

DISCLOSURE BROCHURE

Gen Cap America, Inc

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This brochure provides information about the qualifications and business practices of Gen Cap America, Inc. If you have any questions about the contents of this brochure, please contact us at (615) 256-0231. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Gen Cap America, Inc. is available on the SEC’s website at www.advisorinfo.sec.gov.

Item 2-Material Changes

Gen Cap America, Inc. is a new registrant. Therefore, this is its initial “Disclosure Brochure” with the SEC. Future Disclosure Brochure filings will address “material changes” since the date of this filing concerning Gen Cap America, Inc., which will either be delivered, or offered for delivery, to clients. A copy may also be downloaded from the Securities and Exchange Commission website, www.sec.gov.

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Item 4-Advisory Business

Gen Cap America, Inc. (the “Advisor”) is a private equity firm that focuses primarily on investing in small- to mid-sized companies on behalf of various private equity funds (the “Funds”). Affiliates of the Advisor generally serve as the general partners (or equivalent) of the Funds. The Advisor also manages certain other investment vehicles for key members of the Advisor’s investment team that co-invest in portfolio companies alongside the Funds (the “Co-Investment Vehicles”). The Advisor is a Tennessee corporation that was founded in 1985 and is controlled by Barney Byrd.

The Advisor generally targets control investments in privately held small- to mid-sized businesses, or subsidiaries and divisions of larger corporations, which have revenues between \$5 and \$100 million and operating cash flow of more than \$1 million.

Investments are typically made in established businesses with demonstrated operating histories and quality management teams.

The Advisor works closely with the management teams of its target portfolio companies who typically invest in their companies by becoming part of the buying group along with the Funds. The Advisor may also structure and invest in recapitalizations for business owners who desire immediate liquidity yet wish to participate in the growth of their business by maintaining operating control.

The Advisor tailors its advisory services to the specific investment objectives and restrictions of each client it advises. In the case of the Funds, these investment objectives and restrictions are set forth in a Fund’s confidential private placement memorandum, limited partnership agreement and/or other governing documents (the “Governing Documents”). Investors should consult the Governing Documents for the Fund they have invested in for more detail information about that Fund.

As of December 31, 2011, the Advisor managed \$244,574,753 in assets on a discretionary basis.

Item 5-Fees and Compensation

For its advisory services to the Funds, the Advisor generally receives a management fee, payable in accordance with the provisions of each Fund’s Governing Documents. In addition, the Advisor or its affiliates are generally entitled to receive a performance-

based “carried interest” from each Fund, as discussed in *Item 6 – Performance-Based Fees and Side by Side Management* below.

In general, the management fee paid by each Fund is equal to an annual rate of 2% of the investors’ aggregate capital commitments to the Fund for so long as the Fund is in its active investment period. Thereafter, the management fee is generally charged at an annual rate of 2% of the aggregate acquisition cost of the Fund’s remaining portfolio investments, reduced by the aggregate net write-downs of any such remaining portfolio investments. However, some Funds pay management fees to the Adviser at higher rates or on different terms, and investors should consult the Governing Documents for their Fund for more detailed information.

In general, management fees are calculated and paid quarterly in advance, and are charged to and deducted from Fund assets. If the fee from any Fund ceases to be payable during any quarter, any unearned fee (determined by daily pro ration) will be returned to the Fund.

In general, the Adviser will pay its ordinary administrative and overhead expenses incurred in connection with managing, originating and monitoring investments, such as employee’s salaries, rent and utilities. In addition to the management fee, each Fund will pay all other costs and expenses of the Fund that are not reimbursed by, or otherwise directly paid by, its portfolio companies. These may include (i) investment costs, such as investment banking fees and brokerage and underwriting commissions, transfer taxes and finder's commissions; (ii) domestic and foreign taxes payable by the Funds; (iii) fees and disbursements of outside audits; (iv) fees and disbursements of attorneys, consultants and other third party professionals rendering services to or for the benefit of the Funds; (v) interest expenses; (vi) lender closing fees and lender legal fees and expenses; (vii) closing fees; (viii) transaction costs and any costs or fees associated with failed transactions, (ix) any reasonable expenses of members of an investor advisory committee for the Fund; (x) any expenses related to any annual or special meeting of investors, (xi) pre acquisition diligence expenses such as expert costs and travel, (xii) fees and expenses for custodial services, (xiii) travel and other costs associated with the search for, identification of, and assessment of potential portfolio companies. In addition, each Fund is typically required to reimburse the Adviser for any expenses incurred in the organization and start-up of the Fund, subject to a cap specified in the Fund’s Governing Documents.

For a more complete discussion of the Advisor's fees and compensation and expenses payable by a Fund, investors should refer to the Fund's Governing Documents.

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

An affiliate of the Advisor is entitled to receive performance-based fees in the form of a carried interest in the Fund. In general, the carried interest is equal to 20% of all distributions paid out by a Fund after the investors have received distributions equal to their capital contributions plus a preferred return of 8% on their capital contributions. However, the terms of the carried interest vary from Fund to Fund, and investors should refer to each Fund's Governing Documents for a more complete discussion of the Advisor's performance-based fee arrangements with respect to that Fund.

Such performance-based fee arrangements may create an incentive for the Advisor to recommend investments for the Funds that are riskier and more speculative than would be the case in the absence of a performance fee. In addition, to the extent performance fee arrangements differ from Fund to Fund, the Advisor may have incentive to favor Funds that have a greater performance-based fee. Such conflicts between Funds are mitigated in large extent because the Advisor is typically only making new investments through one Fund at any point in time. In addition, the Advisor has adopted an investment allocation policy pursuant to which the Advisor seeks to allocate investment opportunities fairly among the Funds, taking into account all relevant facts and circumstances.

Item 7-Types of Clients

The Advisor currently serves as the investment advisor to three Funds and four Co-Investment Vehicles. The Advisor may organize additional funds, co-investment vehicles or other investment accounts in the future.

Investors in the Funds must generally qualify as "accredited investors," as such term is defined in Regulation D under the Securities Act of 1933, as amended. In addition, the Funds generally impose a minimum initial investment requirement, which varies from Fund to Fund. The typical minimum investment requirement for the Adviser's most recent Fund was \$1,000,000. However, the Advisor may waive this minimum initial investment requirement at its discretion.

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

Investment Strategies

The Funds' investment strategy focuses on management-led buyouts of established, profitable companies typically with revenues between \$5 million and \$100 million and operating cash flow of more than \$1 million.

Focus on Small Company Buyout Niche, Particularly in the Southeastern U.S.

There are a large number of small companies in the U.S., yet only a small percentage of the private equity capital actively targets this market because of the additional work required to invest in a larger number of smaller transactions. Consequently, there is generally less competition for these transactions, which typically leads to better acquisition opportunities and more attractive purchase price multiples of cash flow.

The Advisor has a long-term track record of identifying opportunities, structuring attractive transactions, and successfully exiting investments in the small and lower mid-market company segments. Each Fund is strategically sized to allow the Advisor to continue its smaller company investment focus. In addition, the Advisor's market position in the Southeastern U.S. allows the firm to capitalize on numerous small company opportunities available in this underserved region where only a limited number of professionally managed private equity firms operate.

Partner with Exceptional Management Teams

The Advisor targets companies with existing management teams that have a proven record of success at the company being acquired. Management will generally invest its own capital in the business alongside a Fund managed by the Advisor. The Advisor structures this co-investment to align the long-term interests of both the Fund and key company management.

Purchase at Attractive Valuations

The Advisor targets low purchase price multiples of cash flow for portfolio companies. The Advisor has maintained the same investment discipline over varying economic and market conditions.

Target Businesses with a History of Cash Flow

A key component of the Advisor's investment strategy is to target established businesses with a demonstrated history of cash flow. The Advisor generally avoids start-up and turnaround situations. Transaction structures will include outside leverage in conjunction with the investment. Cash flow of the business is generally used to pay down acquisition debt and build up equity value over time. Businesses with stable, defensible cash flows are preferred to accomplish this strategy.

Concentrate on Basic Businesses

The Advisor generally focuses on business segments in which it has significant investment experience and which it believes offer the best potential for attractive returns. These include basic manufacturing, distribution and service industries. The Advisor has consistently focused on these industries for over 20 years and has developed a combination of financial and operational experience in these sectors.

Methods of Analysis

Screening/Evaluation

The Advisor follows a strict acquisition screening process which allows it to screen deals very efficiently. A prospective transaction is reviewed to see if it meets the basic acquisition criteria. If so, a meeting with the target company is arranged and a more formal evaluation process is begun. A financial model of the business is developed at that time. After further review of the company and the industry, a letter of intent would be issued if a decision is made to proceed further. Opportunities which do not meet the criteria are dismissed promptly and rejected transactions are logged into a database.

Due Diligence

After a letter of intent is executed, a formal due diligence process is begun consisting of additional onsite visits and management meetings. A thorough examination of the prospective portfolio company is begun, including an evaluation of its management,

internal systems, financial statements, customer and supplier relationships, sales and marketing strategies, industry and competitive dynamics and regulatory considerations. The Advisor's due diligence process is often augmented by outside professionals, including accountants, attorneys, insurance agents, environmental experts, and, at times, consultants. Background checks are performed on the management team.

Portfolio Management

The Advisor takes an active approach to working with management to help the team achieve its multi-year business objectives. The activities and performance of the portfolio investments are monitored closely through monthly financial reviews, management conversations and meetings, and board of directors meetings. Monitoring is a critical ingredient in the success of portfolio investments, since it affords the opportunity to participate actively in shaping strategy and to advise management on financial, marketing, and general business matters. While management oversees the day-to-day operations of the business, the Advisor helps to set the strategic direction of the company and generally is actively involved with key issues such as add-on acquisitions, budgeting, setting management incentives, evaluating and augmenting management teams, implementing cost cutting programs, and evaluating financial alternatives and financial management solutions.

Exit Strategy

The Advisor will consider all exit alternatives for its portfolio companies including sales to third parties such as strategic or financial buyers, recapitalizations and exits via public offerings. The Advisor may also have the additional advantage of a built-in exit opportunity of selling to existing management whose equity value has increased as the acquisition debt has been repaid. The Advisor generally has the ability to re-leverage portfolio companies through the recently repaid lender and have the company buy out its Fund's ownership position. Portfolio companies will generally be held for approximately three to eight years.

Risks

The following is a summary of risks generally applicable to Fund investment strategies. Investors should reference the applicable Governing Documents of each Fund for a more complete description of the risks specifically applicable to that Fund.

Investments by a Fund in portfolio companies involve a high degree of business and financial risk that can result in substantial losses. Some of these risks include, without limitation, the following: A portfolio company may have significant fluctuations in operating results, may be engaged in a rapidly changing business with products subject to a substantial risk of obsolescence, may require substantial additional capital to support their operations, to finance expansion or to maintain their competitive position, or may otherwise experience operating difficulties or have a weak financial condition.

A portfolio company may face intense competitive positioning, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and other capabilities, and a large number of qualified managerial and technical personnel. A portfolio company may also incur leverage that may have important adverse consequences. For example, a portfolio company may be subject to restrictive financial and operating covenants. As a result, a portfolio company may lack the flexibility to respond to changing business and economic conditions or to take advantage of business opportunities.

In addition, the Advisor's investment strategy includes certain other material risks, including risks of investing in illiquid securities of privately held companies, risks of investing in junior securities of an issuer, potential investment concentration in a limited number of companies or in one or a limited number of industries or industry segments, possible lack of sufficient investment opportunities, risks associated with the use of leverage by a portfolio company, potential shortage of credit and other capital to help finance the growth of portfolio companies, risks arising from general adverse economic conditions, and the lack of a readily available market for Fund investments, among others.

Item 9-Disciplinary Information

The Advisor and its principals have not been the subject of any material legal proceeding required to be disclosed in this item.

Item 10-Other Financial Industry Activities and Affiliations

Not applicable.

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

The Advisor has a fiduciary responsibility to treat clients fairly and avoid actual or potential conflicts of interest. The employees of the Advisor also have an obligation to act solely in the best interests of clients, and to make full and fair disclosure of all material facts, particularly where the clients' interests may conflict with the interests of the Advisor or its employees.

Fund Advisory Committees

Certain Funds have an Advisory Committee made up of representatives of select investors, which will provide advice and counsel as is requested by the Advisor in connection with the Funds' investments, potential conflicts of interest and other matters related to the Funds. Certain transactions involving potential conflicts of interest may require the consent of a Fund's Advisory Committee in accordance with such Fund's Governing Documents.

Code of Ethics

The Advisor has adopted a Code of Ethics which describes the general standards of conduct that the Advisor expects of all employees and focuses on three specific areas where employee conduct has the potential to adversely affect the Advisor's clients: misuse of confidential information, personal securities trading and outside business activities. Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination of an employee by the Advisor. Any client or prospective client may request a copy of the Advisor's Code of Ethics.

Misuse of Nonpublic Information

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Advisor. Employees with access to such information may not convey nonpublic information or place personal securities trades while the Advisor or the employee is aware of material nonpublic information regarding the issuer of the securities being traded.

Participation or Interest in Client Transactions

As noted above, the Advisor manages several Co-Investment Vehicles, which, by the terms of applicable Funds' Governing Documents, permit limited co-investments in the Funds' portfolio companies by the Advisor, its affiliates or its management. Annual notice of the co-investment percentage for that year is generally made to the Advisory Committee of each affected Fund, and the Co-Investment Vehicle is generally required to invest in portfolio companies on terms and conditions that are no more favorable than those on which the Funds invest.

In rare circumstances, the Advisor may cause a transaction to be effected between the Funds ("cross trades"), or may effect a transaction between a Fund, on the one hand, and the Advisor or the Co-Investment Vehicles, on the other hand (principal trades). In the event of such a transaction, the Advisor will comply with any disclosure and consent requirements of the relevant Fund's Governing Documents and Section 206(3) of the Investment Advisers Act, as applicable.

Personal Securities Trading

The Advisor has adopted personal trading policies and procedures designed to prevent conflicts of interest with its clients. The Advisor maintains a restricted list of securities that the Advisor and its employees may not trade in order to avoid the misuse of material non-public information or confidential client information. The Advisor's Chief Compliance Officer periodically reviews the personal securities accounts of the Advisor's employees for compliance with these policies and procedures.

Outside Business Activities

The Advisor's Chief Compliance Officer must pre-approve any significant outside business activities conducted by an Advisor employee or any outside business activities that could create conflicts with the Advisor's obligations to its clients.

Item 12-Brokerage Practices

As an advisor to private equity funds, the Advisor interacts with broker-dealers as potential deal sources. While the Advisor may, on behalf of the Funds, pay such broker-dealers a commission for consummated deals as well as for directing deals to the Advisor, it has a policy to not pay more than is prudent or necessary to do so. The

Advisor does not accept products or services in return for paying additional commissions, or so-called “soft-dollar relationships”.

Item 13-Review of Accounts

The Advisor monitors the Funds’ investments in portfolio companies regularly and provides the Funds’ investors with quarterly unaudited financial information and audited annual financial statements, along with quarterly and annual updates on the Funds’ status. Also, the Advisor’s Chief Compliance Officer regularly reviews the Funds’ investments for consistency with the guidelines and restrictions set forth in the Funds’ Governing Documents.

Item 14-Client Referrals and Other Compensation

Third Party Compensation for Client Referrals

The Advisor does not currently pay inside or outside parties for referring potential investors in the Funds or other clients to the Advisor. In the past, the Advisor has occasionally engaged outside brokers or placement agents for Fund investor solicitations, though the Advisor has no current plan to do so again.

Economic Benefits Received from Third Parties

In connection with investments made by the Funds, the Advisor or its employees and other related persons may receive commitment, structuring, closing, investment banking, and/or other transaction fees from portfolio companies in which one or more of the Funds may invest or propose to invest. The Advisor and its employee or other related persons may also receive management, monitoring, directors’ or other fees from a portfolio company while a Fund continues to have an investment in such portfolio company. These types of arrangements present potential conflicts of interest and provide the Advisor with a potential incentive to recommend investments based on compensation to be received. A Fund will benefit from such compensation, through an offset against the management fee payable by the Fund to the Advisor or otherwise, only to the extent provided in the Governing Documents of such Fund. Please refer to the Governing Documents of the relevant Fund for more complete information about management fee offsets.

Item 15-Custody

The Advisor is deemed to have “constructive” custody of Fund assets by virtue of its authority to deduct management fees directly from Fund accounts and by virtue of the fact that affiliates of the Advisor act as general partners (or equivalent) of the Funds. However, physical custody of all client assets is generally maintained with a qualified custodian. In addition, the Funds and the Co-Investment Vehicles are audited annually, and the audit reports delivered to investors annually.

Item 16-Investment Discretion

The Advisor has investment discretion over the assets in its client’s portfolios. The Advisor exercises its discretion in a manner consistent with any applicable investment restrictions and guidelines, as set forth in a Fund’s Governing Documents.

Item 17-Voting Client Securities

The Advisor does not generally manage assets that come with proxy voting rights. To the extent it does, the Advisor will vote all such proxies in the best interest of its clients. The Advisor’s written voting policies and procedures, and history of votes are available for review by clients upon request.

Item 18-Financial Information

There is no financial condition that is reasonably likely to impair the Advisor’s ability to continue to meet its contractual commitments and provide services to its clients.