in order to be considered for inclusion in our proxy materials for that meeting.

Requirements for Stockholder Proposals to be Brought Before an Annual Meeting. Our bylaws provide that, for stockholder nominations to the board of directors or other proposals to be considered at an annual meeting, the stockholder must have given timely notice of the proposal or nomination in writing to our Corporate Secretary. To be timely for the 2010 annual meeting, a stockholder's notice must be delivered to or mailed and received by our



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Corporate Secretary at our principal executive offices between January 28, 2010 and February 27, 2010. A stockholder's notice to the Corporate Secretary must set forth, as to each matter the stockholder proposes to bring before the annual meeting, the information required by our bylaws.

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### Separate Copy of Annual Report or Proxy Materials

If you share an address with another stockholder, each stockholder may not receive a separate copy of our annual report and proxy materials. Stockholders who do not receive a separate copy of our annual report and proxy materials, and who want to receive a separate copy, may request to receive a separate copy of our annual report and proxy materials by writing to Investor Relations at RadNet, Inc., 1510 Cotner Ave., Los Angeles, CA 90025 or by calling 310-445-2955. We will undertake to deliver promptly a copy of the annual report or proxy materials, as applicable, upon the receipt of such request. Stockholders who share an address and receive multiple copies of our annual report and proxy materials may also request to receive a single copy following the instructions above.

### Stockholder Communications to the Board

Stockholders who wish to send communications to our board of directors may do so by sending them in care of our Secretary at the address on the cover page of this Proxy Statement. The envelope containing such communication must contain a clear notation indicating that the enclosed letter is a "Stockholder-Board Communication" or "Stockholder-Director Communication" or similar statement that clearly and unmistakably indicates the communication is intended for the board. All such communications must clearly indicate the author as a stockholder and state whether the intended recipients are all members of the board or just certain specified directors. Our Secretary will have the discretion to screen and not forward to directors communications which the Secretary determines in his or her discretion are communications unrelated to our business or our governance, commercial solicitations, or communications that are offensive, obscene, or otherwise inappropriate. The Secretary will, however, compile all stockholder communications which are not forwarded and such communications will be available to any director.

### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table presents information concerning the beneficial ownership of the shares of our common stock as of March 31, 2009, by:

- each person we know to be the beneficial owner of 5% or more of our outstanding shares of common stock,
  - each of our Named Executive Officers and directors, and
  - all of our current executive officers and directors as a group.

Unless otherwise noted below, the address of each beneficial owner listed in the table is c/o RadNet, Inc., 1510 Cotner Ave., Los Angeles, CA 90025.

We have determined beneficial ownership in accordance with the rules of the SEC. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership is based on 35,924,279 shares of common stock outstanding on March 31, 2009. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed as outstanding shares of common stock subject to options or warrants held by that person that are currently exercisable or exercisable within 60 days of March 31, 2009. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

| Name of Beneficial Owner ##                                  | Shares Beneficially Owned (1) |      |
|--|-------------------------------|------|
|  | Number                        | %    |
| <b>5% or Greater Stockholders:</b>                           |                               |      |
| Howard G. Berger, M.D.                                       | 6,507,500                     | 15.4 |
| WC Capital Management, LLC                                   | 3,206,746                     | 7.6  |
| <b>Directors and Named Executive Officers:</b>               |                               |      |
| Howard G. Berger, M.D.(2)                                    | 6,507,500                     | 15.4 |
| Marvin S. Cadwell  | 118,928(3)                    | *    |
| John V. Crues, III, M.D.                                     | 673,262(4)                    | 1.6  |
| Norman R. Hames  | 1,576,237(5)                  | 3.7  |
| Lawrence L. Levitt   | 150,000(6)                    | *    |
| Michael L. Sherman, M.D.                                     | 125,315(7)                    | *    |
| David L. Swartz  | 185,000(8)                    | *    |
| Stephen M. Forthuber   | 100,000(9)                    | *    |
| Jeffrey L. Linden  | 885,000(10)                   | 2.1  |
| Mark D. Stolper  | 492,205(11)                   | 1.2  |
| All directors and executive officers as a group (10 persons) | 10,640,642(12)                | 25.2 |

## Except as otherwise indicated, the address for each beneficial owner is 1510 Cotner Avenue, Los Angeles, California 90025.

\* Represents less than 1%.

- (1) Subject to applicable community property statutes and except as otherwise noted, each holder named in the table has sole voting and investment power with respect to all shares of common stock shown as beneficially owned.
- (2) As a result of his stock ownership and positions as president and director, Dr. Berger may be deemed to be a controlling person of our company.
- (3) Beneficial ownership includes 100,000 shares subject to options exercisable within 60 days of March 31, 2009.
- (4) Beneficial ownership includes 250,000 shares subject to options exercisable within 60 days of March 31, 2009.
- (5) Beneficial ownership includes 1,376,237 shares subject to options exercisable within 60 days of March 31, 2009.
- (6) Beneficial ownership includes 150,000 shares subject to options exercisable within 60 days of March 31, 2009.
- (7) Beneficial ownership includes 75,000 shares subject to options exercisable within 60 days of March 31, 2009.
- (8) Beneficial ownership includes 125,000 shares subject to options exercisable within 60 days of March 31, 2009.
- (9) Beneficial ownership includes 125,000 shares subject to options exercisable within 60 days of March 31, 2009.

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- (10) Beneficial ownership includes 387,500 shares subject to options exercisable within 60 days of March 31, 2009.
- (11) Beneficial ownership includes 475,000 shares subject to options exercisable within 60 days of March 31, 2009.
- (12) Beneficial ownership includes 2,963,737 shares subject to options exercisable within 60 days of March 31, 2009.

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## PROPOSAL NO. 1

## ELECTION OF DIRECTORS

Our board of directors, acting pursuant to our bylaws, has determined that the number of directors constituting the full board of directors shall be seven at the present time. The board of directors has, upon approval of the independent directors, nominated Howard G. Berger, M.D., Marvin S. Cadwell, John V. Crues, III, M.D., Norman R. Hames, Lawrence L. Levitt, Michael L. Sherman, M.D. and David L. Swartz for reelection as members of the board of directors.

Each of the nominees is currently a director of our company. Each newly-elected director will serve a one-year term until the next annual meeting of stockholders or until his successor is duly qualified and elected. During the course of a term, the board of directors may appoint a new director to fill any vacant spot, including a vacancy caused by an increase in the size of the board of directors. The new director will complete the term of the director he or she replaced. Each person nominated for election has agreed to serve if elected, and we have no reason to believe that any nominee will be unable to serve. However, if any nominee cannot serve, then your proxy will be voted for another nominee proposed by the board of directors, or if no nominee is proposed by the board of directors, a vacancy will occur.

We, as a matter of policy, encourage our directors to attend meetings of stockholders. There are no family relationships between any nominees or executive officers of our company, and there are no arrangements or understandings between any nominee and any other person pursuant to which such nominee was or is selected as a director or nominee.

## Nominees for Director

You are being asked to vote on the seven director nominees listed below. Unless otherwise instructed, the proxy holders will vote the proxies received by them for these seven nominees. All of our nominees for director are current members of our board of directors. The names of the director nominees, their ages as of March 31, 2009 and other information about them are shown below.

| Name of Director<br>Nominee | Age | Position  | Director Since |
|-----------------------------|-----|---|----------------|
| Howard G. Berger, M.D.      | 64  | President, Chief Executive<br>Officer<br>and Chair of the Board of<br>Directors | 1992           |
| Marvin S. Cadwell           | 65  | Director  | 2007           |
| John V. Crues, III, M.D.    | 59  | Director  | 2000           |
| Norman R. Hames             | 52  | Director  | 1996           |
| Lawrence L. Levitt          | 66  | Director  | 2005           |
| Michael L. Sherman, M.D.    | 65  | Director  | 2007           |
| David L. Swartz             | 65  | Director  | 2004           |

The following is a brief description of the business experience of each director and executive officer during the past five years.

Howard G. Berger, M.D. has served as President and Chief Executive Officer of our company and its predecessor entities since 1987. Dr. Berger is also the president of the entities that own BRMG. Dr. Berger has over 25 years of experience in the development and management of healthcare businesses. He began his career in medicine at the

University of Illinois Medical School, is Board Certified in Nuclear Medicine and trained in an Internal Medicine residency, as well as in a masters program in medical physics in the University of California system.

Marvin S. Cadwell served as a director of Radiologix between June 2002 and November 2006. He was appointed Chairman of the Board of Radiologix in December 2002 and served as Chairman of the Nominations and Governance Committee of the Board of Radiologix. He was the Radiologix interim Chief Executive Officer from September 2004 until November 2004. From December 2001 until November 2002, Mr. Cadwell served as Chief Executive Officer of SoftWatch, Ltd., an Israeli based company that provides Internet software. Since 2003, he has served as a director of ChartOne, Inc., a private company that provides patient chart management services to the healthcare industry.

John V. Crues, III, M.D. is a world-renowned radiologist. Dr. Crues has served as our Medical Director for more than five years. Dr. Crues plays a significant role as a musculoskeletal specialist for many of our patients as well as a resource for physicians providing services at our facilities. Dr. Crues received his M.D. at Harvard University, completed his internship at the University of Southern California in Internal Medicine, and completed a residency at Cedars-Sinai in Internal Medicine and Radiology. Dr. Crues has authored numerous publications while continuing to actively participate in radiological societies such as the Radiological Society of North America, American College of Radiology, California Radiological Society, International Society for Magnetic Resonance Medicine and the International Skeletal Society.

Norman R. Hames has served as our Chief Operating Officer since 1996 and currently as our Executive Vice President and Chief Operating Officer - Western Operations. Applying his 20 years of experience in the industry, Mr. Hames oversees all aspects of our California facil

**SCHEDULE 13D/A**

CUSIP No. 647551100

|    |   |
|----|---|
| 1  | Name of Reporting Person<br>I.R.S. Identification No. of Above Person (Entities Only)<br>Adam J. Collins              |
| 2  | Check the Appropriate Box if a Member of a Group<br>(a) <input type="radio"/><br>(b) <input checked="" type="radio"/> |
| 3  | SEC Use Only  |
| 4  | Source of Funds<br>OO, PF   |
| 5  | Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) <input type="radio"/>             |
| 6  | Citizenship or Place of Organization<br>United States of America  |
| 7  | Sole Voting Power<br>21,345   |
| 8  | Shared Voting Power<br>734,635*   |
| 9  | Sole Dispositive Power<br>21,345  |
| 10 | Shared Dispositive Power<br>734,635*  |
| 11 | Aggregate Amount Beneficially Owned by Each Reporting Person<br>755,980   |
| 12 | Check if the Aggregate Amount in Row (11) Excludes Certain Shares <input type="radio"/>                               |
| 13 | Percent of Class Represented by Amount in Row (11)<br>1.6%  |
| 14 | Type of Reporting Person<br>IN  |

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\* This number represents a total of 109,741 shares held in the Steven B. Klinsky Trust and 624,894 shares held in the Steven B. Klinsky Non-GST Exempt Trust, both of which the Reporting Person is a trustee.



This Amendment No. 8 amends and supplements the statement on Schedule 13D, filed on May 31, 2011, as amended by Amendment No. 1 thereto filed on August 9, 2011, Amendment No. 2 thereto filed on October 3, 2012, Amendment No. 3 thereto filed on October 23, 2012, Amendment No. 4 thereto filed March 28, 2013, Amendment No. 5 thereto filed on June 28, 2013, Amendment No. 6 thereto filed on July 18, 2013 and Amendment No. 7 thereto filed on November 1, 2013 (collectively, the Schedule 13D ), by New Mountain Investments III, L.L.C., a Delaware limited liability company, New Mountain Guardian AIV, L.P., a Delaware limited partnership, New Mountain Finance AIV Holdings Corporation, a Delaware corporation ( AIV Holdings ), New Mountain Guardian Partners, L.P. , a Delaware limited partnership ( Guardian Partners ), New Mountain Guardian GP, L.L.C., a Delaware limited liability company ( Guardian GP ), Steven B. Klinsky, the Steven B. Klinsky Trust and Adam J. Collins (collectively, the Reporting Persons )(1) with respect to the common stock, par value \$0.01 per share ( Common Stock ), of New Mountain Finance Corporation, a Delaware corporation (the Issuer ). Capitalized terms used herein but not defined shall have the meanings ascribed thereto in the Schedule 13D. Except as herein amended or supplemented, all other information in the Schedule 13D is as set forth therein.

**Item 3. Source and Amount of Funds or Other Consideration**

Item 3 of the Schedule 13D is hereby amended to add the following:

On February 3, 2014, the Issuer completed an underwritten public offering of 2,671,938 shares of its Common Stock at a public offering price of \$14.70 per share (the February 2014 Resale Offering ) on behalf of AIV Holdings. In connection with the February 2014 Resale Offering, AIV Holdings tendered 2,671,938 common membership units of the Operating Company held by AIV Holdings to the Issuer in exchange for \$38,101,835.88 of net proceeds (after deducting underwriting discounts and commissions) and the Issuer issued 2,671,938 shares of its Common Stock directly to the underwriters for the February 2014 Resale Offering.

**Item 5. Interest in Securities of the Issuer**

Items 5(a) and 5(b) of the Schedule 13D are hereby amended and restated in their entirety as follows:

(a) (b). With respect to each Reporting Person, the aggregate percentage of shares of Common Stock reported beneficially owned by such person named herein is based upon 47,896,693 shares of Common Stock outstanding, which is the total number of shares of Common Stock outstanding as of February 3, 2014 and treating any shares of Common Stock which may be acquired by any Reporting Person within 60 days (including through the exchange at any time and from time to time some or all of the common membership units of the Operating Company for shares of Common Stock of the Issuer) as being outstanding for purposes of computing the percentage of outstanding shares of Common Stock by such Reporting Person (but not by any other Reporting Person). The aggregate number of shares of Common Stock to

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(1) Neither the present filing nor anything contained herein shall be construed as an admission that (i) any Reporting Person constitutes a person for any purposes other than Section 13(d) of the Act, (ii) any of the Reporting Persons are, for purposes of Section 13(d) or Section 16 of the Act or otherwise, a member of a group or (iii) any of the Reporting Persons are, for the purposes of Sections 13(d) of the Act, the beneficial owner of any securities other than securities directly owned by such Reporting Persons.

which this Statement relates is 2,583,293 shares of Common Stock, constituting approximately 5.4% of the outstanding shares of Common Stock of the Issuer.

With respect to each Reporting Person, for the aggregate number of securities of the Issuer beneficially owned, the percentage of the class of securities of the Issuer beneficially owned, the number of securities for which such Reporting Person has the sole power to vote or to direct the vote, the number of securities for which such Reporting Person has the shared power to vote or to direct the vote, the number of securities for which such Reporting Person has the sole power to dispose or to direct the disposition, and the number of securities for which such Reporting Person has the shared power to dispose or to direct the disposition, see the responses to Items 7 through Item 11 and Item 13 on the attached cover pages.

Item 5(c) of the Schedule 13D is hereby amended to add the following:

On February 3, 2014, the Issuer completed the February 2014 Resale Offering of 2,671,938 shares of its Common Stock at a public offering price of \$14.70 per share on behalf of AIV Holdings. In connection with the February 2014 Resale Offering, AIV Holdings tendered 2,671,938 common membership units of the Operating Company held by AIV Holdings to the Issuer in exchange for the net proceeds (after deducting underwriting discounts and commissions) and the Issuer issued 2,671,938 shares of its Common Stock directly to the underwriters for the February 2014 Resale Offering.

**Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer**

Item 6 of the Schedule 13D is hereby amended to add the following:

In connection with the February 2014 Resale Offering, the Issuer, the Operating Company and AIV Holdings, among others, entered into an underwriting agreement, dated January 29, 2014, with certain underwriters (the February 2014 Underwriting Agreement). A more detailed summary of the February 2014 Underwriting Agreement is set forth in the Issuer's Prospectus dated January 29, 2014, as filed with the SEC on January 29, 2014. This summary is qualified in its entirety by the terms of the February 2014 Underwriting Agreement, which is set forth as Exhibit 99.9, and is incorporated herein by reference.

**Item 7. Material to be Filed as Exhibits**

Item 7 of the Schedule 13D is hereby amended to add the following:

99.9 Underwriting Agreement, dated January 29, 2014, filed as Exhibit (h)(2) to the Post-Effective Amendment No. 1 to the Issuer's Registration Statement on Form N-2 dated January 29, 2014, and incorporated herein by reference.



**SIGNATURES**

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.

Date: February 18, 2014

NEW MOUNTAIN INVESTMENTS III, L.L.C.

By: /s/ Steven B. Klinsky  
Name: Steven B. Klinsky  
Title: Managing Member

NEW MOUNTAIN GUARDIAN AIV, L.P.

By: New Mountain Investments III, L.L.C.,  
its general partner

By: /s/ Steven B. Klinsky  
Name: Steven B. Klinsky  
Title: Managing Member

NEW MOUNTAIN FINANCE AIV HOLDINGS CORPORATION

By: /s/ Adam Weinstein  
Name: Adam Weinstein  
Title: Executive Vice President and Chief Administrative Officer

NEW MOUNTAIN GUARDIAN GP, L.L.C.

By: /s/ Steven B. Klinsky  
Name: Steven B. Klinsky  
Title: Managing Member

Steven B. Klinsky

/s/ Steven B. Klinsky

STEVEN B. KLINSKY TRUST

By: /s/ Steven B. Klinsky  
Name: Steven B. Klinsky

STEVEN B. KLINSKY NON-GST EXEMPT TRUST

By: /s/ Steven B. Klinsky  
Name: Steven B. Klinsky

Adam J. Collins

/s/ Adam J. Collins