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**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Carmel Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (858) 457-7544 or via e-mail at peter@carmelcap.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 Carmel Capital Partners, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Carmel Capital Partners, LLC is 123907.

Carmel Capital Partners, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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Advisory Business

Form ADV Part 2A, Item 4

Description of Services and Fees

We are a registered investment adviser based in La Jolla, California. We are organized as a limited liability company under the laws of the State of California and we have been providing investment advisory services since 2002. Russell Silberstein and Anthony Josephson are our principal owners.

We provide investment management services to separately managed accounts, sub-advisory/unified managed accounts and private investment funds. As used in this brochure, the words “we”, “our” and “us” refer to Carmel Capital Partners, LLC and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm. The following paragraphs describe our services and fees.

Separately Managed Accounts

We offer discretionary investment management services to our clients where our investment advice is tailored to meet our clients’ needs and investment objectives. We will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the “suitability information”) at the beginning of our advisory relationship. We will use the suitability information we gather from our initial meeting to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our investment management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. We may also invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio’s performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

We require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold, the broker-dealer to be used and the commission rates to be paid for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

We charge an annualized fee of 1.5% of your assets under management. Our investment management fee is billed and payable quarterly in advance based on the value of your account at the end of the previous quarter. Our fees may be negotiable in certain limited circumstances and arrangements with any particular client may vary.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts.

If the client agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities in accordance with the asset management agreement. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the client agreement within five days of the date of acceptance without penalty. After the five-day period, you may terminate the agreement upon receipt of 30 days written notice. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

We charge an annualized fee of 1.5% of your assets under management. Our investment management fee is billed and payable quarterly in advance based on the value of your account at the end of the previous quarter. Our fees may be negotiable in certain limited circumstances and arrangements with any particular client may vary.

Sub-Advisory/Unified Managed Accounts

We currently serve as a sub-advisor for an outside, independent registered investment advisor ("Advisor"). As a sub-advisor, we perform discretionary investment management services for certain of Advisor's clients. We are responsible for the investment and reinvestment of designated assets in Advisor's clients' names and for the Advisor's clients' accounts. We are authorized without prior consultation with Advisor or its clients to buy, sell and trade in bonds and other securities and/or contracts relating to the same. This authority will continue until revoked by Advisor or its clients.

We will manage Advisor's client accounts based upon the client's financial situation and investment objectives. We are not required to verify any information and/or directions obtained from Advisor, client, client's attorney, accountant or other professionals. Our use of Advisor's clients' information will be limited to our provision of the selected investment management services, and we will not disclose information regarding any of Advisor's clients to third parties unless approved in writing by such client or if required by applicable law or regulation.

We receive a sub-advisory fee in accordance with the sub-advisory agreement based on designated Advisor's client assets under management. Our sub-advisory fee is billed and payable quarterly in advance based on the value of designated Advisor's client assets under management at the end of the previous quarter. Our sub-advisory fees may be negotiable in certain limited circumstances and arrangements with any particular Advisor client may vary. If services are terminated, fees will be assessed up to and including the last business day that sub-advisory services are provided and subject to a 30-day notice provision, and any unearned fee will be pro-rated and refunded to Advisor's client.

Private Investment Funds

We currently serve as general partner and/or investment manager to four Private Investment Funds, DaVinci Fund, LP ("DaVinci"), Senium Fund, LP ("Senium"), Senium Offshore Fund, Ltd. ("Senium Offshore"), and Senium Master Fund, LP ("Senium Master"), (collectively the "Funds"). All of the assets of Senium and Senium Offshore are invested in Senium Master.

Each Fund is offered only to investors meeting certain sophistication and financial requirements and only by private placement memorandum and other offering documents. Investors and prospective investors should refer to the offering documents for the Funds for a complete description of the risks, investment objectives and strategies, fees and other relevant information pertaining to investments in

the Funds.

DaVinci Fund, LP

We receive a management fee quarterly in advance equal to 0.25% per quarter (1.0% annually). In addition, at the end of each year we receive an incentive allocation equal to 20% of the profit allocated to each investor (other than investors from whom we agree in our sole discretion to vary the incentive allocation) to the extent such profit exceeds any prior unrecouped losses (the "Loss Carryforward"). This limitation is commonly known as a "high water mark" and prevents us from receiving an incentive allocation as to net profits that simply restore previous net losses. Certain investors may have different management fee and incentive allocation arrangements as provided for in the Fund's limited partnership agreement.

Senium Fund, LP

We receive a management fee quarterly in advance equal to 0.5% per quarter (2.0% annually) of each Limited Partner's share of the Partnership's Net Asset Value. We also receive a special profit allocation ("Special Profit Allocation") at the close of each fiscal year (or other period referred to in the Fund's private placement memorandum ("PPM") equal to 20% of the amount of the Fund's return for such period attributable to each Limited Partner's capital account that exceeds the Hurdle Rate (as defined in the Funds' PPM). Certain investors may have different management fee and special profit allocation arrangements as provided for in the Fund's limited partnership agreement.

Senium Offshore Fund Ltd./Senium Master Fund LP

We receive a management fee quarterly in advance with respect to each Series of Shares equal to 0.5% (2.0% annually) of the net asset value of the outstanding Shares of such Series. We also will receive a special profit allocation ("Special Profit Allocation") at the close of each fiscal year (or other period as referred to in the Fund's PPM) with respect to each Series of Shares equal to 20% of the amount of the Fund's return for such period attributable to such Series of Shares that exceeds the Hurdle Rate (as defined in the Funds' PPM). In the event our related person, Carmel Capital Master GP, LLC, receives the Special Profit Allocation at the Master Fund level, no profit allocation (or similar compensation) will be made or paid at the Fund level for Senium or Senium Offshore. Certain investors may have different management fee and special profit allocation arrangements as provided for in the Fund's PPM.

Private Investment Funds-Additional Information Regarding Fees and Allocations

Although management fee and/or performance fees payable by investors are negotiable, we generally expect those fees to be substantially the same as the rates set forth above. Investors who are charged performance based fees will be required to meet the definition of a "qualified client" which includes natural persons who have a net worth greater than \$1,500,000 or have at least \$750,000 under our management, immediately after entering into a subscription agreement.

Private Investment Funds-Withdrawal Terms

General: The Funds will terminate on the expiration of their specified terms, or on dissolution under the terms of their limited partnership agreements or other governing documents.

DaVinci Fund, LP

Investors generally may withdraw all or a portion of their capital at the end of the first fiscal quarter after the first anniversary of such investor's admission to DaVinci and the end of each fiscal quarter thereafter. Any withdrawal made within the first 12 month period after an investor is admitted to DaVinci will be subject to a 3% early withdrawal fee. An investor must give us at least 60 days prior written notice to the Administrator for any withdrawal.

The Senium Fund LP

Subject to the Early Withdrawal Fee (as defined in the Fund's PPM), each Limited Partner may withdraw a minimum of \$50,000 as of the last day of any month and at such other times as the General Partner may determine in its sole discretion (each such date shall be referred to herein as a "Withdrawal Date"), upon at least 90 days prior written notice to the Administrator.

The Senium Offshore Fund Ltd./ Senium Master Fund LP

Subject to the early redemption fee (as defined in the Fund's PPM), a Shareholder may redeem all or any portion of its Shares in a minimum amount of US\$50,000 upon at least 90 days' prior written notice to the Administrator (or such shorter notice period as decided by the Fund's Board of Directors in its sole discretion), as of the last Business Day of any month (and at such other times, with the consent of and upon such terms of payment, as may be approved by, the Board of Directors in its sole discretion).

Types of Investments

We do not primarily provide advice on any one particular type of investment but rather on a variety of investments since all clients have individual investment objectives and tolerance for risk.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

Assets Under Management

As of February 28, 2011, we manage \$102,000,000 in client assets on a discretionary basis. We do not manage client assets on a non-discretionary basis.

Fees and Compensation

Form ADV Part 2A, Item 5

Please refer to the "Advisory Business" section in this Brochure for information on our advisory fees and compensation.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through which your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Disclosure Brochure.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

We are entitled to receive performance based fees for managing our Private Investment Funds. Please refer to "Advisory Business" section in this Brochure for information on our performance based fees. Investors and prospective investors in the Funds should refer to the private placement memorandum for the Funds for detailed information on fees associated with investing in the Funds.

We manage Funds that are charged performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees ("side-by-side management"). Performance-based fees and side-by-side management may create conflicts of interest, which we have identified and described in the following paragraphs.

Performance-based fees may create an incentive for our firm to make investments for the Funds that are riskier or more speculative than would be the case absent a performance fee arrangement. In order to address this potential conflict of interest, a senior officer of our firm reviews Fund accounts to ensure that investments are suitable and that the Fund's account is being managed according to the Fund's investment objectives and risk tolerance. We may receive increased fees on allocations as a result of unrealized appreciation as well as realized gains in managed accounts.

Performance based fees may also create an incentive for our firm to overvalue Fund investments which lack a market quotation. In order to address such conflict, we have adopted policies and procedures that require our firm to "fairly value" any investments, which do not have a readily ascertainable value.

Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited investment opportunities, such as initial public offerings, to the Funds who are charged performance-based fees over clients who are charged asset based fees only. To address this conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities (if they are suitable) in an effort to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

Types of Clients

Form ADV Part 2A, Item 7

We offer investment advisory services to Private Investment Funds, high net worth individuals, pension and profit sharing plans, trusts, estates and corporations. We also provide sub-advisory investment services to an outside, independent registered investment advisor.

We generally require a minimum account size of \$500,000 for separately managed accounts. We may waive this requirement in our discretion if, for example, you appear to have significant potential for increasing assets under our management. We will also house client accounts to meet the stated account minimum.

We generally require a minimum investment of \$500,000 for our Private Investment Funds. Investors in the Funds must be (i) "accredited investors," as defined in Rule 501 under the Securities Act of 1933,

as amended (the “1933 Act”), and (ii) “qualified clients,” as defined in Rule 205-3 under the Advisers Act. We may, in our sole discretion, accept lesser amounts and/or change the minimum investment requirement in the future.

Investors and prospective investors should refer to the Funds’ offering documents for further information on minimum investment and investor qualification requirements.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Our Methods of Analysis and Investment Strategies

Our investment philosophy is to identify companies in the public marketplace that trade at a significant discount or premium to their intrinsic value. Through disciplined fundamental research we construct detailed valuation models focusing on free cash flow as the primary yardstick with which we measure the investment’s potential. We believe emphasizing positive absolute returns and maintaining a strong adherence to capital preservation are the two pillars for long-term investment success.

We may use one or more of the following methods of analysis or investment strategies when providing investment advice:

- **Fundamental Analysis** – involves analyzing individual companies and their industry groups, such as a company’s financial statements, details regarding the company’s product line, the experience and expertise of the company’s management, and the outlook for the company’s industry. The resulting data is used to measure the true value of the company’s stock compared to the current market value.
- **Long Term Purchases** – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short Sales** – a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.
- **Margin Transactions** – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.
- **Option Purchases** – a derivative transaction that involves purchasing an option contract. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor buys a call option, he or she has the right to purchase a specified number of shares at a specified price from the option seller if the buyer exercises the call option. When an investor buys a put option, he or she has the right to sell a specified number of shares at a specified price to the option seller if the buyer exercises the put option. The buyer pays a premium (the market price of the option at a particular time) to the seller in exchange for obtaining the call/put option.
- **Option Writing** – a derivative transaction that involves selling an option. When an investor sells a call option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the call option. When an investor sells a put option, he or she must purchase from the buyer a specified number of shares if the buyer exercises the put option. The seller obtains a premium (the market price of the option at a particular time) from the buyer in exchange for writing the option.

The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value.

Short selling presents special risks because there is no ceiling on how much a short seller can lose in a trade. The share price may keep going up and the short seller will have to pay whatever the prevailing stock price is to buy back the shares. In addition, a short seller has to undertake to pay the dividends on the borrowed securities as long as he/she chooses to keep his short position open.

Margin accounts present special risks because you can lose more money than you deposit in your account. Additionally, the custodian can force the sale of securities in your account and can sell securities without contacting you.

The trading of options may be highly speculative and may entail more risk than those present when investing directly in underlying securities. Prices of options are generally more volatile than prices of other types of investments. When trading in options, you may run the risk of losing the entire investment in a relatively short period of time. In more risky options strategies, an investor could theoretically have an unlimited risk of loss.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate the Funds from losses due to market corrections or declines. We cannot offer any guarantees or promises that the Funds' investment goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the "Advisory Business" section in this Brochure, we invest in many types of securities and we do not purchase one particular type of security over another. It would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Investors and prospective investors in our Private Investment Funds should refer to the Funds' offering documents for a complete description of methods of analysis, investment strategies and risks associated with investing in the Funds.

Disciplinary Information

Form ADV Part 2A, Item 9

Carmel Capital Partners, LLC has been registered and providing investment advisory services since 2002. Neither our firm nor any of our management persons have any reportable disciplinary information.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

As discussed in the Advisory Business section of this Brochure, we serve as general partner to the Davinci Fund, LP and Senium Fund, LP and investment manager to the Senium Offshore Fund, Ltd. and the Senium Master Fund, LP. We are related to Carmel Capital Master GP, LLC, who is the general partner to Senium Master Fund, LP. Investors and prospective investors should refer to the Funds' offering document for a complete description of the risks, investment objectives and strategies, fees and other relevant information pertaining to investments in the Funds.

Clients of our firm may also be investors in or solicited to invest in the Funds and are advised that fees charged by the Funds are separate and apart from the advisory fees charged by our Firm for managing separate accounts.

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

Form ADV Part 2A, Item 11

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Peter Choe at (858)457-7544 or via e-mail at peter@carmelcap.com.

Participation or Interest in Client Transactions

In circumstances where transaction costs may be saved, we may engage in cross transactions whereby securities are bought/sold between clients in order to primarily reduce transaction costs. Cross transactions could result in a conflict of interest between our firm and our clients because one client may be favored over another client. We have mitigated this conflict as cross transactions will

be effected at the closing market price of the security on the day on which the cross transaction was executed. Client accounts involved in such cross trades will not pay any brokerage commissions or mark ups in connection with the trades, but may pay customary transfer fees that are assessed through any unaffiliated broker dealers through which the trades are effected. We will not receive any compensation for effecting cross transactions.

Our Associated Persons have made an investment into the Private Investment Funds discussed in this Brochure and therefore may have incentive to recommend the Funds over other investments.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Please refer to the "Brokerage Practices" section in this Brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities. All Associated Persons require written approval from our Chief Compliance Officer prior to any personal securities transaction.

Brokerage Practices

Form ADV Part 2A, Item 12

We recommend the brokerage and custodial services of TD Ameritrade, Inc. ("TD Ameritrade"), an unaffiliated securities broker-dealer, member FINRA/SIPC/NFA.

Our firm participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade offers independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Our firm receives some economic benefits from TD Ameritrade through our participation in this program. (Please see the disclosure under Additional Compensation below.)

The following discussion summarizes the material aspects of our practices in selecting broker-dealers to execute client transactions.

Selection Criteria

Although we are not required to consider any specific criteria, we generally seek "best execution" of securities transactions in light of the circumstances existing at the time individual transactions are executed. In evaluating a broker-dealer's ability to provide best execution, we consider a range of factors, including historical net prices (after markups, markdowns or other transaction-related compensation) on other transactions; the execution, clearance and settlement and error correction capabilities of the broker-dealer generally and in connection with securities of the type and in the amounts to be bought or sold; the broker-dealer's willingness to commit capital; the broker-dealer's reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; the nature, quantity and quality of research or other products and services provided by

the broker-dealer; and the market for the security.

The receipt of investment information from any broker-dealer executing transactions for our firm will not result in a reduction in our customary and normal research activities. Any such information received from broker-dealers as a consequence of the placement of brokerage business for certain clients may be used by our firm for the benefit of all of our clients. We are not obligated to obtain the lowest commission or best net price for an account on any particular transaction.

“Prime Brokerage,” Custody, Clearing and Settling

Our Private Investment Funds have a “prime brokerage” arrangement with a registered broker-dealer (the “Prime Broker”). Under this arrangement, the Prime Broker, among other things, (i) arranges for the receipt and delivery of securities bought, sold, borrowed and lent; (ii) makes and receives payments for securities; (iii) maintains custody of cash and securities; (iv) tenders securities in connection with tender offers, exchange offers, mergers or other corporate reorganizations; (v) provides detailed portfolio and related reports; (vi) and provides capital introduction services. We may cause the Funds to pay for custodial and related services in cash.

Additional Compensation

As disclosed above, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to clients for custody and brokerage services.

There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade's retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our clients; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to our client accounts); the ability to have our fees deducted directly from our clients' accounts; access to an electronic communications network for order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our associated persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment), expenses for our personnel to attend conferences or meetings relating to the program or to TD Ameritrade's advisor custody and brokerage services generally. Some of the products and services made available by TD Ameritrade through the program may benefit our accounts but may not benefit our client accounts. These products or services may assist our firm in managing and administering our client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help our firm manage and further develop our business enterprise.

The benefits received by our firm and our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade and are not considered “soft dollar” benefits. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or associated persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Allocation of Trades

We may at times determine that certain securities will be suitable for acquisition by multiple clients. If that occurs, and we are not able to acquire the desired aggregate amount of such securities on terms and conditions which we deem advisable, we will endeavor in good faith to allocate the limited amount of such securities acquired among the various accounts for which we consider them to be suitable. We will attempt to allocate such trades on equal footing but may make such allocations among the accounts in any manner which we consider to be fair under the circumstances, including but not limited to allocations based on relative account sizes, the degree of risk involved in the securities acquired, and the extent to which a position in such securities is consistent with the investment policies and strategies of the various accounts involved.

Aggregation of Orders

We may aggregate purchase and sale orders of securities held by clients with similar orders being made simultaneously for other accounts or entities if, in our reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to clients based on an evaluation that clients will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of securities for clients will be affected simultaneously with the purchase or sale of like securities for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such event, the average price of all securities purchased or sold in such transactions may be determined, at our sole discretion, and clients may be charged or credited, as the case may be, with the average transaction price.

Trade Error Policy

We have internal controls in place to prevent trade errors from occurring. On those occasions when such an error nonetheless occurs, we will use reasonable efforts to correct the error. We will endeavor to maintain a record of each trade error, including information about the trade and how such error was corrected or attempted to be corrected.

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade or adjusting an allocation. If a trade error results in a profit, you will keep the profit.

Review of Accounts

Form ADV Part 2A, Item 13

Review of Accounts

All accounts will be monitored continuously and reviewed periodically by Mr. Silberstein, Mr. Josephson and Arch Peregoff for overall adherence with the investment philosophy employed by our firm. Account holdings will also be reviewed at any time changing market conditions warrant.

Reports to Clients

Individually Managed Advisory Accounts

Generally all investment reports are provided to clients at inception of the relationship and during each review cycle with the client, as mutually agreed. Reports are also provided to clients by the custodian of the assets.

Sub-Advisory/Unified Managed Accounts

We will provide data and information concerning investment activity as reasonably requested by Advisor. It is the Advisor's responsibility to provide its clients with all necessary reports. All records which we maintain for Advisor is the property of the Advisor.

Private Investment Funds

We may provide investors with a quarterly performance report and we will provide investors with annual audited financial statements.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

We may compensate third parties for referring investors to the Funds. We will pay such third parties a portion of the management and performance fee charged by us to the Funds and no sales charge, commission or placement fee will be charged to investors in the Funds.

We directly compensate non-employee (outside) consultants, individuals, and/or entities ("solicitors") for separately managed account referrals. In order to receive a cash referral fee from our firm, the solicitor must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a solicitor, you should have received a copy of this Disclosure Brochure along with a solicitor's Disclosure Statement at the time of the referral. If you become a client, the person that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm or until the solicitor's agreement is terminated. You will not pay additional fees because of this referral arrangement. Referral fees paid to the solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, the person making the referral has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

Custody

Form ADV Part 2A, Item 15

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent qualified custodian. You will receive account statements from the independent qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. You should compare the account statement received from the

custodian with any statements you receive from us to reconcile the information reflected on each statement.

We serve as general partner to the Davinci Fund, LP and Senium Fund, LP and investment manager to the Senium Offshore Fund, Ltd. and the Senium Master Fund, LP. We are also affiliated with Carmel Capital Master GP, LLC, the general partner to Senium Master Fund, LP. In that our firm and/or or related persons act as general partner to the Funds, we and/or our related persons have legal access to the Funds' assets, and therefore have custody over such assets. We provide each investor in the Funds with audited annual financial statements.

If you have a question regarding your custodial statement or did not receive your statement and/or you are a Fund investor and have questions regarding the financial statements or did not receive a copy, please contact Peter Choe at (858)457-7544 or via e-mail at peter@carmelcap.com.

Investment Discretion

Form ADV Part 2A, Item 16

Generally, you are required to grant our firm discretion over the selection and amount of securities to be bought or sold, the broker-dealer to be used and the commission rates to be paid for separately managed accounts without obtaining your prior consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

In addition to using broker-dealers as agents and paying commissions, we may cause clients to buy or sell securities directly from or to broker-dealers acting as principal (such as market-makers for over-the-counter securities) at prices that include markups or markdowns, and may buy securities from underwriters or broker-dealers in public offerings at prices that include compensation to the underwriters or broker-dealers.

Voting Client Securities

Form ADV Part 2A, Item 17

Proxy Voting

We vote proxies related to securities held by any client in a manner solely in the interest of the client. We consider only those factors that relate to the client's investment, including how our vote will economically impact and affect the value of the client's investment. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase the rights of shareholders; proxy votes generally will be cast against proposals having the opposite effect. In voting on each and every

issue, we will vote in a prudent and diligent fashion and only after a careful evaluation of the issue presented on the ballot.

Clients may request a copy of our complete proxy voting policy, or a copy of how any issue was voted at any time by contacting Peter Choe at (858) 457-7544 or via e-mail at peter@carmelcap.com.

Except in the case of a conflict of interest as described below, we do not accept direction from you on voting a particular proxy.

Conflicts of interest between you and our firm, or a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we may disclose the existence and nature of the conflict to you, and seek direction from you as to how to vote on a particular issue; we may abstain from voting, particularly if there are conflicting interests for you (for example, where your account(s) hold different securities in a competitive merger situation); or, we will take other necessary steps designed to ensure that a decision to vote is in your best interest and was not the product of the conflict.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Financial Information

Form ADV Part 2A, Item 18

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you.

Additional Information

Privacy Policy

We have adopted a privacy policy that explains the manner in which our firm and the Funds (collectively, "us" or "we") collect, utilize and maintain nonpublic personal information about clients and investors in the Funds (collectively "Clients" for this section only), as required under federal legislation.

Collection of Information and Disclosure of Nonpublic Personal Information:

To provide Clients with superior service, we may collect several types of nonpublic personal information about Clients, including:

- Information from forms that Clients may fill out, such as subscription forms, questionnaires and other information provided by Clients in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, tax identification number, and financial and investment qualifications;

- Information Clients may give orally;
- Information about transactions within us, including account balances, investments and withdrawals;
- Information about the amount Clients have invested, such as initial investment and any additions to and withdrawals from a capital account; and
- Information about any bank accounts Clients may use for transfers to or from managed accounts.

We do not sell or rent Client information. We use this information to conduct business with our Clients; to develop or enhance its products and services; to understand the financial needs of our Clients so that we can provide such Clients with quality products and superior service; and to protect and administer our Clients' records, accounts and funds. We do not disclose nonpublic personal information about our Clients to nonaffiliated third parties or to affiliated entities, except as permitted or required by law. For example, we may share nonpublic personal information in the following situations:

- To service providers in connection with the administration and servicing of Carmel Capital Partners, LLC and/or the Funds, which may include attorneys, accountants, auditors and other professionals. We may also share information in connection with the servicing or processing of the Funds' transactions;
- To affiliated companies in order to provide Clients with ongoing personal advice and assistance with respect to the products and services Clients have purchased through us and to introduce Clients to other products and services that may be of value to such Clients;
- To respond to a subpoena or court order, judicial process or regulatory authorities;
- To protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; and
- Upon consent of a Client to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the Client.

Protection of Information:

Our policy is to require that all employees, financial professionals and companies providing services on our behalf keep Client information confidential.

We maintain safeguards that comply with federal standards to protect Client information. We restrict access to the personal and account information of Clients to those employees who need to know that information in the course of their job responsibilities. Third parties with whom we share Client information must agree to follow appropriate standards of security and confidentiality.

Our privacy policy applies to both current and former Clients. We may disclose nonpublic personal information about a former Client to the same extent as for a current Client.

Changes to Privacy Policy:

We may make changes to our privacy policy in the future. We will not make any change affecting an individual without first sending that individual a revised privacy policy describing the change.