

Brooklyn Capital Management, LLC

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This brochure provides information about the qualifications and business practices of Brooklyn Capital Management, LLC (“Brooklyn Capital” or the “Company”). If you have any questions about the contents of this brochure, please contact us at 201-556-0092 or adacos@brooklyncapitalmanagement.com. The information contained in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Brooklyn Capital also is available at www.adviserinfo.sec.gov. Select “Investment Adviser Search” on the left navigation panel and select “Investment Adviser Firm” on the Investment Adviser Search page to begin your search.

The fact that Brooklyn Capital is registered as an investment adviser with the SEC does not imply anything about its ability or integrity.

MATERIAL CHANGES

Not applicable at this time.

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ITEM 4. ADVISORY BUSINESS

Brooklyn Capital was co-founded in 2009 by Andrew Dakos, Phillip Goldstein and Steven Samuels. The Company serves as the investment adviser to Special Opportunities Fund, Inc., a registered investment company (“SPE”), several private investment funds and a small number of high net worth individual accounts, each of which must meet the definition of “Qualified Client” in Rule 205-3 under the Investment Advisers Act of 1940.

Brooklyn Capital advises SPE and its other clients including placing discretionary trades pursuant to each client’s investment policies and restrictions. Individual accounts are generally managed in a similar manner to the private investment funds managed by Brooklyn Capital, but Brooklyn Capital may tailor its advisory services to the specific needs and specifications of such clients. Clients having an individual account may impose reasonable restrictions on investing in certain securities or types of securities, including the designation of particular securities or types of securities that should not be purchased for the account.

As of January 1, 2012, Brooklyn Capital managed \$214,400,000 on a discretionary basis. The Company does not manage client assets on a non-discretionary basis.

ITEM 5. FEES AND COMPENSATION

Brooklyn Capital does not have a fee schedule. Fees are negotiated with each client and may be based upon (1) a percentage of assets under management and (2) the account’s performance. An affiliate of Brooklyn Capital may serve as the general partner of a private fund it advises. Such general partner generally receives a performance-based fee or allocation from such funds. SPE pays the Company a monthly fee at an annual rate of one (1.00%) percent of SPE’s average weekly total assets. Brooklyn Capital does not unilaterally deduct its fees from client accounts. In addition to Brooklyn Capital’s fees, client accounts typically are assessed brokerage and transaction charges with respect to trades placed for the account. These charges are paid to the account custodian for effecting transactions, and may be higher or lower than transaction charges or commissions the client may pay at other broker-dealers. Please refer to the section below entitled, “Brokerage Practices” for additional information.

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

As discussed in the prior Section entitled “Fees and Compensation,” Brooklyn Capital may receive a performance-based fee from its individually managed accounts. In addition, Brooklyn Capital or an affiliate may receive a performance-based fee or allocation from the private funds it advises. Brooklyn Capital does not receive a performance-based fee from SPE.

Brooklyn Capital recognizes that inherent conflicts of interest exist in connection with managing accounts that pay a performance-based fee or allocation alongside an account that does not. These conflicts may include an incentive to favor such accounts over SPE because Brooklyn Capital and its affiliates can potentially receive greater fees from accounts paying a performance-based fee than from SPE. As a result, Brooklyn Capital may have an incentive to direct its best investment ideas to, or allocate or sequence trades in favor of such accounts.

In order to address these conflicts of interest, the Company has adopted a Trade Allocation Policy which recognizes the importance of trade allocation decisions and attempts to achieve an equitable balancing of competing client interests. The Policy establishes certain procedures to be followed in connection with placing and allocating trades for client accounts.

Certain investments and investment opportunities may be appropriate for more than one private fund and/or SPE (the private funds and SPE are collectively referred to herein as the “Funds”). When the Company believes it to be in the best interest of the Funds to aggregate the order for the Funds, an aggregate or “block” trade will be placed. In making such determination, Brooklyn Capital will consider the overall costs to the participating Funds, execution capability of the broker-dealer, and restrictions, if any, placed on the participating Funds regarding bunched trades. Individually managed accounts generally do not participate in such aggregated trading; rather, individual trades are placed with respect to each account.

Investment decisions for the Funds are made with a view to equitably achieving their respective investment objectives after consideration of certain factors including their current holdings, availability of cash for investment, anticipated contributions and redemptions, tax considerations affecting each Fund, and the amount of leverage available to each Fund. If, after determining the amount of such security it would like to purchase for each Fund, it is likely that there will be an insufficient amount to fully satisfy all Funds, Brooklyn Capital may consider whether the investment strategies of the Funds warrant giving priority to one or more Funds over other Funds. After any such prioritizing, Brooklyn Capital will generally allocate to each Fund the security in an amount based on the proportionate size of the Fund. In instances where Brooklyn Capital has determined that a security held by more than one Fund should be sold, and such security cannot be sold in amounts sufficient to satisfy each of the participating Funds, it will generally allocate the sale of the security from each participating Fund in an amount based on the proportionate size of the Fund.

ITEM 7. TYPES OF CLIENTS

Brooklyn Capital provides investment advice to several private investment funds, one registered investment company, and a small number of individually managed high net worth accounts, the investor representative of which Brooklyn Capital’s principals have a long term relationship. Each private fund generally has its own minimum initial investment which may be waived by the General Partner. The minimum required investment with respect to individually managed accounts is negotiable. Brooklyn Capital does not anticipate advising additional individual accounts.

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

Brooklyn Capital is a value oriented activist investment advisor. It specializes in closed-end funds, special purpose acquisition companies (SPACs or blank check companies), undervalued operating companies, distressed securities and complex special situations. Its principals have

extensive experience in investor activism with a goal of unlocking the intrinsic value of its investments.

As discussed above, Brooklyn Capital serves as the investment adviser of Special Opportunities Fund, a registered investment company. SPE's investment objective is to provide total return. Investing in SPE involves certain risks, which are detailed in its registration statement and incorporated herein by reference. In addition, the investment objective, investment strategies and risks of each of the private funds Brooklyn Capital advises are described in the sections entitled "Investing Program and Objectives of the Partnership" and "Certain Risk Factors and Conflict of Interest" included in their respective offering documents and incorporated herein by reference. The investment strategies and risks applicable to each individually managed account client may be unique to such account. However, the investor representative of each individually managed account is provided with the offering documents for a private fund managed by Brooklyn Capital which has a similar investment objective, investment strategies and risks. Such offering documents provide detailed information regarding such fund's investment objective, investment strategies and risks, and include risks associated with market volatility, trading and investment activities, blank check companies, tracking error, leverage, liquidity, counterparty creditworthiness, short sales, options and futures. As with any investment, there is no guarantee that the account will achieve its investment objective. Investing in securities always involves risk of loss that clients should be prepared to bear.

ITEM 9. DISCIPLINARY INFORMATION

On January 31, 2007 the Acting Director of the Securities Division of the Massachusetts Secretary of State filed a complaint against Bulldog Investors, Messrs. Goldstein, Dakos and Samuels, and certain related parties (the Bulldog Parties) alleging that they violated Massachusetts law by operating a website containing information about certain unregistered investments and by sending an e-mail about such investments to an individual who requested it. On March 23, 2007 the Bulldog Parties filed a lawsuit in the Massachusetts Superior Court against the Secretary alleging that his enforcement action violated 42 U.S.C. § 1983 because, among other things, it violated their First Amendment rights. On October 17, 2007 the Secretary issued an "obey the law" cease and desist order (the Order) and fined the Bulldog Parties \$25,000. On November 15, 2007 the Bulldog Parties filed an appeal of the Order in the Massachusetts Superior Court which subsequently upheld the Order. The Bulldog Parties further appealed the Order to the Massachusetts Appeals Court. On October 21, 2009 the Massachusetts Supreme Judicial Court (the SJC) unilaterally transferred the case to itself and on July 2, 2010 upheld the Order except for the Bulldog Parties' First Amendment claim which it ruled must be decided in the appeal of the aforementioned § 1983 lawsuit. In the § 1983 lawsuit, the Secretary stipulated that the website and email in question did not concern an illegal transaction and were not misleading. Nevertheless, on September 26, 2009, the Superior Court ruled that the Secretary's enforcement action did not violate the Bulldog Parties' First Amendment rights. The Bulldog Parties filed an appeal of the Superior Court's ruling in the Massachusetts Appeals Court. On July 23, 2010, the SJC unilaterally transferred the appeal of the § 1983 lawsuit to itself. On September 22, 2011 the SJC affirmed the Superior Court's ruling and declined to reconsider the Bulldog Parties' personal jurisdiction claim. On November 3, 2011 the United

States House of Representatives by a vote of 413 to 11 approved H.R. 2140, the Access to Capital for Job Creators Act, which would permit privately held companies like Bulldog Investors to use advertisements and websites to solicit accredited investors for private offerings. If H.R. 2140 is enacted into law, the Bulldog Parties intend to seek to vacate the Order. The Bulldog Parties also intend to file a petition for certiorari with the United States Supreme Court.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As stated above, Brooklyn Capital serves as the investment adviser to SPE, a registered investment company, several private funds, and a small number of high net worth individually managed accounts. Affiliates of Brooklyn Capital may serve as the general partner of certain of the private funds. Each of these relationships is material to Brooklyn Capital's advisory business.

Brooklyn Capital recognizes the inherent conflicts of interest in connection with managing accounts that pay a performance-based fee to it or to its affiliates alongside an account that does not, as discussed more fully in response to Item 6, "Performance-Based Fees and Side-by-Side Management." Other than such conflicts, however, the Company does not believe its relationships create a material conflict of interest with clients.

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

Brooklyn Capital has adopted a Code of Ethics in order to establish standards and procedures to guard against impropriety and conflict, and to reflect Brooklyn Capital's fiduciary obligations in accordance with applicable securities laws. The Code of Ethics addresses certain issues facing Brooklyn Capital, such as: fiduciary duties, personal securities transactions, corporate opportunities, outside business activities, gifts and entertainment, and conflicts of interest.

On occasion, certain related persons of Brooklyn Capital, including the members of Brooklyn Capital and its affiliates, may invest in securities that Brooklyn Capital purchases or sells for SPE or one or more of the Private Funds. Certain conflicts of interest could arise with respect to such practice. In order to address such potential conflicts, Brooklyn Capital requires that purchases or sales by "Access Person" (as defined in the Code) be made in compliance with Brooklyn Capital's Code of Ethics. The Code of Ethics prohibits certain acts to avoid potential conflicts of interest. In particular, the Code provides that no Access Person may engage in personal securities transactions with respect to initial public offerings or private placement without obtaining preclearance of such transactions. In addition, subject to certain exemptions, the Code prohibits Access Persons from purchasing or selling a security for his or her own account, which to the knowledge of such Access Person has been purchased or sold by SPE or the private funds within the past thirty days.

Principals of Brooklyn Capital invest in SPE and in the private funds. Securities trades by the

Funds are made in compliance with Brooklyn Capital's Trade Allocation Procedures. Brooklyn Capital allocates trades to Fund accounts (including SPE) in compliance with its Trade Allocation Policy, which is designed to ensure that each Fund is treated fairly and that trading does not result in certain Funds being treated preferentially over time.

A copy of the Company's Code of Ethics, as well as its Trade Allocation Procedures, are available upon request.

ITEM 12. BROKERAGE PRACTICES

With regard to investment advisory services provided to SPE and the Private Funds, Brooklyn Capital has discretion regarding which brokers to use and the rate of commissions to be paid. In selecting broker-dealers, Brooklyn Capital generally seeks to obtain the most favorable price and execution available. In making such selection, the Company considers all factors it deems relevant, including by way of illustration:

- Price, including dealer spread;
- Size, type and difficulty of the transaction;
- General execution of the broker-dealer;
- Operational facilities of the broker-dealer; and
- The broker-dealer's risk in positioning the securities.

In addition, Brooklyn Capital may select broker-dealers that provide services over and above simple trade execution. For example, with respect to certain complex or difficult trades, Brooklyn Capital will utilize the services of a broker-dealer with the proven capability to effect such trades, and in such case, Brooklyn Capital may pay higher commission rates than those of execution-only type broker-dealers. When, in the view of Brooklyn Capital, execution is the only criterion relevant to a particular investment, competitive commission rates will be a priority.

It is possible that Brooklyn Capital will cause the Funds to pay commission rates higher than they could have otherwise paid in order to gain access to research (both proprietary research and research created or developed by a third party) and proprietary trading capability that Brooklyn Capital considers useful with respect to its management of the Funds. When the Company uses client brokerage commissions to obtain research or other products or services, it receives a benefit because the Company does not have to produce or pay for the research, products or services. In certain situations, however, Brooklyn Capital may cause the Funds to pay commission rates higher than they could have otherwise paid in order to gain access to research that otherwise would not be available to Brooklyn Capital or the Funds, because such research is not otherwise available for purchase at a reasonable cost and could not reasonably be produced by Brooklyn Capital. In addition, Brooklyn Capital may have an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on the Funds' interest in receiving most favorable execution. However, such higher commissions will always be paid in compliance with the "safe harbor" contained in Section 28(e) of the Securities Exchange Act of 1934. Such safe harbor requires Brooklyn Capital to determine in

good faith that the commission rate paid is reasonable in relation to the value of the research provided. This determination may be based either in terms of the particular transaction involved or the overall responsibilities of the Company to its client accounts. Research services provided to the Company by brokers who effect securities transactions for certain Funds may be used by Brooklyn Capital in servicing other Funds over which Brooklyn Capital has discretionary authority.

Brooklyn Capital may also direct brokerage business to brokers who refer prospective investors to the private funds it manages. Because such referrals, if any, are likely to benefit Brooklyn Capital and its affiliates but may not provide a commensurate benefit to the Private Funds, Brooklyn Capital will have a conflict of interest with the Funds when allocating brokerage business to a broker who has referred investors to the Private Funds. To prevent brokerage commissions from being used to pay investor referral fees, Brooklyn Capital will not allocate brokerage business to a referring broker unless Brooklyn Capital determines in good faith that the commissions payable to such broker are reasonable in relation to those available from non-referring brokers offering services of substantially equal value to the Funds.

Within the last fiscal year, Brooklyn Capital was granted access to Bloomberg services at no additional charge in connection with certain other services provided by the Private Funds' prime broker. In addition, Brooklyn Capital obtained intra-day NAV research for closed-end funds from a brokerage firm using soft dollars. Such research otherwise would not be available to the Funds or Brooklyn Capital, because such research is not available for purchase and cannot reasonably be produced by Brooklyn Capital.

The Funds do not individually generate so-called "soft dollar credits," and as a result Brooklyn Capital does not seek to allocate soft dollar benefits to specific Funds.

Certain investments and investment opportunities may be appropriate for more than one Private Fund and/or SPE. When the Company believes it to be in the best interest of the Funds to aggregate the order for the Funds, an aggregate or "block" trade will be placed. In making such determination, Brooklyn Capital will consider the overall costs to the participating Funds, execution capability of the broker-dealer, and restrictions, if any, placed on the participating Funds regarding bunched trades.

Each individually managed account client has directed Brooklyn Capital to place all transactions for such account through the account custodian, a broker-dealer not affiliated with Brooklyn Capital. Each such client is responsible for negotiating the terms and arrangements for the account with such broker-dealer, and should be aware that Brooklyn Capital's ability to obtain the best price and execution with respect to such account may be hindered. By directing Brooklyn Capital to use such broker-dealer, clients lose possible advantages relating to the aggregation of orders for several clients in a single transaction for the purchase or sale of a particular security, and as a result directing brokerage may cost clients more money and cause performance to vary from that of its other clients.

ITEM 13. REVIEW OF ACCOUNTS

Phillip Goldstein and Andrew Dakos, members of Brooklyn Capital, serve as co-portfolio managers of each of the Funds. In addition, Rajeev Das, Brooklyn Capital's Head Trader, serves as co-portfolio manager of Income Plus Fund. The portfolio managers of the Funds generally communicate with one another on a daily basis with respect to each Fund's investments and routinely monitor each Fund's portfolio in connection with its objectives, policies and restrictions.

Messrs. Dakos and Goldstein review the portfolios of the individually managed accounts on a routine basis. Each such client receives from the Company a written annual return calculation, which includes an advisory fee calculation, following the end of each calendar year.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Brooklyn Capital has entered into a client solicitation agreement with one or more third-party solicitors. Pursuant to this agreement, the Company compensates each such solicitor for client referrals. The Company pays a negotiated fee to the solicitor, equal to a percentage of Brooklyn Capital's fee with respect to clients referred by the solicitor. The solicitor therefore has a financial incentive to recommend the Company's services.

ITEM 15. CUSTODY

Brooklyn Capital could be deemed to have custody of the assets of the private funds because affiliates of Brooklyn Capital serve as the general partner of each private fund. Each private fund's administrator distributes audited annual financial statements to the investors therein.

ITEM 16. INVESTMENT DISCRETION

Brooklyn Capital manages the accounts of each private fund on a discretionary basis, subject to any limitations as set forth in such fund's offering documents. Brooklyn Capital also manages SPE on a discretionary basis, subject to its investment restrictions, and limitations imposed by the Investment Company Act of 1940.

With respect to individually managed accounts, Brooklyn Capital's investment advisory agreement specifies that Brooklyn Capital generally has discretionary authority to manage securities accounts on behalf of clients subject to any restrictions imposed by the client. Clients also appoint Brooklyn Capital as their agent and attorney-in-fact as part of such agreement.

ITEM 17. VOTING CLIENT SECURITIES

Brooklyn Capital has authority to vote proxies with respect to securities held in each Fund's account. In addition, unless otherwise directed by such client, Brooklyn Capital has authority to vote proxies with respect to its individually managed account clients. Brooklyn Capital has adopted Proxy Voting Policies and Procedures, which establish the manner in which proxies will be voted, and provide the manner by which Brooklyn Capital will monitor and resolve any conflicts of interest. In particular, portfolio managers with a personal conflict of interest regarding a particular proxy vote must recuse themselves and not participate in the voting decisions with respect to that proxy.

A copy of Brooklyn Capital's Proxy Voting Policies and Procedures is available upon client request.

ITEM 18. FINANCIAL INFORMATION

The Company is not subject to any financial condition reasonably likely to impair its ability to meet contractual commitments to clients.