

FIRM BROCHURE
(Part 2A of Form ADV)

March 30, 2011

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Avondale Investments, LLC. If you have any questions about the contents of this Brochure, please contact us at (405) 286-9759 and/or ddillingham@avondaleinvestments.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Avondale Investments, LLC is a registered investment adviser with the U.S. Securities and Exchange Commission; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Avondale Investments, LLC and its investment adviser representatives also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 1: COVER PAGE

Please refer to previous page.

ITEM 2 MATERIAL CHANGES

This Brochure dated March 30, 2011 is a new document prepared in accordance with the new requirements and rules adopted by the United States Securities and Exchange Commission (“SEC”). Previously, investment advisers provided clients and prospective clients with a copy of Form ADV Part II, which was in a “check-the-box” format with certain narrative explanations included on a Schedule F. On July 28, 2010, the SEC adopted revisions to Form ADV, which require investment advisers to provide narrative, plain English disclosures regarding their advisory business in order to provide clients and prospective clients with more meaningful information about the adviser and its business practices. Accordingly, this Brochure is materially different in structure and requires certain new information that the previous brochure did not require.

Because of the amount of new details provided within the brochure, Avondale encourages each client to read this Brochure carefully and to call us with any questions you may have. While our business practice has not changed, this Brochure contains more detailed information about our business, including investment risks and conflicts of interest. In particular, please note the following items contain new and revised information:

Item 4 - Advisory Business

Item 6 - Performance-Based Fees and Side-by-Side Management

Item 7 – Types of Clients

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Item 9 - Disciplinary Information

Item 10 - Other Financial Industry Activities and Affiliations

Item 15 – Custody

Item 16 – Investment Discretion

Item 18 – Financial Information

Pursuant to new SEC Rules, Avondale will ensure that clients receive a summary of any materials changes to this Brochure, along with an offer to provide a full copy of this Brochure upon request, within 120 days of the close of Avondale’s fiscal year. Additionally, as the firm experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover, along with the same offer. For more information about the firm, please call (405) 286-9759.

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ITEM 4 ADVISORY BUSINESS

A. Description of Firm

Avondale Investments, LLC (“Avondale” or the “Firm”) is an investment advisory firm registered with the Securities & Exchange Commission (“SEC”) and was founded in 2001. Avondale is located in Oklahoma City, Oklahoma and currently provides investment advisory services to affiliated private pooled investment vehicles, mainly private equity funds, and institutional clientele. Avondale also on occasion provides consulting services to private companies regarding, among other things, valuation and structuring of the companies.

Avondale is a limited liability company (LLC) organized under the laws of the State of Oklahoma. Avondale is owned by the DLD Revocable Trust dated 2005 (99%) and by Heritage Management Inc. (1%). Mr. Donald Dillingham serves as our President and Chief Compliance Officer and is responsible for all the investment decisions made for Avondale clients.

B. Types of Services Offered

Advisory Services

Avondale offers and provides investment advisory services to affiliated private equity funds and to the U.S. Department of Treasury, which are more fully described below.

1. Private Fund Investment Advisory Services

Avondale serves as investment adviser to affiliated privately offered investment vehicles formed as limited liability companies (the “Private Funds”). These Private Funds are available for investment only to persons who are “accredited investors” under the Securities Act of 1933, as amended, and “qualified clients” under the Investment Advisers Act of 1940, as amended. The Private Funds are not made available to the general public and are not registered investment companies.

Generally, the Private Funds make venture capital investments in private companies or start new companies that meet certain industry criteria, which are located in or will be located in Oklahoma. In serving as investment adviser to the Private Funds, Avondale is responsible for analyzing potential portfolio companies in accordance with the criteria outlined in the Private Funds’ respective private offering memoranda and operating agreements. Furthermore, Avondale provides the manager of the Private Funds with certain required records, along with periodic reports. Sequoia Management Company, LLC (“Sequoia”), an Avondale affiliate, serves as the manager to the Private Funds, providing certain management and administrative services. From time to time Avondale affiliates may serve on a portfolio company board of directors, or otherwise act to influence management of companies to which the Private Funds hold investments. In addition, such persons may serve on advisory boards.

2. Advisory Services Provided to the U.S Department of Treasury

In connection with the U.S. Department of Treasury's Capital Purchase Program ("CPP") under the Emergency Economic Stabilization Act, Avondale has a contract to provide services governed by an executed financial agency agreement.

To date, Avondale has only provided ongoing valuations and has not assisted in executing any transactions for the Treasury. Currently, Avondale is not providing valuations or investment management services to Treasury.

Consulting Services

Under certain circumstances, Avondale will provide consulting services to private companies regarding, among other things, valuation and structure. These services are generally provided under and outlined in a written agreement between Avondale and the private company.

C. Assets Under Management

Avondale currently provides investment advisory services on a non-discretionary basis. As of December 31, 2010, the amount of clients' assets we managed on a discretionary and non-discretionary basis was as follows:

| Type of Account | AUM |
|-------------------|---------------------|
| Discretionary | \$0 |
| Non-Discretionary | \$79,918,713 |
| Total: | \$79,918,713 |

Sequoia, the manager for the three private equity funds, has informed Avondale of their intention to liquidate two (Oklahoma Venture Capital Fund, LLC and Oak Hills Private Equity Fund, LLC) of the three private equity funds where Avondale serves as the investment advisor. As such we anticipate that Avondale's AUM will decline to a level of less than \$25 million by the end of 2011 because of these liquidations and other factors. However, there are no assurances or guaranties made that these liquidations will occur or happen within this time period stated above. The loss of these two clients will materially reduce the firm's revenue. Additionally, the liquidations may not be in total but may only be partial liquidations. If Avondale's assets decline to less than \$25 million, Avondale will no longer meet the current requirements for SEC registration and will need to withdraw its registration with the SEC and register with the Oklahoma Department of Securities.

ITEM 5: FEES AND COMPENSATION

As noted above, each client will be required to enter into a written agreement with Avondale setting forth the terms and conditions, including those fees charged us for rendering our services. Such fees are subject to negotiation under certain circumstances and at the sole discretion of Avondale.

1. Fees for Investment Advisory Services to the Private Funds

Avondale receives a percentage of Sequoia's management fee for serving as the investment adviser to the Private Funds. Fee payments are made in accordance with the written sub-advisory agreement between Sequoia and Avondale. Generally, Sequoia's fee is based on the total amount of capital contributed to the Funds by eligible investors. The actual percentage of Sequoia's management fee paid to Avondale is outlined in each of the Private Funds' offering memorandum.

2. Fees for Consulting Services

Avondale generally charges an hourly fee ranging from \$300 to \$1000, depending on the depth of the consulting services provided and the needs of the private company. Since these types of services vary in size and nature, each written agreement between Avondale and the private company client will contain details on the actual fee charged and also outline when the fee is due and payable.

At no time do we require a prepayment of more than \$1200 in fees per client and six months or more in advance.

B. Other Fees and Expenses

The actual fees charged a client will be outlined in the written agreement entered into between Avondale and the client.

All fees paid to Avondale for the services we provide to clients are separate and distinct from the fees and expenses charged by third parties. These separate fees and expenses may include, but are not be limited to, custodial fees, administrative fees, accounting fees and legal fees. Additional fees paid to third parties by the Private Funds are outlined in each Fund's offering memorandum.

As a registered representative of Oak Hills Securities, Inc. ("Oak Hills Securities"), Mr. Dillingham may provide certain services and/or offer investments and receive normal and customary commissions or fees as a result of such activities. This presents a conflict of interest which is more fully discussed in Item 10 below.

C. Important Considerations

In accordance with Rule 204-3 under the Investment Advisers Act of 1940, as amended (“Advisers Act”), Avondale will provide a current copy of Form ADV Part 2A and relevant brochure supplements (ADV Part 2B) to each client or prospective client prior to or as the same time as the execution of a written agreement with Avondale.

The written agreement between Avondale and the client will continue in effect until terminated by either party pursuant to the terms of the agreement and any pre-paid unearned fees will be refunded to the client and any earned unpaid fees will be due upon termination, as applicable.

Neither Avondale nor the client may assign the agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of Avondale shall not be considered an assignment.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Avondale does not charge performance-based fees (*i.e.*, fees calculated based on a share of capital gains upon or capital appreciation of the Private Funds or any portion of the Private Funds assets). Consequently, we do not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management).

ITEM 7: TYPES OF CLIENTS

Avondale provides investment advisory services to affiliated private pooled investment vehicles, mainly affiliated private equity funds, and institutional clientele. Avondale also provides consulting services to private companies generally regarding valuation and structure.

The Private Funds for which we serve as investment adviser are available for investment only to persons who are “accredited investors” under the Securities Act of 1933, as amended, and/or “qualified clients” under the Investment Advisers Act of 1940, as amended. The Private Funds are not made available to the general public and are not registered investment companies.

Avondale does not impose a minimum portfolio size or a minimum initial investment to open an account, but does reserve the right to accept or decline a potential client for any reason in our sole discretion.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

When rendering investment advisory services to the Private Funds, Avondale typically analyzes potential portfolio companies for their ability to qualify as an Oklahoma Rural Small Business Venture, or as an Oklahoma Small Business Venture. We undertake this analysis to help ensure that the Private Funds' investments will generate tax benefits under the Rural Incentive Act and/or the Small Business Incentive Act. We generally apply five criteria when analyzing a potential portfolio company for investment by the Private Funds. Under this framework, a potential portfolio company generally must: (1) have at least fifty percent of its employees or assets located in Oklahoma within one hundred eighty days after of investment (2) need financial assistance in order to commence or expand such business which provides or intends to provide goods or services; (3) conduct a lawful business activity that comes within certain SIC (Standard Industrial Classification) Codes developed by the Department of Commerce; (4) qualify as a "small business" as defined by the United States Small Business Administration; and (5) expend within eighteen months of investment at least fifty percent of such investment on tangible or intangible assets used in an active trade or business, or for working capital, other than consulting, brokerage or transaction fees. In some instances, we advise the Private Funds to invest in companies that are located in rural Oklahoma, and whose gross annual revenue is substantially derived from non-metropolitan areas of the state.

Furthermore, Avondale's method of analysis and investment criteria aims to be within the investment guidelines established by the Private Funds and Sequoia, the Funds' manager.

B. Risk of Loss

Investing in the Private Funds involves risk of loss that clients should be prepared to bear. Avondale's investment recommendations are subject to various risks, including but not limited to, economic, political and business risks and the risk of loss of value of the investment. Specifically, there are risks associated with early stage venture capital investments. Early stage venture capital investments are subject to greater risks of loss than investments in companies with more stable operations or financial condition. As a result, Avondale's investment recommendations involves significant risks including the risk that the portfolio companies will not be able to pay distributions to the Private Funds on a timely basis, and a risk that the value of the portfolio companies will decline. Moreover, the Private Fund's direct and indirect investments in portfolio companies will likely be illiquid and the ability to transfer, assign, or otherwise dispose of such investments may be limited. We may also advise the Private Funds to invest in companies that may operate at a loss or with substantial variations in operating results from period to period, and need substantial additional capital to support expansion or achieve or maintain a competitive position. These companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and services capabilities, and a

large number of qualified managerial and technical personnel. Finally, there is a risk that Avondale, despite its intentions, may recommend that the Private Funds invest in companies that do not qualify for tax benefits as Oklahoma small business ventures or Oklahoma rural small business ventures.

The risks involved in investing in the Private Funds are outlined in detail in each Private Fund's offering memorandum, including the risk that over time the Private Fund assets will fluctuate in value and upon redemption, an investor may or may not receive the amount he/she originally invested.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers such as Avondale are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of us or the integrity of our management. Avondale does not have any such legal or disciplinary events and thus has no information to disclose with respect to this Item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described in Item 4 above, Avondale serves as the investment adviser for three affiliated Private Funds, all of which are exempt from registration under Regulation D of the Securities Act of 1933 and offered for investment pursuant to Section 3(c)(1) of the Investment Company Act of 1940.

Mr. Dillingham, Avondale's principal owner also has majority ownership interests through his revocable trust in all three Private Funds and in certain of the private companies that the Private Funds invest in. Mr. Dillingham is also the owner and sole managing member of Sequoia, the manager to the Private Funds and Oak Hills Securities, which assists the Private Funds in soliciting investors for such Funds. Due to these ownership affiliations, Mr. Dillingham receives direct and indirect compensation, which also indirectly benefits Avondale. In addition, these ownership affiliations and the compensation received by Mr. Dillingham, create substantial conflicts of interest which are outlined in each Private Fund's offering memorandum.

As described in Item 5.B above, Mr. Dillingham is a registered representative of Oak Hills Securities and may provide certain services and/or offer investments and receive normal and customary commissions or fees as a result of such activities. This presents a conflict of interest to the extent that Mr. Dillingham may recommend that certain Avondale clients implement recommendations and/or investments by utilizing the services of Oak Hills Securities, which would result in Avondale receiving an indirect benefit and Mr. Dillingham receiving fees. In order to mitigate this potential conflict of interest, it is our policy to disclose to clients when the sale of particular investment products will result in fees being paid to us or our employees. Avondale clients are under no obligation to implement recommendations and/or make investments through Oak Hills

Securities and should understand that lower fees and/or commissions for comparable services may be available from other broker-dealers and investment advisers.

Mr. Dillingham also has majority and minority ownership interests in the business entities listed below, some of which are the portfolio companies that the Private Funds have invested in:

- Heritage Management Company, Inc. – energy investments
- Dira, LLC – holding company for real estate investments
- Ultimate Equipment X, LLC – drilling rig company
- Giant Partners, LLC – motivational speakers management company
- Great Equipment, LLC – owns restaurant equipment leased to Emerging Brands, Inc.
- Merit Advisors, Inc. – a state registered investment adviser
- Global International, Inc. – no stated business
- Emerging Brands, Inc. – Restaurant
- Native Warehousing, LLC and various series – owns self storage
- Spiro Equipment, LLC and various series – owns equipment for rental

Mr. Dillingham spends approximately 20% of his time annually performing services for the companies in which he has ownership interests.

Mr. Dillingham may serve as director on a board of a portfolio company or otherwise act to influence management of companies to which the Private Funds hold investments. Mr. Dillingham also may service on advisory boards of such portfolio companies.

Clients should be aware that the receipt of certain economic benefits by Mr. Dillingham and therefore indirectly by Avondale, as described above creates conflicts of interest and may indirectly influence Avondale's choice of investment recommendations for clients. In addition, conflicts may arise if a portfolio company in which a Private Fund has invested and any proprietary account of Mr. Dillingham's have invested subsequently become financially troubled. Question may arise about payment obligations or whether to initiate a bankruptcy. However, as a fiduciary to our clients, Avondale and Mr. Dillingham as the principal owner of Avondale endeavors at all times to put the interests of our clients first.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics Summary

The Advisers Act imposes a fiduciary duty on all investment advisers to act in the best interest of its clients. Avondale's clients therefore entrust us to use the highest standards of integrity when dealing with their assets and making investments that impact their

financial future. Our fiduciary duty compels all employees to act with integrity in all of our dealings.

Because Avondale's investment professionals and associated persons may transact in the same investments for their personal accounts as they may invest in for client accounts (as outlined in Item 11.B below), it is important to mitigate potential conflicts of interest. To that end, we have adopted personal securities transaction policies in the form of a *Code of Ethics* ("Code"), which all Avondale associated persons must follow. This Code provides personnel with guidance in their ethical obligations regarding their personal securities transactions and fiduciary duties formulating the basis of all of our client dealings. Specifically, the Code requires personnel to report personal trades and holdings and requires pre-clearance for certain trades in certain circumstances, including initial public offerings (IPOs) and limited offerings. The Code also prohibits insider trading and contains procedures for reporting violations and enforcement.

Avondale will provide a copy of our Code to any client or prospective client upon written request.

B. Participation or Interest in Client Transactions

Because our Code would permit associated persons of Avondale to invest in the same investments as clients, employee trading is monitored under the Code, with an eye to reasonably prevent conflicts of interest between Avondale and our clients.

Additionally, and as authorized by the organizational agreements related to the Private Funds, Avondale, an affiliate of Avondale, or an employee of Avondale, may invest in certain of the Private Funds along with the investors, or may invest directly in the investments made by the Private Funds. The offering documents related to the Private Funds disclose the possibility of such investments. In the future, additional pooled investment funds may be formed by Avondale or an affiliate of Avondale, and we may be authorized to invest along with the investors or may be authorized to invest directly in the funds' investments. In all cases, the offering documents relating to the relevant pooled investment fund will disclose the possibility of such investment by us (and/or an affiliate thereof) and the investor's decision to invest in these pooled investment funds will be made independently of Avondale.

Mr. Dillingham has majority of the voting interests through his revocable trust in all three Private Funds and in certain of the private companies that the Private Funds invest in. Please refer to Item 10 above for detailed information regarding ownership interests that both Avondale and Mr. Dillingham have in the Private Funds, the portfolio companies invested in by the Private Funds and other companies not affiliated with the Private Funds.

ITEM 12: BROKERAGE PRACTICES

Avondale does not place securities transactions for advisory clients. However, Oak Hills Securities may from time to time provide solicitation services for the Private Funds, which is outlined in Item 10 and Item 14.

ITEM 13: REVIEW OF ACCOUNTS

Investments made by the Private Funds are generally long term in nature and illiquid. Accordingly, the review process is generally not directed toward short-term decisions. Avondale generally reviews the Private Funds' investments on a monthly basis. Should certain unforeseen circumstances arise, we may perform special reviews in addition to our regular reviews. Mr. Dillingham is responsible for performing all reviews.

Avondale may provide certain financial reports to Sequoia regarding the Private Funds and their investments.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Avondale does not currently have any relationship with any third-party firm or individual whose purpose is marketing and/or gathering assets for us. Avondale may in the future enter into arrangements for third-party marketing services although none are contemplated at this time. Any and all such arrangements would be disclosed to potential clients and current clients.

Avondale and Mr. Dillingham have affiliations with certain companies that provide services to the Private Funds and the private companies that the Private Funds invest in. Because of such arrangements, Avondale and Mr. Dillingham receive certain direct and indirect compensation. In addition, these relationships create certain conflicts of interest between Avondale, Mr. Dillingham and the Private Funds. Please refer to Item 10 for further information, including how such conflicts are addressed by us.

Oak Hills Securities will, from time to time, solicit new investors for the Private Funds. Oak Hills Securities is generally compensated by Sequoia for these services. Mr. Dillingham may directly receive a portion of the compensation as registered representative of Oak Hills Securities and also indirectly benefits from such compensation due to his ownership interest in Oak Hills Securities. Avondale also indirectly benefits from the compensation received by Oak Hills Securities and Mr. Dillingham due to the fact that Mr. Dillingham is the principal owner of both entities.

ITEM 15: CUSTODY

Avondale is deemed to have custody of client assets based solely on the fact that we serve as an investment adviser to the Private Funds. As outlined in Rule 206(4)-2 of the Investment Advisers Act of 1940, investment advisers that are considered to have

custody of client assets are generally required to have an independent verification of those assets through an annual surprise examination performed by an independent certified public accountant. Avondale is deemed to have complied with this requirement with respect to the Private Funds' assets because each of the Private Funds will receive an annual audit of their financials performed by an independent public accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board. In addition, the audited financial statements will be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and distributed to all investors upon completion.

Should any of the Private Funds implement a full liquidation of their assets, an audit will be performed and the audited financial statements will be distributed to all of that Fund's investors promptly after the completion of such audit.

Avondale does not send any type of statements or reports to the Private Funds or their investors.

ITEM 16: INVESTMENT DISCRETION

All investment advisory services are performed by Avondale on a non-discretionary basis, unless otherwise agreed upon at the inception of the client relationship and memorialized in the client's agreement. For the Private Funds, we provide advice and recommendations to Sequoia regarding investments to be purchased, retained or sold with respect to each Private Fund. Sequoia makes the determination of whether or not the Private Funds will act upon such recommendations.

ITEM 17: VOTING CLIENT SECURITIES

Avondale's policy and practice is to not vote proxies on behalf of our clients and therefore, we shall have no obligation to take any action or render any advice with respect to the voting of proxies. Consequently, clients retain the responsibility for receiving and voting all proxies for investments held within the client's account.

ITEM 18: FINANCIAL INFORMATION

Avondale does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. We do not have any financial commitments that impair our ability to meet contractual and fiduciary obligations to clients, and have not been the subject of a bankruptcy proceeding.