

Innovatum Capital Partners, LLC

Client Brochure

This brochure provides information about the qualifications and business practices of Innovatum Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (949) 690-2256 or by email at: kevin@innovatumcap.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 Innovatum Capital Partners, LLC, is also available on the SEC's website at www.adviserinfo.sec.gov. Innovatum Capital Partners, LLC's CRD number is: **154192***

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Registration as an Investment Adviser does not imply a certain level of skill or training.

Version Date: 06/28/2012

Item 2: Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

Since the previous annual amendment filed on March 31, 2011, Innovatum Capital Partners has amended how it charges a Performance Fee in accordance to the adjusted Qualified Client dollar thresholds for investment adviser performance fee rule, implementing requirements imposed by Dodd-Frank. ICP shall charge a performance fee to clients who are deemed Qualified Clients by virtue of having at least \$1.0 million USD of assets under management with ICP or have a net worth of \$2.0 million USD. Per the transition rules, any previous ICP clients who were deemed Qualified Clients pursuant to the “old” thresholds of \$750,000 USD of AUM or \$1.5 million USD net worth, and continues to maintain its advisory relationship with ICP shall be deemed permissible. New clients entering into an advisory relationship with ICP must meet the “new” Qualified Client definition prior to ICP charging a performance fee.

The disclosures affected by this can be found in Items 5, 6 and 19.

In addition, Item 4.E has been amended to disclose the Advisor’s AUM of \$30,750,000 USD.

Full Brochure Available

If you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (949) 690-2256 or by email at: kevin@innovatumcap.com.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Innovatum Capital Partners (“ICP” or the “Advisor”) is a California limited liability company, and was organized on May 25, 2010. Kevin T. Carias holds the position and responsibilities as the firm’s sole owner and Managing Member. ICP offers investment management services to a private investment partnership, ICP Premium Alternative Fund I, LP (the “Fund”), which is a Delaware limited partnership. In addition to having the Fund as a client, ICP provides investment advisory services to individually managed accounts which are separate from the investment partnership.

ICP registered and became effective as an Investment Adviser with the U.S. Securities and Exchange Commission as of July 20, 2010. The Advisor concurrently notice filed with the California Department of Corporations, Securities Regulation Division effective as of July 20, 2010. ICP is transitioning from being an investment adviser registered with the SEC to becoming effectively registered as an investment adviser with the California Department of Corporations, Securities Regulation Division. ICP shall withdraw its investment adviser registration with the SEC with its registration with the California Department of Corporations.

B. Types of Advisory Services

Innovatum Capital Partners, LLC, offers the following services to advisory clients:

Investment Supervisory Services for Individual Client Accounts

ICP offers initial and ongoing consultations and portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. ICP creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client’s specific situation. Investment Supervisory Services include, but are not limited to, the following:

- | | |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy |
| • Asset allocation | • Asset selection |
| • Risk tolerance | • Regular portfolio monitoring |

The Advisor evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Innovatum Capital Partners will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Investment Management Services for an Investment Partnership

Further to its investment supervisory service offerings for individual client accounts, ICP provides investment management services for a private investment partnership. The Advisor provides investment management services to ICP Premium Alternative Fund I, LP, which is a Delaware limited partnership formed on June 3, 2010. The Fund is a private investment partnership structured pursuant to Section 3(c)(1) of the Investment Company Act of 1940 (the “ICA of 1940”). This provides the Fund an exemption from registration under the

ICA of 1940. In addition, ICP holds a limited power of attorney to act on a *discretionary basis* with regards to investor client capital contributed into the Fund. The Fund's contributed capital and securities investments will be kept separately at either a brokerage firm or bank custodial account under the Fund's name; Such information shall be provided on notice to the Limited Partners of ICP Premium Alternative Fund I.

The Advisor will seek to comply with any federal, state, jurisdictional or self-regulatory organization's requirements in order to provide such services, if and when necessary. Upon complying, the Advisor will amend its Form ADV application to disclose changes material to its core services offered.

Services Limited to Specific Types of Investments

Individual Client Accounts

Concerning individual client accounts, the Advisor limits the investments vehicles utilized to equity securities, corporate debt securities, U.S. government securities, option contracts on securities, and futures contracts. Innovatum Capital Partners may use other securities as well to help diversify an individual client's portfolio when applicable.

Investment Partnership

ICP will endeavor to effectuate the Fund's investment objectives and strategy as delineated in its Confidential Private Offering Memorandum. The Advisor has discretion to make investments/trades on behalf of the Fund utilizing investments in "Securities" as broadly defined in the Fund's limited partnership agreement. The Fund has the authority to use: leverage and short sales; options to carry out the Fund's investment strategies; and, in a limited capacity, futures for hedging purposes (though the Fund's portfolio may at times be partly or entirely unhedged). At times, a substantial portion of the Fund's holdings may be in non-publicly traded or other illiquid securities. Furthermore, ICP will implement the Fund's investment strategies both directly and through allocations of Fund capital to unaffiliated managers and traders.

ICP may, from time-to-time, change, refine, or augment the proprietary models and trading programs effectuated by the Partnership. The Partnership may in the future elect to broaden the range of securities in which it trades to include the sale or purchase of investment instruments of domestic or foreign issuers including, but not limited to, common stocks, preferred stocks, convertible securities, bonds, notes, warrants, rights and money market instruments. Further, depending on conditions and trends in securities markets, ICP may pursue other strategies or employ other techniques it considers appropriate and in the Partnership's best interests. The Partnership's assets may at times be fully invested in securities and at other times be held primarily in cash or equivalents.

C. Client Tailored Services and Client Imposed Restrictions

Individual Client Accounts

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

Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

Investment Partnership

ICP has discretion to effectuate and manage the Investment Partnership's investment portfolio based upon the investment strategy as disclosed in the Fund's private offering memorandum. Investors (i.e., Limited Partners) of the Fund will not be actively involved nor will they be able to influence the Fund's investments or operation.

D. Wrap Fee Programs

Innovatum Capital Partners does not participate in any wrap fee programs.

E. Amounts Under Management

Current assets under management by Innovatum Capital Partners are approximately \$30,750, 000 USD as of its fiscal year-end dated December 31, 2011.

Item 5: Fees and Compensation

A. Fee Schedule

ICP expects to provide its investment advisory services to the investment partnership of ICP Premium Alternative Fund I, LP, and to individual client accounts separate and apart from the investment partnership. Thus, the Applicant shall be compensated as follows:

Investment Partnership / Fund Fees

Management Fee - ICP will charge a semi-annual **Management Fee** (expense fee) on the percentage of assets under management. The expense fee varies according to the amount of assets under management, but does not exceed 0.625% (i.e., $\frac{1}{4}$ of 2.5%) of net assets per quarter (annualized rate of 2.5% of net assets per year) for Limited Partners holding Partnership Interests. This semi-annual fee is billed in advance on the first day of each quarter (i.e., January 1 or July 1), and is based on the adjusted net asset value of the client's account on the date the fee becomes payable.

Performance Allocation - ICP manages a private investment partnership where it receives additional compensation in the form of a performance-based allocation (the "**Performance Allocation**"). The Performance Allocation is 20% of the New Profit allocated to each Limited Partner's capital account at the end of each calendar year. Furthermore, the Performance Allocation is subject to a "high watermark" procedure in which ICP receives a Performance Fee only to the extent New Profits allocated to that Limited Partner exceed any Net Losses allocated to him/her that have not been recovered. New Profit (net realized

gains) will be credited to the capital account of the investment partnership during each calendar year (or part thereof for Limited Partners withdrawing prior to year-end). New Profit will be any increase in the investment partnership's capital account over the highest prior capital account from which a profit share was allocated to ICP. In the case of additions or withdrawals, the investment partnership's highest prior capital account will be adjusted accordingly.

In all cases where the Performance Allocation will be charged, ICP will only apply its Performance Fee to those Limited Partners that have a minimum of \$1.0 million USD under management into the Fund, or have a net worth more than \$2.0 million USD at the time of entering into the Limited Partnership Agreement with ICP. Only "qualified clients" as defined in Rule 205-3 of the Advisers Act of 1940 will be charged a Performance Fee.

ICP believes that its fees are competitive with those fees charged by other investment advisors for comparable services. However, comparable services may be available from other sources for lower fees than those charged by ICP.

Investment Supervisory Services for Individual Client Account Fees

ICP provides investment advisory services to separate client accounts which are not Limited Partners of ICP Premium Alternative Fund I, LP. Non-Partnership clients are client accounts generally set-up individually with a qualified custodian. As an Individual Client Account ("ICA"), the Client authorizes ICP to manage their investment capital/portfolio based upon the Investment Advisor's discretion or judgment, but does not have custody of the Client's capital or securities. ICP does not have the authority or access to withdraw such client's capital or securities. ICP is granted only limited trade authorization to effectuate trades/investments on behalf of the client accounts.

Non-Qualified Client Account Fees:

For any investor, who maintains an ICA with the Advisor, deemed to be a "Non-Qualified Client," the Client will pay the Advisor a quarterly **Management Fee** equal to 0.625% (i.e., $\frac{1}{4}$ of 2.5% per annum) of the Account's beginning period Net Assets before withdrawals made during the period. The term "Net Assets" of the Account shall mean total assets less liabilities of the Account, excluding accrued management fees. The Management Fee shall be payable to the Advisor at the beginning of each quarter. An Account which commences or terminates will be pro-rated based on the ratio of the number of days in the period in which the Account receives advice from the Advisor to the total number of days in the period (i.e., 90 days in each quarter). Clients who elect to withdraw capital from their Individual Account on a date other than the last day of quarter will receive a pro-rated refund of any Management Fee paid in advance.

Furthermore, a Non-Qualified Client **shall not be charged** a performance-based fee, which is the Performance Allocation.

The Advisor will charge the Management Fee to the extent allowable under Rule 205-3 of the Advisers Act of 1940.

Qualified Client Discretionary Account Fees:

For any investor, who maintains an ICA with the Advisor, deemed to be a “Qualified Client”, the Client will pay the Advisor a quarterly **Management Fee** equal to 0.625% (i.e., ¼ of 2.5% per annum) of the Account’s beginning period Net Assets before withdrawals made during the period. The term “Net Assets” of the Account shall mean total assets less liabilities of the Account, excluding accrued management fees. The Management Fee shall be payable to the Advisor in advance at the beginning of each quarterly period. An Account which commences or terminates will be pro-rated based on the ratio of the number of days in the period in which the Account receives advice from the Advisor to the total number of days in the period (i.e., 90 days in each quarter). Clients who elect to withdraw capital from their Account on a date other than the last day of quarter will receive a pro-rated refund of any Management Fee paid in advance.

In addition, a Qualified Client will pay the Advisor, at the end of each calendar year, a performance-based fee (the “**Performance Allocation**”) equal to 20% of the Net Profits earned by the Client’s Account as of each calendar year. The Advisor shall charge the Performance Allocation on the following year-end dates: December 31. Performance Allocations are subject to a “high watermark” procedure whereby the Advisor charges a Performance Allocation from a Client only to the extent Net Profits allocated to the Client’s Account **exceed** any Net Losses allocated to the Account that have not been recovered. In the event a Client Account has **unrecovered** Net Losses, the Advisor shall not charge a Performance Allocation to the Client’s Account until the Account has first recovered such Net Losses.

Net Profits and Net Losses are calculated by combining the aggregate net realized and unrealized changes in the value of the Client Account net assets with all other income and expense of any kind as of the end of each calendar year. Interim profit and loss allocations to the Client Account will be made at the time any capital contributions or withdrawals are made during the year. If the Advisory Agreement is terminated as of any date which is not the end of a calendar year, the Performance Allocation described above will be charged on a pro-rata basis – accounting for all net profits up to such termination date. Once the interim withdrawal is made, a Performance Allocation will not be reduced by losses incurred in subsequent periods.

The Advisor will charge the Management Fee and Performance Allocation to the extent allowable under Rule 205-3 of the Advisers Act of 1940. More specifically, the Performance Fee allocation will only be applied to Qualified Clients that have a minimum of \$1.0 million USD under management with the Advisor or have a net worth of more than \$2.0 million USD.

*** ICP believes that its fees are competitive with those fees charged by other investment advisors for comparable services. However, comparable services may be available from other sources for lower fees than those charged by ICP.

B. Payment of Fees

Payment of Investment Advisory Fees

Dependent on the type of fee, advisory fees are invoiced and billed directly to the client. Management Fees are invoiced and billed on a semi-annual basis and collected in advance. Performance Fees (if any) are invoiced and billed on a yearly basis and collected in arrears.

Clients may not select the method in which they are billed.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Innovatum Capital Partners. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

Innovatum Capital Partners collects its Management Fees in advance at the beginning of each quarter. In addition, the Advisor collects its Performance Allocations in arrears at the end of each calendar year.

E. Outside Compensation For the Sale of Securities to Clients

Neither Innovatum Capital Partners nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

Innovatum Capital Partners accepts performance-based fees which are based on a share of capital gains on or capital appreciation of the assets of a client. As delineated in Item 5: Fees and Compensation, the Advisor shall charge a performance-based fee only to those Limited Partners or Individual Clients who are deemed to be "Qualified Clients." An investor is categorized as a Qualified Client if they have \$1.0 million USD under management with the Advisor or have a net worth of more than \$2.0 million USD.

The Advisor shall charge the Performance Fee in arrears at the end of each calendar year. Performance Fees are subject to a "high watermark" procedure whereby the Advisor charges a Performance Fee from a Client only to the extent Net Profits allocated to the Client's Account **exceed** any Net Losses allocated to the Account that have not been recovered. In the event a Client Account has **unrecovered** Net Losses, the Advisor shall not charge a Performance Fee to the Client's Account until the Account has first recovered such Net Losses.

Item 7: Types of Clients

Innovatum Capital Partners generally provides management supervisory services to the following Types of Clients:

- ❖ Investment Partnership
- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans

The clients have the option to either subscribe to an interest in ICP Premium Alternative Fund I, LP; hence, becoming limited partners of the investment partnership. Or retain the Advisor on an individual basis rather than participating in the Fund.

Regarding the Fund, ICP will provide investment management services to a private investment entity that relies on a federal registration exemption by Section 3(c)(1) of the Investment Company Act of 1940. This exempt entity is structured as a limited partnership allowing up to 100 limited partners.

Section 275.203(b)(3)-1 of the Investment Advisors Act of 1940 defines a limited partnership as 1 client (although the partnership may have up to 100 limited partners), because the limited partnership receives investment advice based on its investment objectives rather than the individual objectives of its limited partners. ICP, as the General Partner to ICP Premium Alternative Fund I L.P., may accept individuals, pension and profit sharing plans, and corporations or other business entities to become limited partners if they so qualify. The limited partners will not be advised individually; but, the limited partnership, as a whole, will be advised as 1 client.

Minimum Account Size

A Client who elects to retain Innovatum Capital Partners's investment management services must become a Limited Partner and maintain a minimum account size of \$250,000 USD invested in the investment partnership.

A Client who retains ICP's investment supervisory services elects to be managed individually and separate from the investment partnership.

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

A. Methods of Analysis and Investment Strategies

Innovatum Capital Partners's methods of analysis include fundamental analysis and the reliance on financial information from third-party providers such as Bloomberg and securities analysts.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

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

B. Material Risks Involved

Innovatum Capital Partners uses Long Term Trading, Short Term Trading, Options Writing (including covered options, uncovered options, or spreading strategies), Short Sales, and Margin Transactions.

Innovatum Capital Partners utilizes investment strategies that are designed to capture market rates of both return and risk. Frequent trading, when effectuated, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

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

C. Risks of Specific Securities Utilized

Innovatum Capital Partners generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

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

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

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

Neither Innovatum Capital Partners nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

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

Neither Innovatum Capital Partners nor its representatives are registered as a FCM, CPO, or CTA.

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

Neither Innovatum Capital Partners nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

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

Innovatum Capital Partners does not utilize nor select other advisors or third-party money managers. All assets are managed by Innovatum Capital Partners.

Item 11: Code of Ethics, Participation in Transactions, Personal Trading

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

B. Recommendations Involving Material Financial Interests

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

C. Investing Personal Money in the Same Securities as Clients

From time-to-time, representatives of Innovatum Capital Partners may buy or sell securities for themselves that they also recommend to clients. Innovatum Capital Partners will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

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

From time-to-time, representatives of Innovatum Capital Partners may buy or sell securities for themselves at or around the same time as clients. Innovatum Capital Partners will not trade securities 5 days prior to or 5 days after trading the same security for clients.

Item 12: Brokerage Practices

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

For clients who are Limited Partners in the Fund, Limited Partners do not have the discretion to select the custodian and/or broker-dealer. Selection of a custodian and/or broker-dealer is at the discretion of Innovatum Capital Partners. In this instance, the Custodian chosen shall be based on their relatively low transaction fees and access to mutual funds, equities, ETFs and options. Innovatum Capital Partners will never charge a premium or commission on transactions, beyond the actual cost imposed by the Custodian.

1. Research and Other Soft-Dollar Benefits

Currently, Innovatum Capital Partners receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

2. Brokerage for Client Referrals

Currently, Innovatum Capital Partners receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

B. Aggregating (Block) Trading for Multiple Client Accounts

Innovatum Capital Partners maintains the ability to block trade purchases across accounts but will rarely do so. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian of choice.

Item 13: Reviews of Accounts

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

The Partnership uses computerized, portfolio, monitoring software that will print out the value and content of all portfolio positions on a timely basis. There will be informal, timely reviews for Partnership Interests (i.e., capital accounts). A more formal review of capital accounts will take place monthly as to the specific security holdings and adherence to Partnership investment objectives and fundamentals. Review protocols will consider overall portfolio disposition. Kevin T. Carias, as Managing Member of Innovatum Capital Partners, shall be designated as a reviewer of the Applicant's accounts.

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

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance). Generally, event-triggered reviews will be held when significant developments occur, or are anticipated, which may affect the valuations of holdings.

C. Content and Frequency of Regular Reports Provided to Clients

Limited Partners will receive the following at least quarterly/annually:

- (1) Written appraisals of their capital account as well as a performance summary and calculation of fees.
- (2) A statistical summary of the securities rates of returns in the portfolio to include pertinent financial information.
- (3) A client statement showing historic contributions and withdrawals and the pro-rated account value.

Additionally, all clients will receive year-end summaries of realized gains and losses (i.e., copies of his/her Schedules K-1 to the Partnership's tax return), and dividends and interest received (i.e., IRS Form 1099-B and Form 1099-Div). These statements will be provided by the respective custodian or administrator of the accounts.

Item 14: Client Referrals and Other Compensation

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

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

B. Compensation to Non-Advisory Personnel for Client Referrals

Innovatum Capital Partners has authority (but has not yet exercised that authority) to compensate any person who is not advisory personnel for client referrals. Compensation, if any, shall be the responsibility of the Advisor at its own expense and in compliance with applicable securities laws and regulations.

Item 15: Custody

Innovatum Capital Partners does not take custody of client accounts at any time. Clients will receive account statements from the custodian and should carefully review those statements.

Item 16: Investment Discretion

Innovatum Capital Partners provides ongoing supervision with regards to the investment partnership and its respective capital accounts. ICP has investment discretion with regards to its investment management services. The Advisor maintains a limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities is explained to clients in detail and delineated in the respective Limited Partnership Agreement before an advisory relationship has commenced.

Item 17: Voting Client Securities (Proxy Voting)

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

Item 18: Financial Information

A. Balance Sheet

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

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

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

C. Bankruptcy Petitions in Previous Ten Years

Neither Innovatum Capital Partners nor its management have been the subject of a bankruptcy petition in the last ten years.

Item 19: REQUIREMENTS FOR STATE REGISTERED ADVISERS

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

Innovatum Capital Partners currently has only one management person and only one executive officer: Kevin T. Carias. Kevin T. Carias's education and business background can be found on the Supplemental ADV Part 2B form.

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

Kevin T. Carias's other business activities can be found on the Supplemental ADV Part 2B form.

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

Innovatum Capital Partners charges a performance-based fee which is based on a share of capital gains on or capital appreciation of the assets of a client. As delineated in Item 5: Fees and Compensation, the Advisor shall charge a performance-based fee only to those Limited Partners who are deemed to be "Qualified Clients." An investor is categorized as a Qualified Client if they have \$1.0 million USD under management with the Advisor or have a net worth of more than \$2.0 million USD.

The Advisor shall charge the Performance Allocation in arrears at the end of each calendar year. Performance Allocations are subject to a "high watermark" procedure whereby the Advisor charges a Performance Allocation from a Client only to the extent Net Profits allocated to the Client's Account **exceed** any Net Losses allocated to the Account that have not been recovered. In the event a Client Account has **unrecovered** Net Losses, the Advisor shall not charge a Performance Allocation to the Client's Account until the Account has first recovered such Net Losses.

Net Profits and Net Losses are calculated by combining the aggregate net realized and unrealized changes in the value of the Client Account net assets with all other income and expense of any kind as of the end of each calendar year. Interim profit and loss allocations to the Client Account will be made at the time any capital contributions or withdrawals are made during the calendar year. If the Advisory Agreement is terminated as of any date which is not the end of a calendar year, the Performance Allocation described above will be charged on a pro-rata basis – accounting for all net profits up to such termination date. Once the interim withdrawal is made, a Performance Allocation will not be reduced by losses incurred in subsequent periods.

The structure of the Performance Allocation may involve a conflict of interest, because it may create an incentive to cause the Advisor to make riskier or more speculative investments than it otherwise would. In some cases, the Performance Allocation together with the management fees charged by the Advisor may be greater than the total fees and other benefits provided by other investment advisers for similar services; in other cases the benefits may be lower.

D. Material Disciplinary Disclosures for Management Persons of this Firm

Innovatum Capital Partners has no material disclosures to disclose.

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

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

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This brochure supplement provides information about Kevin T. Carias that supplements the Innovatum Capital Partners, LLC, client brochure. You should have received a copy of that brochure. Please contact Kevin T. Carias, Managing Member, if you did not receive Innovatum Capital Partners's brochure or if you have any questions about the contents of this supplement.

Additional information about Kevin T. Carias is also available on the SEC's website at www.adviserinfo.sec.gov.

Innovatum Capital Partners, LLC

Form ADV Part 2B – Individual Disclosure Brochure

for

Kevin T. Carias
Investment Adviser Representative

Innovatum Capital Partners, LLC
1644 Tustin Avenue
Costa Mesa, California, 92627
(949) 690-2256
kevin@innovatumcap.com

Version Date: 06/28/2012

Item 2: Educational Background and Business Experience

Name: Kevin Timothy Carias

Born: 1968

Education Background and Professional Designations:

Formal Education after High School:

- * University of Southern California, Los Angeles, California (August 1996): Degree – Gerontology Health Science.
- * Chapman University, George Argyros School of Business and Economics, Orange, California (May 2000):
Degree – M.B.A. Concentration in Finance

Business Background for the Preceding 5 Years:

- * 05/2010 to Present
Managing Member
Investment Advisory Firm
Innovatum Capital Partners, LLC
- * 05/2005 to Present
Principal/Manager
Financial Services Consulting Firm for private business and alternative investments
MVP, LLC
- * 11/2005 to 01/2007
Director
Private Family Office
Corporate Metrix Family Offices

Item 3: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

Item 4: Other Business Activities

Kevin T. Carias is engaged in an investment-related business or occupation other than this advisory firm. In addition to his duties as Managing Member with Innovatum Capital Partners, Mr. Carias divides his time in a part-time capacity with MVP, LLC, as a Principal Consultant. Mr. Carias provides financial consulting regarding private business and alternative investments.

Mr. Carias expects to devote a majority of his time in his position as Managing Member for Innovatum Capital Partners, which he estimates at approximately 90%. He approximates that on a standard 5-day work week he shall devote between 10 hours to 15 hours in his capacity as a Principal Consultant of MVP, LLC.

Item 5: Additional Compensation

Other than periodic distributions, annual bonuses or regular bonuses, Kevin T. Carias does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Innovatum Capital Partners, LLC.

Item 6: Supervision

As the only owner and investment adviser representative of Innovatum Capital Partners, LLC, Kevin T. Carias supervises all duties and activities of the Advisory firm. Kevin T. Carias's contact information is on the cover page of this disclosure document.

Item 7: Requirements For State Registered Advisers

This disclosure is required by California securities authorities and is provided for your use in evaluating this investment advisor representative's suitability.

- A. Kevin T. Carias has **NOT** been involved in any of the events listed below.
1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
 2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
- B. Kevin T. Carias has **NOT** been the subject of a bankruptcy petition at any time.