

Avondale Investments, LLC

Client Brochure

This 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) 286-9760 or by email at: 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.

Additional information about Avondale Investments, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Avondale Investments, LLC's CRD number is: 119760

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Registration does not imply a certain level of skill or training.

Version Date: 7/29/2011

Item 2: Material Changes

Avondale Investments, LLC has not yet filed an annual updating amendment using the ADV Form 2A. Therefore there are no material changes to report.

Item 3: Table of Contents

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Item 4: Advisory Business

A. Description of the Advisory Firm

Avondale Investments, LLC is a Limited Liability Company organized in the state of Oklahoma.

This firm has been in business since August 2001, and the principal owners are DLD Revocable Trust dated 2005 and by Heritage Management Inc. Donald Dillingham serves as President and Chief Compliance Officer and is responsible for all the investment decisions made for Avondale Investments, LLC clients.

B. Types of Advisory Services

Avondale Investments, LLC (hereinafter “Avondale”) offers the following services to advisory clients:

Investment Supervisory Services

Avondale offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance to affiliated private equity funds and to the U.S. Department of Treasury.

Private Fund Investment Advisory Services

Avondale serves as investment adviser to the privately offered investment vehicles (the “Private Funds”); Oklahoma Venture Capital Fund LLC, Oak Hills Private Equity Fund, LLC, and Oak Hills Private Equity Fund, LLC Series A. These Private Funds are available for investment only to accredited or qualified clients. 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.

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.

Services Limited to Specific Types of Investments

Avondale generally limits its money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, REITs, private placements, and government securities. Avondale may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

Avondale offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Avondale from properly servicing the client account, or if the restrictions would require Avondale to deviate from its standard suite of services, Avondale reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. Avondale DOES NOT participate in any wrap fee programs.

E. Amounts Under Management

Avondale has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0.00	\$11,065,000.00	07/28/2011

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Fees for Investment Advisory Services to the Private Funds

Avondale receives a management fee of 0.50% to 1.125% from Sequoia 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, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract.

Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn by Sequoia directly from the client's accounts with client written authorization. Sequoia then forwards Avondale fees to Avondale.

Fees for Consulting Services

Depending on the depth of the consulting services provided and the needs of the private company, the hourly fee for consulting services is between \$300 and \$1,000. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Investment Advisory Contract. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

B. Payment of Fees

Payment of Investment Supervisory Fees

Payment of Investment Advisory Services to the Private Funds

Advisory fees are withdrawn by Sequoia directly from the client's accounts with client written authorization. Sequoia then forwards Avondale fees to Avondale. Fees are paid quarterly in arrears.

Payment of Consulting Services Fees

Consulting services fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

C. Clients Are Responsible For Third Party Fees

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.

Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

Avondale collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

Donald Lee Dillingham in his role as a registered representative accepts compensation for the sale of securities to Avondale clients.

1. This is a Conflict of Interest

Avondale and its supervised persons will accept compensation for the sale of securities or other investment products, including asset based sales charges or services fees from the sale of mutual funds to its clients. This presents a conflict of interest and gives the supervised person and Avondale an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which Avondale receives compensation, Avondale will document the conflict of interest in the client file and inform the client of the conflict of interest.

2. Clients Have the Option to Purchase Recommended Products From Other Brokers

Clients always have the option to purchase Avondale recommended products through other brokers or agents that are not affiliated with Avondale.

3. Advisory Fees in Addition to Commissions or Markups

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

Item 6: Performance-Based Fees and Side-By-Side Management

Avondale does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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 or qualified investors. The Private Funds are not made available to the general public and are not registered investment companies.

There is no account minimum.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis and Investment Strategies

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.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis and Investment Strategies

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.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

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.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SR) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Donald Lee Dillingham is a registered representative of Oak Hills Securities, Inc. From time to time, he will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Avondale always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Avondale in their capacity as a registered representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Avondale nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Donald Lee Dillingham is a registered representative of Oak Hills Securities, Inc. From time to time, he will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Avondale always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Avondale in their capacity as a registered representative.

Donald Lee Dillingham is an investment advisor representative of Merit Advisors, Inc. From time to time, he will offer clients advice or products from those activities. Avondale always acts in the best interest of the client. Clients are in no way required to implement the plan through any representative of Avondale in their capacity as an outside investment advisor representative.

Donald Lee Dillingham 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 Management Company LLC, the manager to the Private Funds and the broker dealer, Oak Hills Securities, Inc. which assists the Private Funds in soliciting investors for such Funds. From time to time, he will offer clients advice or products from those activities. Avondale always acts in the best interest of the client.

Donald Lee Dillingham is also a real estate broker and a CPA. From time to time, he will offer clients advice or products from those activities. Avondale always acts in the best interest of the client.

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.
- 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

From time to time, 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. Avondale always acts in the best interest of the client.

D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

Avondale does not utilize nor select other advisors or third party managers.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

Avondale does not recommend that clients buy or sell any security in which a related person to Avondale or Avondale has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of Avondale may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Avondale to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Avondale will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of Avondale may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Avondale to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Avondale will always transact client's transactions before its own when similar securities are being bought or sold.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodian will be chosen based on their relatively low transaction fees and access to mutual funds and ETFs. Avondale will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

1. Research and Other Soft-Dollar Benefits

Avondale receives research, products, or other services from its broker-dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that Avondale must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for Avondale to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. The first consideration when recommending broker/dealers to clients is best execution.

2. Brokerage for Client Referrals

Avondale receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

Avondale allows clients to direct brokerage. Avondale may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage Avondale may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

Avondale maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing Avondale the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least monthly by Donald Lee Dillingham, Managing Member. Donald Lee Dillingham is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at Avondale are assigned to this reviewer.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

Avondale does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Avondale clients.

B. Compensation to Non - Advisory Personnel for Client Referrals

Avondale does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

Avondale does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the custodian.

Item 16: Investment Discretion

Avondale does not have discretion over client accounts at any time.

Item 17: Voting Client Securities (Proxy Voting)

Avondale will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

Avondale does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Avondale nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

Avondale has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements For State Registered Advisers

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

Avondale currently has only one management person/executive officer; Donald Lee Dillingham. Donald Lee Dillingham's education and business background can be found on the Supplemental ADV Part 2B form.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

Donald Lee Dillingham's other business activities can be found on the Supplemental ADV Part 2B form.

C. How Performance Based Fees are Calculated and Degree of Risk to Clients

Avondale does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

D. Material Disciplinary Disclosures for Management Persons of this Firm

No management person at Avondale or Avondale has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

Neither Avondale, nor its management persons, has any relationship or arrangement with issuers of securities.