



84 State Street, Suite 800
Boston, MA 02109
Telephone: 617.728.0333
Facsimile: 617.728.0055
info@mrriver.com
www.mrriver.com

March 25, 2011

This Brochure and Brochure Supplement provides information about the qualifications and business practices of Mad River Investors and Richard W. Silver and Joshua Stewart who provide investment advice on behalf of Mad River Investors. If you have any questions about the contents of this document, please contact us at 617-728-0333 or info@mrriver.com. The information herein has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Mad River Investors and Richard W. Silver and Joshua Stewart is also available on the SEC's web site at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Starting in the 1st quarter of 2011 we adopted a primary d/b/a of Mad River Investors and intend to do business under this name going forward.

On July 28, 2010, the United State Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 25, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Joshua Stewart, Managing Director at 617-728-0333 or josh@mrriver.com.

Additional information about us is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with us as investment adviser representatives.

Item 3 - Table of Contents

Item 2 – Material Changes	ii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	3
Item 6 – Performance-Based Fees and Side-By-Side Management	6
Item 7 – Types of Clients	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9 – Disciplinary Information	9
Item 10 – Other Financial Industry Activities and Affiliations	10
Item 11 – Code of Ethics	10
Item 12 – Brokerage Practices	11
Item 13 – Review of Accounts	12
Item 14 – Client Referrals and Other Compensation	12
Item 15 – Custody	12
Item 16 – Investment Discretion	13
Item 17 – Voting Client Securities	13
Item 18 – Financial Information	13
Brochure Supplement	14
Educational Background and Business Experience	14
Disciplinary Information	14
Other Business Activities	14
Additional Compensation	14
Supervision	14

Item 4 – Advisory Business

We have two decades of experience working with accomplished investment managers and legal, tax and accounting experts. We use our experience, knowledge and resources to invest our capital with the best managers and opportunities we uncover. Our clients share the benefits of our efforts and experience and, as we strongly believe money managers should "eat their own cooking," we invest our capital along side the capital of our clients.

In our two investment programs, we currently work with seven accomplished managers. Such managers are selected based upon their particular expertise, specialty and/or investment performance history. Each is well known within the investment community and widely respected by his peers. Our longest manager relationship is 19 years. Our shortest is one year. Although each manager has a defined, understandable and sustainable strategy, all have the ability to modify their approach as opportunities and market conditions unfold. Like us, our managers are opportunistic, invest alongside their clients and have a history of delivering results with integrity and service.

Richard W. Silver is the Firm's founder, CEO and Chief Investment Officer. He has been an entrepreneur in the investment business since 1983, and has raised, invested, and managed hundreds of millions of dollars, one relationship at a time. He co-founded Mad River Management, LLC in 1991, Long Point Investors in 1992, and this Firm, MRM-Horizon Advisors in 1999 (currently d/b/a Mad River Investors). He has over two decades of experience in partnering with investment managers, and delivering results and service to discriminating clients. He has presented on fund of funds and high net worth wealth issues at Deloitte, Boston Private Bank, and IFR client conferences.

Richard holds Series 7, 63 and 65 licenses with FINRA, is a registered representative of Delta Equity Services Corporation and Managing Member of Mad River Management, LLC. Prior to founding Mad River Management, he was a registered representative with Gruntal & Co, H.C. Wainwright, Homans McGraw Trull Valeo & Co. and Smith Barney. Before joining the investment business he held financial management positions with CPC International and Tiger International. Richard earned an MBA, cum laude, from Northeastern University in 1981. He currently serves on the Advisory Board of Boston University Academy. Richard was born October 13, 1956 and his education includes Northeastern University (Boston, MA) - MBA Finance 1981 and Boston State College (Boston, MA) - BS Management 1979.

Mad River Investors (adopted as a primary d/b/a in the 1st quarter of 2011) provides investment management services in two main forms.

1. Since 1999 (under the name MRM-Horizon Advisors, L.L.C. until the 1st quarter of 2011) we have provided investment management services on a discretionary basis to individuals, high net worth individuals, corporations, partnerships, trusts, and pension and profit-sharing plans. Clients' assets in this program are maintained in separately managed portfolio of securities (separate account management") also referred to as the Managed Opportunities program. In providing these services, we utilize the services of other investment advisors. Upon establishing a relationship with a manager, we coordinate and oversee investment activity on clients' behalf with respect to the manager's services. The manager will not have a contractual relationship with our clients nor establish or maintain accounts for, or correspond or communicate directly with, our clients.

Currently, we utilize one portfolio model to create/manage Managed Opportunities client portfolios. We manage this portfolio model in conjunction with a sub-advisory relationship with Horizon Asset Management, Inc. ("HAMI"), an investment advisor registered with the SEC. Under this arrangement with HAMI we construct a concentrated portfolio of what we believe are our best investment ideas. We are opportunistic investors and have no restrictions as to security type or asset class. Our goal is to outperform the SPDR S&P 500 Index (SPY). We often take a contrarian view on issues and focus upon companies not widely followed by Wall Street analysts. Often our portfolios provide welcome diversification to other investments. This strategy works best for equity investors who have a multi-year horizon, desire full transparency, daily liquidity, segregated custody, and the ability to control taxes and leverage.

Clients should be aware that separate account management involves transaction (trading) costs that will negatively impact investment performance. This is especially true for smaller investment portfolios (\$500,000 or less) or if a client's investment portfolio is spread out in numerous accounts. We, however, seek to lessen the impact of multiple accounts managed as one portfolio by managing the accounts, whenever possible, to not replicate the same transaction in more than one of the accounts. Additional deposits of money to or withdrawals from these investment portfolios, that result in the rebalancing of portfolios will also result in increased brokerage costs during the periods of such deposits or withdrawals. Clients are encouraged to advise us of upcoming deposits and withdrawals and discuss the timing of such events, especially if the client intends to be making multiple deposits or withdrawals during a defined time period.

A minimum of \$250,000 in assets is generally required for investment management services in the Managed Opportunities program, although we reserve the right to waive this minimum for any reason. Potential clients should note that new accounts will usually incur significant brokerage transaction costs in the first year of management, with such costs potentially exceeding investment management fees, especially for accounts of \$500,000 or less.

Managed Opportunities clients can also provide us with reasonable conditions or restrictions on the management of their assets. Among other items, reasonable conditions include prohibitions or limits on investments in specific industries or companies, on option investing, bond investing, short selling or an allocation of a certain percent of assets to an asset class such as cash or fixed income investments. Clients should document any restrictions in writing in the space provided in their investment management agreement or in a separate written communication.

Please also see Item 8 below.

2. From 1992 through 2008 in his capacity as Managing Member of Mad River Management, LLC, Richard served as investment advisor to Long Point Investors, L.P. ("Long Point") a private investment partnership (hedge fund) that invests in other private investment partnerships (a fund of funds) and is only offered to accredited and qualified investors. Starting in January 2009 Long Point converted to a Delaware Series Limited Partnership, and at that time we assumed investment management responsibility for Long Point's ongoing investments. Currently we act as investment manager for Long Point and a related offshore fund, Long Point Offshore Fund Limited. Long Point is a customized fund of hedge funds that permits each limited partner to invest capital in specific underlying hedge funds pursuant to each limited partner's individual investment objectives. Due to this customization feature, we consider each Long Point limited partner a client.

In addition to the disclosure contained in this Form ADV Part II, Long Point related clients should see the Confidential Offering Memorandum of Long Point Investors, L.P., Series Limited Partnership Interests, for a detailed discussion of the strategies and types of investments contained in Long Point; investment conditions and risks; and the fees, expenses, and incentive allocations related to an investment in Long Point. This document is available at any time upon request by a Long Point partner or other accredited and qualified investors considering partnership.

We may also provide investment management services under sub-advisory or other agreements to other investment advisors, investment management companies, funds, partnerships or institutions, and provide the same or other type of services to such entities as we provide other clients. When we act in a sub-advisory capacity the fee we receive is determined by agreement.

As of February 28, 2011 we managed \$145,640,535 in the Managed Opportunities investment program and 78,753,348 in the Long Point Series Fund.

Item 5 – Fees and Compensation

As investment manager for Long Point, we receive compensation. This compensation includes both management fees and an incentive allocation or performance fee related to each Long Point Series. Long Point related clients should see the Confidential Offering Memorandum of Long Point Investors, L.P., Series Limited Partnership Interests, for a detailed discussion of the strategies and types of investments contained in Long Point; investment conditions and risks; and the fees, expenses, and incentive allocations related to an investment in Long Point. This document is available at any time upon request by a Long Point partner or other accredited and qualified investors considering partnership.

In the Managed Opportunities program we generally charge clients an annual management fee of 1.5% (one and one half percent) on the first \$1 million of assets managed, with a 1% (one percent) annual management fee on assets managed in excess of \$1 million. The above fees are inclusive of those fees we pay sub-advisors. The management fees for certain clients will differ from the above schedule because of relationships with us or relationships with other accounts managed or provided service by us. Certain clients may also be subject to negotiated fee arrangements where fees are different than the basic fee structure. Fees are negotiable depending upon the specific nature of services rendered, the complexity of a client's investment management needs, and/or the value of a client's assets under management. We reserve the right to change our fee schedule for all clients or selected clients for any reason. If changes are made to an existing client's fee schedule the change will not go into effect until the later of thirty days after the client is sent notice of the change or the beginning of the next billing quarter after the client receives notice of the change.

Asset-based management fees shall be due and payable in quarterly installments in advance, based on the net market value of the assets in the account as reflected on the custodian's account statement on the last business day of the previous quarter. At the inception of an account, the fee will be prorated for the remainder of the current billing period and will be based on the initial contribution of assets. Fees based on assets added to an account in mid-quarter will be prorated.

Unless we agree otherwise, all fees will be deducted from client accounts and paid directly to us by the accounts' custodian(s) during the month following such fees becoming due without further notice to

clients. Clients may designate one account, or certain accounts, as the account(s) to have fees deducted for multiple accounts managed as one portfolio.

While we believe that our management fees are reasonable in relation to the type and quality of services provided, fees for comparable services offered by other investment advisors, financial service providers, or other investment programs/products can be lower.

Managed Opportunities clients may terminate an investment advisory agreement upon 30 days written notice to us, or we may terminate a client's investment advisory agreement upon 30 days written notice to such client. The termination date for a client relationship is 30 days after the provision of notice or the end of next calendar quarter whichever is sooner. As of the termination date, any prepaid asset-based fees will be promptly refunded on a prorated basis.

We require (subject to certain exceptions if a Managed Opportunities client wishes to direct otherwise and we agree to service such client) that clients direct the custody of their assets and the execution of their brokerage transactions to Delta Equity Services Corporation ("Delta"), a FINRA broker-dealer and its clearing firm, Pershing, LLC, a Bank of New York Company. All transactions through Delta are executed on a fully disclosed basis through Pershing, LLC. Delta may not provide best execution (the execution of a transaction on the most favorable terms from a client's perspective) and other broker-dealers may have more efficient execution capabilities, more advanced technology, or higher service levels. Other broker-dealers may also execute a transaction at lower cost than Delta.

Richard Silver and employees, Francis Remeika and Joshua Stewart, are also registered representatives (hereinafter, affiliated "RRs") of Delta Equity. As an affiliated RR of Delta, Richard Silver, and possibly the other affiliated RRs, will receive brokerage commissions in connection with transactions directed to Delta. These commissions are in addition to advisory fees paid to us by clients. It is expected that approximately 50%-60% of brokerage commissions that a client pays to Delta will be received by one or more of the affiliated RRs in their capacity as a registered representative of Delta Equity.

The direction of brokerage transactions to Delta creates a conflict of interest between clients and us. The fact that our personnel, as registered representatives of Delta, receive a portion of the brokerage commissions creates an incentive for those personnel to trade more frequently. From time to time, we review account activity to determine whether trading frequency is greater than anticipated in light of the investment strategy. Also, discretionary transactions are generally based on the advice of the sub-advisor thus mitigating the potential conflict of interest. In general, we expect that after assets are initially invested, the annual turnover rate for client assets will range from 30% to 50% of assets under management. During 2010 the annual turnover rate for various size clients was an approximate range of 30% to 35%.

Managed Opportunities clients will be charged commissions for executing transactions pursuant to the schedule set forth below. Delta charges different commissions to different customers and some customers of Delta will pay lower or higher commissions than our clients. In some instances those differences will occur because the registered representatives handling other accounts for Delta receive lower commissions than the affiliated RRs serving as registered representatives on client accounts. The cost of executing transactions through Delta relative to other broker-dealers, and the portion of Delta's commission received by our personnel, should be considered when comparing the cost of retaining us to the cost of retaining another advisor. The fact that other broker-dealers may execute transactions at a lower cost or on more favorable terms than Delta should also be considered. In particular, discount brokers, either on Internet transactions and/or broker-assisted transactions offer execution services at a

lower cost than the current arrangement with Delta. Similarly, some broker-dealers may be able to execute some transactions on more favorable terms than Delta.

The commissions charged clients at Delta are listed below. Commissions charged on transactions involving less than \$5,000 of principal are subject to a minimum commission of \$39.95. Transactions in this dollar range generally occur in accounts (or multiple accounts managed as one investment portfolio) with invested principal of \$250,000 or less. Because the commission schedule provides for a minimum commission, these smaller transactions are more likely to result in a payment of higher commissions than those charged by some other broker-dealers. A client with an account or investment relationship of this size should be aware that the transactions costs of maintaining a separately managed portfolio of securities with us, viewed on a percentage of assets basis, is higher for such portfolios than for the larger portfolios we manage. This in turn will cause their investment performance to be lower than that of larger portfolios.

The current schedule for brokerage commissions for Managed Opportunities clients is as follows:

Equity & Bond Commissions

<u>Principal Amount of Trade</u>	<u>Base Rate</u>	<u>Plus % of Principal Amount</u>
\$5,000 and below	\$39.95	n/a
\$5,001 - \$6,249	\$52.00	n/a
\$6,250 - \$9,999	\$68.00	n/a
\$10,000 - \$19,999	\$68.00	0.27%
\$20,000 - \$49,999	\$92.00	0.18%
\$50,000 and above	\$136.00	0.09%

Option Commissions - \$32.00, plus \$.60 per contract (minimum charge \$39.95).

This commission schedule may change from time to time.

In order to assist in evaluating the cost of a directed brokerage arrangement through Delta, the following table shows an estimated range of the cost of such arrangement on an annual percentage basis for different size accounts and for accounts with different tenures with us (i.e., new accounts or partially/fully invested accounts). Please note that if an existing client makes relatively large deposits to his/her account(s) the trading costs will more likely approach those of new accounts than previously invested accounts. This estimate is based on 2009 and 2010 trading in Managed Opportunities portfolios and general estimates where applicable data is not available. Actual brokerage related costs will vary from year to year based on portfolio management decisions, additions to or deductions from client accounts, clients' particular investment circumstances and directions, and other factors. The estimated brokerage costs listed below are in addition to investment management fees paid to us.

Estimated Brokerage Costs

<u>Portfolio Size</u>	<u>Partially/Fully Invested Accounts</u>	<u>New Accounts</u>
\$250,000-\$500,000	.49% -.69%	.85% - 1.20%
\$500,001-\$1,000,000	.39% -.49%	.55% - 1.00%
\$1,000,001-\$2,000,000	.30% -.35%	.55% - 1.00%
Over \$2,000,000	.15% -.26%	.40%-.55%

Client assets not invested in portfolio securities are usually held in money market funds until we find suitable investment opportunities and/or when such funds are considered the best use of uninvested client assets. Clients are advised that when assets are invested in such funds, management fees are assessed as an expense and, in effect, two advisory fees are being paid, one to the investment advisor of the money market fund and one to us.

For other important information on brokerage practices see disclosure for Item 12.

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

As investment manager for Long Point, we receive compensation. This compensation includes both management fees and an incentive allocation or performance fee related to each Long Point Series. Long Point related clients should see the Confidential Offering Memorandum of Long Point Investors, L.P., Series Limited Partnership Interests, for a detailed discussion of the strategies and types of investments contained in Long Point; investment conditions and risks; and the fees, expenses, and incentive allocations related to an investment in Long Point. This document is available at any time upon request by a Long Point partner or other accredited and qualified investors considering partnership.

We offer (this began in January 2005) qualified Managed Opportunities clients an alternative fee schedule that includes a performance-based fee. Under this schedule, qualified clients would be charged an asset management fee of 1.00% (one percent) on the first \$1 million of assets managed, .50% (one half of one percent) on assets managed in excess of \$1 million, and a performance-based fee of 5% (five percent) of investment returns (realized and unrealized). No performance fee will be charged if an account is below its annual year-end high-water mark, until such account has recovered any annual year-end losses (after taking into account subsequent withdrawals from the account on a pro rata basis). In order to track a client's high-water mark, we shall create a memorandum account (the "Loss Recovery Account"). The Loss Recovery Account opening balance shall be zero. The Loss Recovery Account shall be increased by any annual net year-end investment loss in the account from one year to another. The Loss Recovery Account shall be reduced (but not below zero) by any annual net year-end investment gain in the account from one year to another. If a client terminates a performance-based fee arrangement and in a subsequent year reinstitutes such an arrangement, the high-water mark is reset as of the subsequent year; and the Loss Recovery Account is reset to zero and does not carry over from the previous arrangement.

For purposes of calculating a performance fee, a group of accounts managed as one investment management relationship will be viewed as one client relationship. A potential conflict exists under any

performance-based fee structure such that assets could be managed to maximize client investment performance by taking additional investment risk. To mitigate such conflict, we have imposed a high-water mark discussed immediately above and also intend to manage client assets under a performance-based structure similar to assets not under such a structure. Clients should also be aware that investment returns exceeding 10% (and not subject to high-water mark recovery) will generally result in higher total fees than the standard fee offering. Either a client or us may terminate the alternative performance-based fee schedule arrangement at the end of each year and return to the standard fee schedule for the following year. Such termination request should be made in writing and received by the other party before December 31st of the concluding year.

Performance fees for Managed Opportunities clients will be earned, billed, and collected at the end of each fiscal year, except in instances where a performance fee account is terminated during a fiscal year. Upon such termination, performance fees will be immediately calculated and, if due, payable immediately.

Item 7 – Types of Clients

Please see Item 4 above.

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

Long Point related clients should see the Confidential Offering Memorandum of Long Point Investors, L.P., Series Limited Partnership Interests, for a detailed discussion of the strategies and types of investments contained in Long Point; investment conditions and risks; and the fees, expenses, and incentive allocations related to an investment in Long Point. This document is available at any time upon request by a Long Point partner or other accredited and qualified investors considering partnership.

Currently, we utilize one portfolio Model (discussed below) to create/manage Managed Opportunities client portfolios. We manage this Model in conjunction with a sub-advisory relationship with Horizon Asset Management, Inc. (“HAMI”), an investment advisor registered with the SEC. Changes to the portfolio model and corresponding changes to client portfolios are initiated as a result of regular weekly portfolio meetings with HAMI.

We take a longer-term investment view and generally do not believe it is prudent to judge an investment, or an investment portfolio, over a short-term period of time less than numerous years. Regardless of price volatility that an investment or an investment portfolio experiences during any time period, we believe that a patient and opportunistic investment view will be rewarded over a long-term time horizon. If a client or prospective client prefers a more activist or market-timing investment style, such client or prospective client should not engage us for investment management services.

We are oriented towards investments that offer equity equivalent type returns. A number of the securities may be special situation or value type investments. Client portfolios, while generally maintaining a majority of equity securities, also often hold positions in covered options, long put or call options, preferred stocks, convertible securities, corporate bonds, high yield bonds, distressed securities, and other investments. We may also engage in short selling in client accounts and client portfolios may also

include significant positions in foreign securities. Prospective clients are advised of this investment orientation and evaluated to determine if such orientation is appropriate given their investment objectives, financial condition and investment experience.

We generally invest client portfolios in approximately 40 to 50 positions and generally do not take an initial investment position larger than 5% of a portfolio (although due to price fluctuations positions do sometimes substantially exceed 5%). The majority of initial investment positions are in the 1% to 3% range. These portfolio investment measures should generally protect against concentration in any one investment. However, we do not have concentration limits or guidelines within a single strategy, industry, market, geographical area, or type of investment and at any time we may invest client portfolios in numerous investment positions within a concentrated area. If portfolio investments are concentrated in such a fashion, adverse movements within the concentrated area will result in significant losses to client portfolios.

Client portfolios may also include significant positions in foreign securities. Such investments present currency exchange risks as well as other potential risks that could include, depending on the country involved, expropriation; confiscatory taxation; imposition of withholding or other taxes; political or social instability; illiquidity; price volatility; and market manipulation. In addition, less information may be available regarding non-U.S. issuers and non-U.S. companies and that information may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies. Further, foreign securities markets may not be as liquid as U.S. markets. Finally, transaction costs of investing outside the U.S. are generally higher than in the U.S. and involve additional transaction fees imposed by the executing brokerage and/or clearing firm.

While we employ a management style continuously evaluating the securities and allocation of securities in client portfolios, it should be noted that our investment philosophy is to be a long-term and patient investor hopefully allowing each investment holding to grow until such time as we determine that investment capital can be better allocated elsewhere. As such, we do not actively re-balance accounts back to the Model's investment allocations as of the beginning of a client relationship. This investment approach reduces investment turnover and portfolio transactions, but may increase portfolio volatility if a small number of positions become a significant percentage of a portfolio's holdings. Continuous evaluation of investment portfolios may include analysis of client portfolios in relation to the Model; tax considerations; client directions, special or distinct circumstances affecting a particular client or group of clients; inherited positions; and other factors.

While we generally do not recommend the practice, clients may request that their accounts be margined and/or collateralized to a certain percent level for various purposes. To implement such strategy, clients may enter into a loan agreement and borrow money from their custodian, in most instances, Pershing LLC. Pershing LLC will charge interest to clients for any outstanding loan balance. The interest rate will fluctuate depending upon market conditions. In these situations, we may invest a client's portfolio as if his or her net asset balance equaled the total of his or her equity balance and the maximum margin balance per the agreed upon percent. Clients should be aware that the use of such technique might result in significant losses if the value of their assets decline. In some instances, we may use discretion to conduct a short sale of a security in which case it may make use of margin in clients' accounts.

For purposes of presenting historical investment return information to potential clients and sometimes to existing clients, we reference and present information on the performance of our Model. This Model represents the hypothetical scenario where a taxable account began investing in the portfolio as of March 1999 (inception of Managed Opportunities investment program). The Model is net of the highest possible

fees that could be paid by a client, includes brokerages expenses, and reflects the re-investment of dividends and interest. The Model closely reflects the performance of portfolios under management since, or close to, the inception date. Client portfolio composition will also deviate from the Model based on timing of investment and other client specific circumstances.

The Model serves as just that, a model, accounts are managed individually - client performance can and will deviate from the Model and other clients. Actual client performance will be affected by, among other reasons, the timing of purchases and sales; specific investment or client considerations/limitations; the size of client accounts; cash holdings/availability; additions and withdrawals into accounts; and other factors. In addition, relative brokerage expenses incurred for actual clients will be higher for new and/or smaller portfolios than those experienced by the Model. We encourage and strongly recommend that clients and prospective clients discuss with us the application, correlation and significance of the Model's performance to their portfolio's performance and our historical returns for clients.

Inherent in any investment is the potential for loss of capital and past performance is not indicative of future results. The value of investments and the income derived from investments may increase or decrease and investing with us involves risk of loss that clients should be prepared to bear. It is not our intention to state, indicate or imply that future investment results will be profitable or equal past results. The information presented is meant to form the basis of a discussion with us and is subject to further clarification and explanation during discussions with us. We do not provide tax or legal advice to our clients and you are strongly urged to consult a tax or legal advisor regarding any potential investment strategy.

If a prospective or current client is not comfortable with the assets it is considering having us manage invested in the manner discussed in this Item or other Items in this Brochure, he/she should not retain us to provide investment management services.

Please also note that the services HAMI provides us are material to the investment management services we provide clients. As such, if HAMI's services become unavailable, our ability to provide investment management services to clients will be adversely affected.

Item 9 – Disciplinary Information

In March 2002, while registered with the State of Massachusetts, and following a routine examination, the Firm agreed to a consent order with Massachusetts Securities Division. The consent order contained no findings or conclusions that we violated any statutes, rules or regulations. In the consent order, the Firm agreed to payment of a \$5,000 administrative fine and to hire an independent consultant to review its advertising materials and advertising policies and procedures. The Division had questioned the accuracy of certain statements in advertising materials and on the Firm's web site. The Division also questioned the completeness of the presentation of model performance data in advertising materials and was of the view that a former employee, while employed, acted as an investment advisor representative without registration.

Item 10 – Other Financial Industry Activities and Affiliations

Please see important related disclosure in Items 5 and 12.

Item 11 – Code of Ethics

We have adopted a Code of Ethics to govern personal securities investment activities of affiliated persons and to ensure that such persons comply with applicable federal securities laws. The basic premise of the Code is that the interests of clients are paramount and affiliated persons should not take inappropriate advantage of relationships with clients. The Code requires approval of personal trades involving securities being recommended to, purchased for, or sold for clients; and subject to certain exceptions requires approval of other personal securities trades. Upon request, we will provide a copy of our Code to any client or prospective client.

We often purchase for our own accounts securities recommended to and purchased by clients. Based on personal investment considerations, we also buy or sell securities for our own accounts that we do not deem appropriate or practical for clients to acquire and/or we take different investment weightings than clients. However, in no event do we effect transactions in our own accounts ahead of or to the disadvantage of a client. If there is ever a situation where the market for a security is limited while the we are attempting to buy or sell a security for clients, affiliated persons will be prohibited from trading in that security while we are actively seeking to buy or sell the security for managed accounts (except if such affiliated person's account is also managed by us). If a security is purchased or sold for clients and any affiliated persons on the same day, both the clients and affiliated persons shall pay or receive the same price, or the clients shall receive a more favorable price. We require that no affiliated person use information acquired in the conduct of his employment or engagement in any way that would conflict with clients' interests. Affiliated persons are also prohibited from using their knowledge of client security transactions for their benefit and from giving others information about proposed or current purchases or sales by a client.

On an infrequent basis, we may buy a security from a client - as an accommodation - where there is no active market for the security, or the market is limited, and if we do not act in such capacity the transaction may not be executed within the client's desired time frame.

Richard Silver, the principal owner of the Firm, is a principal of Mad River Management, LLC that serves as the General Partner of Long Point and the Firm is Long Point's investment manager. Long Point generally only invests in other limited partnerships or pooled investment vehicles. While remote, it is possible that occasionally Long Point, through distribution from an underlying investment partnership or fund, may hold a security also held by Managed Opportunities clients or hold a security we are seeking to purchase for Managed Opportunities clients. If this circumstance occurs, Mr. Silver may give advice or take action with respect to this security on behalf of Long Point that is different from or the same as the advice with respect to Managed Opportunities clients. This situation presents a potential conflict of interest because Mr. Silver has a financial interest in such partnership securities.

Item 12 – Brokerage Practices

Please see important related disclosure in Item 5 for a discussion of the financial interest of the Firm's personnel in transactions executed through Delta Equity Services Corporation.

From time to time we engage in a buy or sell program during the course of the day where multiple client orders are bunched or aggregated ("block order"). When a block order is executed at more than one price, each client receives the weighted average price at which the completed order was filled. The aggregating of orders does not reduce commissions. Each order incurs its regular commission pursuant to the commission schedule detailed in Item 5. Orders are blocked in an attempt to obtain more favorable pricing and to insure that the trades are allocated in such a manner that all clients are treated fairly and equitably. At other times, when not engaged in a comprehensive buy or sell program or where market conditions are not favorable towards block orders, client orders may be individually executed.

Brokerage Directed to Delta

We generally require that clients direct brokerage transactions to Delta for execution. As discussed in Item 5, this provides a financial benefit to Firm personnel who are registered representatives of Delta handling accounts of clients. The fact that most clients execute transactions through one broker-dealer simplifies administration for us and facilitates, when appropriate, "bunching" or aggregating transactions discussed above. However, this directed brokerage practice creates conflicts of interest as discussed in Item 5 and immediately below.

Other investment advisors may not require clients to direct brokerage transactions to one particular broker-dealer or to a broker-dealer where advisory personnel have a financial interest in the brokerage commissions that clients pay. Many investment advisors assume responsibility for the selection of the broker-dealer to execute a particular order. Such investment advisors have responsibility for attempting to select a broker-dealer offering favorable service, execution and expense terms. We do not generally provide these services. The cost of executing transactions through Delta relative to other broker-dealers and the portion of Delta's commission received by Firm personnel should be considered when comparing the cost of retaining us to the cost of retaining another advisor.

Brokerage Directed to Other Broker-Dealers

We may agree to a client directing brokerage transactions to a broker-dealer other than Delta, though we generally do not so agree. If we agree that a client may direct brokerage transactions to one or more broker-dealers other than Delta, that client will not be able to receive the potential benefit of having its transactions aggregated with orders of other clients. This may result in that client receiving a less favorable price for the shares being purchased or sold than if that client's orders were aggregated. We may place orders with Delta (including possibly orders for employee accounts managed by us) before placing orders with other broker-dealers to which clients have directed brokerage. This may result in a client receiving less favorable execution than clients executing transactions through Delta. We also do not assume responsibility for that selection or for the quality of the execution provided by the chosen broker-dealer, and we do not have the authority to negotiate commission levels on behalf of these clients.

Typically, under a sub-advisory arrangement, the entity that has retained us to act in a subadvisory capacity directs the broker/dealer through which trades are executed. If this is the case, we do not assume responsibility for that selection or for the quality of the execution provided by the chosen broker-

dealer and do not have the authority to negotiate commission levels. We may also place orders for sub-advisory clients after we have placed orders for other clients.

We do not participate in any “soft dollar” arrangements.

Item 13 – Review of Accounts

We engage in a continual review of all Managed Opportunities client accounts, including daily review of all transactions in accounts and as necessary an account or security-specific review. In the event of any changes in the financial markets, a review of the accounts will be made to determine if investment changes are warranted. Account activity is also reviewed on a regular weekly basis for dividend payments, contributions and withdrawals. The Portfolio Manager, Joshua Stewart and/or the CEO, Richard Silver review all accounts and trading activity.

Investment Management meetings regarding Managed Opportunities client accounts are normally held weekly. During the meetings the Portfolio Manager, CEO and sub-advisor review portfolio holdings and buy/sell transactions are decided upon. On a weekly basis, the Portfolio Manager and CEO monitor cash balances, option and short exposure. On a monthly basis they monitor account values and performance information including monthly, quarterly, year-to-date and cumulative performance.

Long Point related clients should see the “Confidential Offering Memorandum of Long Point Investors, L.P., Series Limited Partnership Interests for information related to Long Point’s investment review process. This document is available at any time upon request by a Long Point partner or other accredited and qualified investors considering partnership.

Item 14 – Client Referrals and Other Compensation

We may compensate properly registered employees and investment advisor agents, or companies for referrals. Currently we have one agreement with RIM Securities, 570 Lexington Avenue, New York, NY under which RIM is compensated for partner referrals to Long Point.

Item 15 – Custody

Each Managed Opportunities client will receive a comprehensive monthly statement prepared by the custodian detailing account transactions, holdings, activities and market value. All Managed Opportunities clients will also receive quarterly and annual review reports prepared by us that include details of the performance achieved. Clients should carefully review the reports prepared by us and compare those reports to the corresponding statements received directly from the custodian and bring to our attention any questions or discrepancies.

Additionally, other reports will be prepared as requested by individual clients.

Richard Silver, the principal owner of the Firm, also acts as Managing Member for Mad River Management, LLC the General Partner of Long Point. As of January 1, 2009, we are the investment manager for Long Point. Mad River, as the General Partner of Long Point, has custody of partnership assets and thus Mr. Silver and certain others affiliated with the Firm may be viewed as having custody of client assets. If the Firm or any of these individuals are deemed to have custody of partnership assets, we believe that the assets are custodied in a fashion consistent with SEC Rule 206(4)-2 and an annual financial audit of Long Point is performed and distributed to Long Point partners within the time frame prescribed by SEC Rule 206(4)-2. Long Point's current auditor is BDO USA, LLP.

Item 16 – Investment Discretion

We manage investments on a discretionary basis. Under this discretionary arrangement, we have complete authority over the selection, buying and selling of securities, without obtaining specific client consent as long as such activity is consistent with restrictions or conditions the client has placed on the management of his/her assets. We also exercise discretion with respect to investment advisors and portfolio/fund managers we engage in connection with providing investment advice to clients. Managed Opportunities clients grant us this authority pursuant to an investment management agreement.

Long Point related clients should see should see the Confidential Offering Memorandum of Long Point Investors, L.P., Series Limited Partnership Interests for information related to Long Point and investment discretion. This document is available at any time upon request by a Long Point partner or other accredited and qualified investors considering partnership.

Item 17 – Voting Client Securities

Pursuant to clients' investment advisory contracts, we do not have the responsibility to vote client proxies. We will arrange for each Managed Opportunities client to receive proxy materials.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide certain financial information or disclosures about their financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have never been the subject of a bankruptcy proceeding.

Information on Persons Providing Investment Advice on Behalf of the Firm

Brochure Supplement

Educational Background and Business Experience

Richard W. Silver is the Firm's founder, CEO and Chief Investment Officer. Please see Item 4 above for a discussion of Richard's educational background and business experience.

Joshua Stewart, Portfolio Manager, Managing Director - Client Relations (2001 to Current). Josh returned to Mad River in 2001 after a brief tenure with Putnam Investments. He directs our Managed Opportunities account business and has been instrumental in its founding, growth and execution. He plays an integral role in Long Point's investment manager identification, selection, and ongoing due diligence process and also leads our client relations efforts.

Josh lives in Quincy Massachusetts, with his wife and two daughters. He holds Series 6, 7, 63 and 65 securities licenses and is a registered representative of Delta Equity Services Corp. He is a graduate of Northeastern University with a BS in finance (May 2000). He has worked in the investment business since 1997, also having positions with Mad River Management, LLC (January 1997 – April 2000) and Putnam Investments (August 2000 – June 2001).

Disciplinary Information

Neither Richard Silver nor Joshua Stewart has any disciplinary events.

Other Business Activities

Please see disclosure in Items 5 and 12 above

Additional Compensation

Please see disclosure in Items 5 and 12 above

Supervision

The Firm has adopted a comprehensive compliance program and Code of Ethics procedure administered by its Legal Counsel and Chief Compliance Officer, Stephen Carluccio (617-448-1308). This program involves monitoring of the Firm's operations and investment management processes and regular meetings and discussions with Mr. Silver and Mr. Stewart. Mr. Carluccio reports directly to Mr. Silver in relation to his work for the Firm.