

Item 1 – Cover Page



**ADV Part 2A and B: FIRM BROCHURE**

**VIVALDI CAPITAL MANAGEMENT, LLC**

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April 9, 2012

This disclosure brochure (the “**Brochure**”) provides information about the qualifications and business practices of Vivaldi Capital Management, LLC (the “**Adviser**”, “**Firm**” or “**Vivaldi**”). If you have any questions about the contents of this brochure, please contact us at (847) 386-2900 or [rgolden@vivaldicap.com](mailto:rgolden@vivaldicap.com). 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.

Vivaldi is a registered investment adviser. Registration of an investment adviser with the SEC or any state securities authority does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Vivaldi also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes Summary

The following is a summary of material changes from Vivaldi's last brochure, which was dated January 4, 2012:

- Item 4—updated to reflect Vivaldi's assets under management are \$172 million as of March 30, 2012.
- Item 2—updated to reflect the types of services provided by Vivaldi. This Item was also updated to provide information about Vivaldi's new investment vehicle, Vivaldi Long/Short Energy Fund I, LLC (the "Energy Fund").
- Item 5—updated to reflect information about the fees and expenses in connection with investing in the Energy Fund, as well as the process by which to withdraw from such investment vehicle.
- Item 6—updated to clarify the method by which performance fees are determined and the negotiation of such fees.
- Item 7—updated to include the types of clients and minimum requirements mandated by the Energy Fund and to clarify that certain Vivaldi employees invest side-by-side with clients in recommended products.
- Item 8—updated to broaden the description of methods of analysis to provide some clarity into Vivaldi's due diligence process. Item 8 was also updated to add a risk factor concerning investments in the Energy Fund.
- Item 10—updated to clarify that Vivaldi is not actively engaged in businesses other than giving investment advice and has no relationships material to its advisory business outside the ordinary course of business, such as with auditors and lawyers. Item 10 also clarifies how Vivaldi addresses conflicts with any outside businesses with which Vivaldi principals may have involvement and a reference to an outside business activity of one of the Principals was deleted as it is a passive investment vehicle, is not material, and does not create a conflict of interest with any Firm clients.
- Item 11—updated to expand the language to address conflicts of interest that arise and how Vivaldi addresses such issues.
- Item 12—updated to disclose factors in determining brokers and dealers and how soft dollar arrangements are handled.
- Item 13—updated to disclose how client's investments in the Energy Fund are reviewed and reported on.
- Item 14—updated to add information about client referrals and other compensation.
- Item 15—updated to reflect that Vivaldi retains custody of client assets by virtue of its ability to deduct fees from client accounts.
- Item 16—updated to discuss how investment discretion may be limited by clients through specific written agreements with investors.

Pursuant to SEC rules, Vivaldi is providing this summary of material changes to its Brochure within 120 days of the close of the Firm's fiscal year. The Firm may further provide clients with other ongoing disclosure information about material changes as deemed necessary. Additionally, Vivaldi will provide clients with a new Brochure as necessary based on material changes, without charge.

Vivaldi's Brochure may be requested by contacting Randal Golden at (847) 386-2900. The Firm's Brochure is also available on the SEC's Investment Adviser Public Disclosure web site ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)), also free of charge.

Additional information about Vivaldi is also available via the SEC's Investment Adviser Public Disclosure web site ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)). This SEC web site also provides information about any persons affiliated with the Firm who are registered as investment adviser representatives of Vivaldi.

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## Item 4 – Advisory Business

### *Firm Description and Types of Advisory Services*

Vivaldi Capital Management, LLC (the “**Adviser**”, “**Firm**” or “**Vivaldi**”) was organized as an Illinois limited liability company on November 17, 2011 and became registered with the SEC as an investment adviser on February 13, 2012.

Vivaldi is an investment advisory firm specializing in alternative investments and constructing fixed income portfolios for its clients. Vivaldi provides its investors the opportunity to invest in institutional quality alternative investment managers. Vivaldi also serves as the managing member of Vivaldi Long/Short Energy Fund I, LLC (the “Energy Fund”), an investment vehicle that invests indirectly through an unrelated investment vehicle in equity and equity-linked securities of companies in the United States and abroad in energy and energy-related markets, including natural gas, crude and refined oil products, steel and other metals, chemicals, power, coal and alternative energy. Vivaldi’s advisory clients are not necessarily investors in the Energy Fund, but may choose to invest in the Energy Fund, based on their investment profile. Advisory clients wishing to invest in the Energy Fund must enter into a subscription agreement with the Energy Fund.

More specifically, the Adviser provides professional investment portfolio management services. The Adviser's services also include consulting with clients about their financial situation, investment objectives and restrictions and tax circumstances; selecting, purchasing and selling securities for clients; monitoring securities and providing appropriate reports as to asset holdings, valuation and performance.

Vivaldi primarily offers advice on the following types of investments: equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual fund shares and other investment company securities, U.S. government securities, options contracts, and alternative investments. Vivaldi’s platform is designed to allow it to tailor investments and construct an allocation that is unique to each of its client’s circumstances. After analyzing its clients’ needs and risk parameters, Vivaldi customizes investments and strategies that best match the particular client’s profile. Clients are able to place reasonable restrictions on the management of its account, including restrictions that prevent Vivaldi from investing in certain securities or types of securities. Vivaldi, however, reserves the right to discontinue providing investment advisory services to any account if it believes the restrictions imposed upon such account prevent the Adviser from effectively providing advice and managing the account.

### *Principal Owners*

The Adviser’s principal owners are David A. Sternberg and Randal L. Golden.

## *Assets Under Management*

As of March 30, 2012, the Adviser has \$181 million regulatory assets under management, \$52 million of which are managed on a discretionary basis and \$129 million of which are managed on a nondiscretionary basis. As of such date, \$10mm of discretionary assets under management have been invested in the Energy Fund.

### **Item 5 – Fees and Compensation**

The Adviser charges fees to its clients based on a percentage of the market value of assets under management. Fees will generally be based on the following asset classes in which capital is invested:

*Fixed Income* – Fixed income assets under management are charged 0.50% per annum.

*Alternative Investments* – Alternative investment assets under management are charged 1.00% per annum.

*Investments in the Energy Fund* – Investments in the Energy Fund are charged 1.00% per annum based on the net asset value of an investor's interest in the Energy Fund.

#### *Other Asset Classes*

All other types of assets under management are charged according to the following fee schedule:

<u>Account Size</u>	<u>Fee (per annum)</u>
\$0 - 999,999	1.50%
\$1,000,000 - 1,999,999	1.25%
\$2,000,000 - 2,999,999	1.00%
\$3,000,000 - 3,499,999	.90%
\$3,500,000 - 3,999,999	.80%
\$4,000,000 - 4,999,999	.70%
\$5,000,000 - 5,999,999	.60%

For the tiered fee schedules, the assets in each applicable tier are charged the relevant fee (*i.e.*, the fee indicated for the highest tier is not applied to the entire account balance).

### *Fixed and Hourly Fees*

Hourly charges, which start at \$400 per hour, and fixed fees are negotiated on a project-by-project basis in advance.

### *Fee Billing*

Fees are billed quarterly, in advance; except in the case of the Energy Fund, where management fees are accrued monthly, in advance and collected quarterly. In its agreement with its clients, Vivaldi reserves the right to modify its billing practices.

With respect to payments of fees that are billed quarterly, in any partial calendar quarter, the fee will be pro-rated based on the number of days the client account was open during that quarter. For the purpose of determining the fee, the market value of assets under management shall be measured on the last trading day of the month immediately preceding the end of the billing quarter. Clients typically grant Vivaldi authority to deduct quarterly payments directly from the client's account(s) held by an independent custodian. Vivaldi will notify the custodian of the amount of advisory fees due for each quarter through the custodian's electronic disbursement system. The custodian will send each client a statement, at least quarterly, indicating all the amounts disbursed from each account, including the amount of advisory fees paid directly to Vivaldi. Clients are urged to carefully review these reports received from the custodian and to compare those reports with reports received from Vivaldi.

With respect to the Energy Fund, the monthly management fee will be debited from each investor's capital account as of the end of each calendar month (pro-rated if need be, based on the number of days the account was open during the month).

### *Energy Fund Expenses*

Investors in the Energy Fund bear all costs and expenses associated with the Energy Fund, the offering of interests in the Energy Fund and its ongoing operations. These operational costs and expenses include: (i) management fees (discussed above); (ii) costs and expenses incurred by the Energy Fund in connection with all administrative, legal, accounting, record-keeping, tax form preparation, compliance and consulting costs and expenses and fees, costs and expenses of third-party service providers that provide such services costs; (iii) costs and expenses associated with preparing investor communications, printing and mailing costs; (iv) custody costs and expenses; (v) governmental licensing, filing and exemption fees; (vi) indemnification obligations; (vii) expenses incurred in connection with ongoing diligence related to its investment; and (viii) any extraordinary expenses, if any.

### *Other Fees and Expenses*

The Adviser's fees do not include custodial fees or brokerage commissions or other transaction costs, if any, charged by client's custodian and broker. Mutual funds in which client's assets may be invested charge additional advisory fees and other fees and expenses, as described in the applicable fund's prospectus.

Item 12 further describes the factors that Vivaldi considers in selecting or recommending broker-dealers for client transactions and in determining the reasonableness of their compensation (*e.g.*, commissions).

### *Negotiation of Fees; Waivers*

Compensation payable to Vivaldi is generally not negotiable, but under certain circumstances, the Adviser may, in its sole discretion, reduce or waive all or a portion of its management fees, compensation and/or expenses for a particular investor.

No management fee is charged with respect to the capital account of the principals, employees or affiliates or employees of Vivaldi. The manner in which specific fees are calculated and charged by the Adviser are described in the relevant private placement memorandum and in each client's written agreement with Vivaldi.

### *Termination of Advisory Agreement*

Vivaldi's investment management agreement provides for termination of the investment management relationship between Vivaldi and the client upon written notice. In the event a client terminates his/her/its account or otherwise withdraws assets prior to the end of the quarter, the client will be reimbursed a pro-rata portion of his/her/its fee. Withdrawals from the Energy Fund may be made on the last day of any calendar quarter, upon not less than ninety (90) calendar days prior written notice provided that no withdrawals may be made prior to the one-year anniversary of the date the investment was made.

## **Item 6 – Performance Based Fees and Side by Side Management**

In some cases, the Adviser has entered into incentive compensation arrangements with qualified clients. Such fees are subject to individualized negotiation with each such client. Vivaldi will structure any performance or incentive compensation arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3 (specifically, each client that is charged performance or incentive fees will be a “qualified client” under Rule 205-3 meaning that such client will (i) have at least a \$2 million net worth, or (ii) have at least \$1 million managed by the Adviser or (iii) be a “qualified purchaser” under Section 2(a)(51) of the Investment Company Act of 1940, meaning that such client will have at least \$5 million net worth). In



measuring clients' assets for the calculation of performance-based fees, the Adviser shall include realized and unrealized capital gains and losses.

Vivaldi's performance fees and other compensation payable to it are established by Vivaldi at the time of the establishment of the relevant investment account and are negotiated with participating investors prior to making their investment. Once the relevant account has been established and Vivaldi has commenced its services, such compensation and expenses are generally not negotiable, although from time to time, Vivaldi or its related entities may enter into side letter agreements or other arrangements with specific investors whereby such investors receive a reduction of fees or compensation otherwise payable.

Once an investment's fiscal year has ended, any performance-based compensation earned during that year is not subject to reversal. The performance-based compensation received by Vivaldi creates a conflict between the Adviser's interest in earning a profit in the short term with the long-term interest of its investors. Performance-based fee arrangements may create an incentive for the Adviser to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. The Adviser has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

The Energy Fund is subject to the fees and allocations charged by the Partnership to its limited partners. The Partnership charges a quarterly management fee equal to 0.5% (approximately 2% annually) of the net value of the assets in the Energy Fund's capital account in the Partnership. In addition, the Partnership will allocate 20% of the net profits generated by the Energy Fund's investment in the Partnership to the general partner of the Partnership.

#### **Item 7 – Types of Clients and Minimum Requirements**

Vivaldi generally provides investment advice to individuals, high net worth individuals, family offices, other investment advisers, pension and profit sharing plans, trusts, estates, corporations and other business entities. In addition, employees and other persons associated with Vivaldi may use the Adviser's services.

Vivaldi limits its investors in its Energy Fund to persons who are both "accredited investors" as defined in the Securities Act of 1933, as amended (the "**Securities Act**") and "qualified purchasers" as defined in the Advisers Act.

The Adviser typically requires a minimum initial account size of \$1,000,000, but reserves the right to accept client accounts that do not meet minimum conditions. There are no minimum capital requirements from investors with respect to the Energy Fund.

## Item 8 – Method of Analysis, Investment Strategies and Risk of Loss

### *Methods of Analysis*

Vivaldi has a rigorous and systematic due diligence process in place to determine investments to recommend to its clients.

Vivaldi's methods of security analysis include, without limitation: charting, fundamental, technical and cyclical based on sources of information including, but not limited to earnings, balance sheet variables and management quality which are used to target the future value of an investment.

When using fundamental analysis, the Adviser generally relies on, among other things, company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. The data Vivaldi reviews is generally considered reliable but cannot be guaranteed nor has Vivaldi verified its accuracy. In addition, the data that Vivaldi reviews is sometimes subjective in nature and open to interpretation. Even if the data and Vivaldi's interpretation of the data is correct, there may be other factors that determine the value of securities other than those considered in fundamental analysis.

When using technical analysis, Vivaldi reviews statistics to determine trends in security prices and makes investment recommendations and decisions based on those trends. This analysis may be useful only with respect to short-term price movements for the target securities. In addition, technical analysis does not take into account the more fundamental properties of what an investment may be worth such as company performance and balance sheet variables, which may play a part in determining the value of an investment.

When it examines an potential investment managers in which to invest, Vivaldi examines the manager's performance record, as well as its back office support, infrastructure and service providers to confirm controls are in place that are designed to safeguard clients assets. The due diligence process includes both direct research, such as examining underlying governing documents and offering materials, past audits, the investment team's experience, sophistication and depth and such firm's operational processes and infrastructure, as well as indirect methods of analysis, such as background checks, reference checks, public filings, valuation confirmations, regulatory history and confirmation of third-party service providers.

### *Principal Investment Strategies*

Vivaldi specializes in placing clients in alternative investments and constructing fixed income portfolios for it clients. The investment strategies used to implement investment advice given to clients include long-term purchases, short-term purchases, trading, short sales and margin transactions.

A long-term purchase strategy generally assumes the financial markets will go up in the long-term, which may not be the case. There is also the risk that the segment of the market that an investor is

invested in or perhaps just an investor's particular investment will go down over time, even if the overall financial markets advance. Purchasing investments long-term may involve an opportunity cost – that of “locking-up” assets that may be better utilized in the short-term for other investments.

### ***Principal Investment Risks***

No investment is free of risk. Current and prospective clients are cautioned that investments in securities involve risk of loss, including the possibility of a complete loss of the amount invested, and that they should be prepared to bear these risks. Based on the types of investments that Vivaldi may recommend, all clients should be aware of certain risk factors, which include, but are not limited to, the following:

*Investing in securities involves risk of loss that clients should be prepared to bear.* An investor may lose money (both principal and any earnings) or fail to make money on an investment. Vivaldi cannot guarantee that it will achieve a client's investment objective.

*Fixed Income Risk.* The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.

*Alternative Investments Risk.* Vivaldi recommends to qualified clients the use of alternative investments such as investments in real estate, private equity investments or hedge funds. Investments in such “alternative assets” may be illiquid, which may impair the ability of the client to exit such investments in times of adversity. The underlying investment funds may utilize highly speculative investment techniques, including leverage, highly concentrated portfolios, senior securities positions, control positions and illiquid investments. The underlying investment funds may also utilize derivative instruments to attempt to hedge the risks associated with certain of their investments. Such derivative transactions may expose the assets of such investment funds to the risks of material financial loss, which may in turn adversely affect the financial results of the client. Clients who invest in such investment funds will pay Vivaldi's advisory fees and those of the underlying investment managers, and certain other fees and expenses of underlying investment funds in which the client invests. Investors in such investment funds may also pay carried interest, performance or incentive allocations to an underlying manager or sponsor of an underlying investment fund in which they invest.

*Energy Fund Risk.* The investment in the Energy Fund is highly concentrated into an underlying, unrelated investment in a limited partnership that invests in both long and short equity and equity-linked securities of companies in the United States and abroad in energy and energy-related markets, including natural gas, crude and refined oil products, steel and other metals, chemicals, power, coal and alternative energy (the “**Partnership**”). Further, there is currently no public market for the

Energy Fund's investment in the Partnership, and the limited partnership interests of the Partnership are not registered, and not likely to become registered, under the Securities Act or the securities laws of any other jurisdiction. In addition, there are significant restrictions on the transfer of the interests of the Partnership.

*Clients should carefully review the offering materials of any investment funds recommended by the Adviser to ensure that they are aware of and understand the risks and costs involved in such investments.*

### **Item 9 – Disciplinary Information**

Like other registered investment advisers, Vivaldi is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Vivaldi or the integrity of Vivaldi's management. No events have occurred at Vivaldi that are applicable to this Item.

### **Item 10 – Other Financial Industry Activities and Affiliations**

Vivaldi is not actively engaged in a business other than giving investment advice to its clients. Neither Vivaldi nor any of its management persons is registered or has an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity-trading adviser, or associated person of the foregoing, and Vivaldi does not anticipate such affiliations in the future.

Vivaldi has no arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships that are material to its advisory services or its clients.

The Adviser has and will continue to develop relationships with professionals who provide services it does not provide, including: legal, accounting, banking, tax preparation, insurance brokerage, investment management services and other personal services. None of the above relationships, however, creates a material conflict of interest with any of Vivaldi's clients.

David Sternberg, a principal of the Adviser, is an indirect owner of the general partner to various private investment funds, including BES Apartments VIII, LLC; BES Apartments IX, LLC, and Structured Portfolio Management, LLC. The Adviser may recommend investments into one or more of these private investment funds to eligible clients. Mr. Sternberg receives a portion of the fees paid in respect of these private investment funds. Should the Adviser solicit a client for a private investment in which Mr. Sternberg is involved, Vivaldi explicitly discloses Mr. Sternberg's relationship with the client prior to providing any such client with any materials related to one of these such funds.

From time to time, Vivaldi receives training, information, promotional material, meals, gifts or prize drawings from vendors and others with whom it may do business or to whom it may make referrals. At no time will the Adviser accept any benefits, gifts or other arrangements that are conditioned on directing individual client transactions to a specific security, product or provider.

### **Item 11 – Code of Ethics, Interest in Client Transactions and Personal Trading**

#### *Code of Ethics*

As fiduciaries, Vivaldi and its employees have certain legal obligations to put clients' interest ahead of their own. The Adviser has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The written Code of Ethics is based on principles of openness, honesty, integrity and trust. The Code of Ethics includes provisions relating to standards of business conduct, the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, social media policies, political contribution policies and personal securities trading procedures and the reporting of personal securities transactions, among other things. At least annually or at such times the Code of Ethics is amended materially, all Vivaldi supervised persons must acknowledge in writing the terms of the Code of Ethics and agree to be bound by it.

In rare cases, the Adviser's business may provide Vivaldi and its employees with access to material nonpublic ("insider") information. The code includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated.

Vivaldi anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which it has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which the Adviser, its affiliates and/or clients, directly or indirectly, have a position of interest, such as the private investment funds for which Mr. Sternberg is an indirect member of the general partner. Prior to investing in a private investment in which Mr. Sternberg is an indirect owner, Vivaldi explicitly discloses Mr. Sternberg's relationship with the client prior to providing any such client with any materials related to one of these such funds.

Vivaldi's employees and persons associated with Vivaldi are required to follow the Adviser's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of the Adviser and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for the Adviser's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of the Adviser will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Adviser's Code of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of the

Adviser's clients. In addition, the Adviser's Code of Ethics requires pre-clearance of certain transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Adviser's Code of Ethics in some circumstances permits employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Adviser's Code of Ethics to reasonably prevent conflicts of interest between the Adviser and its clients. However, because of the nature of its business, the participation of Vivaldi employees in these investments will not interfere with making or implementing decisions in the best interest of clients. Employees share in the same deals as other clients, share costs with such investors proportionally (except for management fees) and receive distributions at a total average price.

It is the Adviser's policy that the firm will not affect any principal or agency cross securities transactions for client accounts without pre-approval from the client. The Adviser will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Neither of these circumstances applies to Vivaldi.

The Adviser's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Randal Golden at (847) 386-2900.

### *Conflicts of Interest*

The investment documents provided to each client details a complete description of what Vivaldi believes to be the most significant conflicts of interest associated with a Vivaldi recommended investment. Some of these conflicts are summarized in this Brochure; however, this summary does not attempt to describe all of the conflicts of interest associated with a prospective investment. Investors should carefully consider the conflicts of interest discussed in this Brochure, as well as those outlined in offering materials provided to them.

Vivaldi currently serves as investment adviser to various clients with differing needs and risk parameters. There may be a number of significant differences between the investment strategies employed by differing clients. Certain trades and entire strategies that Vivaldi utilized on behalf of certain clients, as well as many of the positions acquired for its clients, may be materially different from the trades and strategies which Vivaldi implements on behalf of other client accounts. As a result of such differences, there may be times when one or more clients maintain contrary positions in the same securities as other Vivaldi clients (*i.e.* one client may be long in a particular security

position and at the same time another client may be short the same security position, or vice versa). There may also be times when certain clients may engage in contrary trades in the same security (*i.e.* one client may purchase securities and another may sell the same securities, or vice versa). Vivaldi intends to engage in such contrary investment activities only for legitimate investment reasons deemed consistent with the investment objectives and strategies of its clients. It is also the intention of Vivaldi to engage in such contrary investment activities in a fair and equitable manner so as to minimize, to the extent possible, the effect on its various clients.

The principals of the Adviser devote as much of their time to the business of Vivaldi as in their judgment is reasonably required, but are not required to devote a particular amount of time to this business. However, the principals may currently be involved in other business ventures or may organize or become involved in other business ventures in the future. Vivaldi clients will not share in the risks or rewards of such other ventures, which may compete with current investments made by Vivaldi clients for the time and attention of the principals and therefore create additional conflicts of interest. (See Item 10 of this Brochure for further information about outside business activities.)

The Adviser intends to allocate investment opportunities amongst its clients by applying such considerations as it deems appropriate, including relative size of such clients, amount of available capital, size of existing positions in the same or similar securities, leverage and other factors. All attempts will be made to allocate investment opportunities pro rata amongst participating clients. No client will be entitled to investment priority and a client may not necessarily participate in every investment opportunity. In cases where a limited amount of a security or other instrument is available for purchase, the allocation of such security or other instrument, as between Vivaldi's clients, may necessarily reduce the amount thereof available for purchase by other clients.

Vivaldi clients include persons or entities resident in various jurisdictions, including the United States who may have conflicting investment, tax and other interests with respect to their investments. The conflicting interests of each client may relate to or arise from, among other things, the nature of investments made by such client, the structuring of securities purchases and the timing of disposition of investments. Such structuring may result in different returns being realized by different clients. As a consequence, conflicts of interest may arise in connection with decisions made by Vivaldi that may be more beneficial for one client as opposed to another, especially with respect to certain client's tax situations.

## **Item 12 – Brokerage Practices**

### *Recommending Brokerage Firms*

The Adviser typically recommends that clients establish brokerage accounts with the Schwab institutional division of Charles Schwab & Company, Inc. (Schwab) or TD Ameritrade, each a registered broker/dealer, member FINRA/SIPC, to maintain custody of clients' assets and to affect trades for their accounts. The Adviser is independently owned and operated and not affiliated with either of these brokers. Each of these brokers provide the Adviser with access to its institutional

trading and custody services, which are typically not available to their retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them, so long as a total of at least \$10 million of the Adviser's clients' assets are maintained in accounts at these brokers, and are not otherwise contingent upon the Adviser committing to Schwab any specific amount of business (*i.e.*, assets in custody or trading). TD Ameritrade and Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. Vivaldi receives some benefits from TD Ameritrade through its participation in TD Ameritrade's AdvisorDirect program, as described more fully in Item 14, below.

Commission rates and securities transaction fees charged to effect a client's transactions are established by the executing broker-dealer. The Adviser has the authority to negotiate commission rates charged by certain broker-dealers, such as Schwab and TD Ameritrade. Although the Adviser believes that the commission rates negotiated by the Adviser are competitive, they may not be the lowest commission rates charged by Schwab and TD Ameritrade.

For the Adviser's client accounts maintained in its custody, Schwab and TD Ameritrade generally do not charge separately for custody, but are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or TD Ameritrade or that settle into Schwab and TD Ameritrade accounts.

#### *Best Execution*

In selecting a broker or dealer, the Adviser may consider, among other things, the broker or dealers execution capabilities, reputation and access to the markets for the securities being traded. Other considerations include, among other things, the amount of transaction costs, quality of execution, expertise in particular markets, the experience and financial stability of the firm, availability of stock loans, quality of service, familiarity both with investment practices generally and the techniques employed by Vivaldi, research and analytic services and clearing and settlement capabilities, subject at all times to principles of best execution. The Adviser generally will seek competitive commission rates but will not necessarily attempt to obtain the lowest possible commission for transactions for a client account.

The Adviser will arrange for the execution of securities transactions for each client account through brokers or dealers that the Adviser reasonably believes will provide "best execution." Vivaldi seeks to execute client transactions in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances. The Adviser has evaluated the full range of brokerage services offered by TD Ameritrade and Schwab and considers these brokers to have reliable execution capabilities, compared to other comparable brokers. Based on these factors, the Adviser believes that TD Ameritrade and Schwab provide the best price and execution to its clients compared to other broker-dealers that offer institutional advisory platforms. If a client establishes a brokerage/custodial account with one of these brokers, then Vivaldi will place all orders pursuant to



its investment determinations on behalf of client's portfolio through the custodial broker, even though the client potentially could obtain a more favorable net price and execution from another broker-dealer in particular transactions or from a discount broker in general. While the Adviser believes TD Ameritrade and Schwab's transaction rates to be competitive, transactions may not always be executed at the lowest available commission rate.

### *Soft Dollars*

Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides a "safe harbor" to investment managers who use commission dollars of their advisory accounts ("soft-dollar" arrangements) to obtain investment research, brokerage and other services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities, provided that the amount of any increased commission costs on account of such research or other services is reasonable relative to the value of the services so provided. Vivaldi will utilize allocations of commission dollars solely to pay for (i) certain expenses which would otherwise be borne by its clients (and which therefore do not involve the conflict of interest issues normally presented by "soft dollar" arrangements covered by Section 28(e)) and/or (ii) products or services that qualify as "research and brokerage services," within the meaning of Section 28(e), pursuant to arrangements that meet the other requirements of that section. Services, other than research, obtained by the use of commissions arising from client transactions will only be used for the benefit of Vivaldi's clients, and such services will be limited to services that would otherwise constitute an expense borne by its clients.

As a result, consistent with obtaining best execution, transactions for a client's account may be directed to brokers in return for research services furnished by them to the Adviser. Such research generally will be used to service all of the Adviser's clients, but brokerage commissions paid by any particular client may be used to pay for research that is not used in managing that client's account. The Adviser may, in its discretion, cause such account to pay one or more brokers a commission greater than another qualified broker might charge to effect the same transaction where the Adviser determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

TD Ameritrade and Schwab offer an institutional trading platform to advisers. Through participation in this program, these brokers make available to Vivaldi other products and services that benefit the Adviser, but may not benefit its clients' accounts. Some of these other products and services assist Vivaldi in managing and administering clients' accounts. These include software and other technology that: provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of the Adviser's fees from client accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number

of the Adviser's accounts. These brokers also make available to the Adviser other services intended to help the Adviser manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, they may make available, arrange and/or pay for these types of services rendered to the Adviser by independent third parties. TD Ameritrade and Schwab may discount or waive fees that they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Adviser. In its capacity as a fiduciary, the Adviser endeavors to act in its clients' best interests, however, the Adviser's recommendation that clients maintain their assets in accounts at these brokers may be based in part on the benefit to the Adviser of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

The research obtained through Vivaldi's brokerage allocations, whether or not directly useful to it, may be useful to Vivaldi in connection with services rendered to particular clients, or to other accounts or entities managed by Vivaldi. Since any particular research obtained by Vivaldi may be useful to a variety of clients, Vivaldi, in considering the reasonableness of brokerage commissions paid by a client, will not attempt to allocate the relative costs or benefits of research as between its clients except in limited circumstances where appropriate. Accordingly, brokerage allocations from one client may also have the effect of indirectly benefiting other entities and investment accounts, if any, managed by Vivaldi or its affiliates.

#### *Order Aggregation*

As a matter of general policy and practice, Vivaldi will aggregate transactions for its advisory clients where practicable, except in the case of alternative investments. Aggregating transactions allows the trading of aggregate blocks of securities of assets from multiple client accounts. Generally, aggregating client transactions allows the Adviser to execute transactions in a more timely, efficient and equitable manner and to seek best execution and/or to reduce commission charges for clients. The Adviser may not apportion shares to participating clients in equal percentage amounts. Additionally, the Adviser may aggregate trades of its advisory personnel with those of clients so that Vivaldi personnel participate alongside clients in such trades. In general, when managing capital, Vivaldi will endeavor to make all investment allocations in a manner that it considers to be the most equitable to all managed entities and clients; all participants in an aggregated trade generally will be allocated securities on a pro rata, average price per share basis.

When and where possible, the Adviser will aggregate transactions for all clients, including directed and non-directed brokerage transactions for individual client portfolios. Where a client has directed Vivaldi to use a particular firm for its portfolio transactions, their transactions cannot be aggregated with other non-directed client transactions. However, the Adviser will generally aggregate client transactions in directed brokerage arrangements when clients have directed the Adviser to use the same firm.

### **Item 13 – Review of Accounts**

Vivaldi will review each client account at least quarterly, or more often if investment conditions require. Accounts are reviewed by Vivaldi's Principals, Randal L. Golden, David Sternberg or their designees, who will also monitor economic, investment and market conditions that might dictate changes in strategy or portfolio holdings. The Adviser will attempt to contact each client at least annually and will meet with each client in person, as needed, to review investment needs and to provide economic analysis, performance review and other pertinent information.

Clients receive copies of confirmations from the custodian for all transactions. Clients will also receive monthly custodial statements providing a summary of account transactions, with the exception of qualified accounts, such as IRAs with no activity, which will receive quarterly statements from the custodian.

With respect to investments in the Energy Fund, investors will receive a monthly report reflecting the estimated NAV of such investor's capital account as of the end of such month as compared with the end of the previous month. Vivaldi will also distribute on behalf of the Energy Fund's underlying investment a copy of such underlying partnership's annual audit to its investors within 120 days from fiscal year end.

All reports are sent by Vivaldi to investors in writing and are delivered electronically.

### **Item 14 – Client Referrals and Other Compensation**

Vivaldi has entered into solicitation agreements pursuant to which it compensates one or more third parties for client referrals that will result in the provision of investment advisory services by Vivaldi.

Such payments, such as a retainer and/or a percentage of introduced capital, may be made in connection with the third party's referral of new clients to the Adviser, and in all events, such payments are fully disclosed and approved by the relevant client in compliance with Rule 206(4)-3 of the Advisers Act. Such compensation is paid pursuant to a written agreement with the solicitor and typically may be terminated by either party from time to time. The cost of this referral fee is borne entirely by the Adviser and not by any affected investors.

As of March 30, 2012, Vivaldi has written solicitation agreements with three solicitors: Julie Kraff, James Corydon and Iron Lion Capital Management.

As disclosed in Item 12, above, Vivaldi participates in TD Ameritrade's institutional customer program and Vivaldi may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Vivaldi's participation in the program and the investment advice it gives to its clients, although Vivaldi receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate

client statements and confirmations; research-related products and tools; consulting services; access to a trading desk serving Vivaldi participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from Vivaldi accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology and practice management products or services provided to Vivaldi by third party vendors. Some of the products and services made available by TD Ameritrade through the program may benefit Vivaldi but may not benefit its client accounts. These products or services may assist Vivaldi in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Vivaldi manage and further develop its business enterprise. The benefits received by Vivaldi or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Vivaldi endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Vivaldi or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Vivaldi's choice of TD Ameritrade for custody and brokerage services.

Vivaldi may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Vivaldi may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Vivaldi and there is no employee or agency relationship between the firms. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisers. TD Ameritrade does not supervise Vivaldi and has no responsibility for Vivaldi's management of client portfolios or Vivaldi's other advice or services. Vivaldi pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to Vivaldi ("Solicitation Fee"). Vivaldi will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by Vivaldi from any of a referred client's family members. Vivaldi will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients.

Vivaldi's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisers that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, Vivaldi may have an incentive to recommend to clients that the assets under management by Vivaldi be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, Vivaldi

has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Vivaldi's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

### **Item 15 – Custody**

Adviser does not maintain physical custody of client assets, which are held by The Northern Trust Company, TD Ameritrade, Schwab and Millennium Trust;

All checks deposited into client's custodial accounts must be made payable either to the custodian or for the benefit of the account name. The Adviser may be deemed to have custody of client assets if it has the authority to deduct its fees from the client's custodial account. Clients will receive account statements from their custodian at least quarterly. Clients should review their account statements carefully and are encouraged to compare the account statements received from their qualified custodian with any reports received from the Adviser.

Further, the Adviser is deemed to have custody of its private investment fund (the Energy Fund) for which it serves as manager because of its ability to deduct fees from investor accounts.

### **Item 16 – Investment Discretion**

#### *Discretionary Trading Authority*

The Adviser generally will be retained on a fully discretionary basis and will be authorized to determine and direct execution of portfolio transactions, pursuant to the terms of the investment management agreement and other subscription documents executed between Vivaldi and each investor. The terms upon which Vivaldi serves as an investment manager are established at the time each client retains the Adviser as their investment manager.

Unless otherwise set forth in writing between the Adviser and the client, Vivaldi is not required to contact a client prior to transacting any business once such client executes these documents.

#### *Limited Power of Attorney*

Clients who have granted discretionary trading authority to the Adviser are required to grant a "limited power of attorney" to the Adviser over client's custodial account for purposes of trading and fee deduction.

### **Item 17 – Voting Client Securities**

It is currently Vivaldi's policy not to exercise proxy voting authority over client securities. However, Vivaldi does vote on tender offers on behalf of its fixed income investments. Except for these tender offer votes on fixed income investments, the Adviser does not have authority to vote proxies

for its clients on any matters regardless of whether the Adviser's investment authority is discretionary or non-discretionary. Each client retains sole and absolute authority and responsibility to vote proxies at client's own expense with respect to investments owned by the client.

Clients will receive their proxies or other solicitations directly from their custodian. Clients are free to contact the Adviser about a particular solicitation and the Adviser's personnel may provide them with assistance.

In the event that Vivaldi's policy regarding proxy voting changes, the Adviser will adopt a Proxy Voting Policy as required by Rule 206(4)-6 under the Advisers Act to ensure that it votes proxies in the best interests of its clients and will amend this Item 17 accordingly.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide certain financial information or disclosures about the Adviser's financial condition. Vivaldi has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **BROCHURE SUPPLEMENT**

This Brochure Supplement provides information about Vivaldi Capital Management, LLC (the “**Adviser**” or “**Vivaldi**”) that supplements the Vivaldi brochure. You should have received a copy of that Brochure. Please contact Randal Golden at (847) 386-2900 if you did not receive Vivaldi’s Brochure or if you have any questions about the contents of this supplement.

Additional information about the Adviser is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Randal Golden**

Year of Birth: 1967

Chief Investment Officer, Chief Executive Officer and Chief Compliance Officer

1622 Willow Road, Suite 101

Northfield, Illinois 60093

(847) 386-2900

### **Item 2 – Educational Background and Business Experience**

Mr. Golden received a Bachelor of Arts degree in Liberal Arts and Sciences from the University of Illinois Urbana Champaign, College of Liberal Arts & Sciences. Mr. Golden is a CPWA<sup>®</sup>, a certified private wealth adviser. The CPWA designation signifies that an individual has met initial and on-going experience, ethical, education and examination requirements for the professional designation, which is centered on private wealth management topics and strategies for high-net-worth clients. Prerequisites for the CPWA designation are: a Bachelor's degree from an accredited college or university or one of the following designations or licenses: CIMA<sup>®</sup>, CIMC<sup>®</sup>, CFA<sup>®</sup>, CFP<sup>®</sup>, ChFC<sup>®</sup> or CPA license; have an acceptable regulatory history as evidenced by FINRA Form U-4 or other regulatory requirements and five years of professional client-centered experience in financial services or a related industry. CPWA designees have completed a rigorous educational process that includes self-study requirements, an in-class education component and successful completion of a comprehensive examination. CPWA designees are required to adhere to IMCA's *Code of Professional Responsibility* and *Rules and Guidelines for Use of the Marks*. CPWA designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification.

Mr. Golden has been a Principal of Vivaldi since December 2011. Prior to co-founding Vivaldi, from August 2006, Mr. Golden served as Managing Director for FGMK/Preservation Capital Partners, LLC.

### **Item 3 – Disciplinary Information**

Mr. Golden has never been the object of any legal or disciplinary event, proceeding or action.

### **Item 4 – Other Business Activities**

Mr. Golden is not actively engaged in any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

### **Item 5 – Additional Compensation**

Mr. Golden has no sources of compensation relating to the provision of investment advisory services other than the income comprised of a salary and bonus he receives as an owner of Vivaldi.



### **Item 6 – Supervision**

Mr. Golden provides financial advice directly to clients. Mr. Golden is Vivaldi's Chief Compliance Officer and, in that capacity is responsible for ensuring that the firm's personnel comply with all compliance policies and procedures. Since Mr. Golden cannot supervise his own activities, Mr. Chad Eisenberg is responsible for reviewing compliance related policies as they apply to Mr. Golden. Mr. Eisenberg can be reached at Vivaldi main phone number at (847) 386-2900.

### **David Alan Sternberg**

Year of Birth: 1959

Principal

1622 Willow Road, Suite 101

Northfield, Illinois 60093

(847) 386-2900

### **Item 2 – Educational Background and Business Experience**

Mr. Sternberg received a Bachelor of Arts degree in Marketing from the University of Iowa.

Mr. Sternberg has served as a Principal of Vivaldi since December 2011. Prior to co-founding Vivaldi, from February 2009 until January 2011 Mr. Sternberg served as a Partner of FGMK/Preservation Capital Partners, LLC. From December 2008 until September 1999, Mr. Sternberg served as a Portfolio Manager for Iron Partners, LLC.

### **Item 3 – Disciplinary Information**

Mr. Sternberg has never been the object of any legal or disciplinary event, proceeding or action.

### **Item 4 – Other Business Activities**

Mr. Sternberg is an indirect owner of an entity that acts as the general partner to various private investment funds. He has assisted these firms in raising capital for those private funds and receives a percentage of the net income in this entity as an equity owner. Mr. Sternberg is not involved in the day-to-day operations of these firms. The firms and/or funds in which Mr. Sternberg acts as a general partner are BES Apartments VIII, LLC; BES Apartments IX, LLC; and Structured Portfolio Management, LLC. Clients of Vivaldi may be solicited to invest in one or more of these funds; however, prior to providing any such client with any materials relating to such funds, Mr. Sternberg's role as an owner of the general partner of the relevant fund will be fully disclosed to such client.

### **Item 5 – Additional Compensation**

Mr. Sternberg has no sources of compensation relating to the provision of investment advisory services other than the income comprised of a salary and bonus he receives as an owner of Vivaldi.

### **Item 6 – Supervision**

Mr. Sternberg provides investment advice directly to clients. Mr. Sternberg is subject to the supervision of Mr. Randal Golden, the Adviser's Chief Compliance Officer. Mr. Golden may be reached at Vivaldi's primary phone number at (847) 386-2900.

**Chad Eisenberg**

Year of Birth: 1982

Director

1622 Willow Road, Suite 101

Northfield, Illinois 60093

(847) 386-2900

**Item 2 – Educational Background and Business Experience**

Mr. Eisenberg received a Bachelor of Science degree in Accountancy from the University of Illinois Urbana Champaign, College of Business. Mr. Eisenberg also received a Masters of Science in Accountancy with a Specialization in Taxation from the University of Illinois Urbana Champaign. Mr. Eisenberg is a CPA, a certified private accountant. The CPA designation is the statutory title of qualified accountants in the United States who have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements for certification as a CPA. Eligibility to sit for the Uniform CPA Exam requires a U.S. bachelor's degree, which includes a minimum number of qualifying credit hours in accounting and business administration with an additional one-year study. CPAs are required to take continuing education courses in order to renew their license, and most states also require their CPAs to take an ethics course during every renewal period.

Mr. Eisenberg has been a Director of Vivaldi since January 2011. From September 2010 through November 2011, Mr. Eisenberg served concurrently as a Director of Business Development for Intrinsic Edge, LLC and a Director for Longevity Research & Trading, LLC. From June 2007 through March 2009, Mr. Eisenberg served as a Director at Key Bank Real Estate Capital. Prior to that from June 2005, Mr. Eisenberg was a Regional Manager at LaSalle Bank.

**Item 3 – Disciplinary Information**

Mr. Eisenberg has never been the object of any legal or disciplinary event, proceeding or action. .

**Item 4 – Other Business Activities**

Mr. Eisenberg is not actively engaged in any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

**Item 5 – Additional Compensation**

Mr. Eisenberg has no sources of compensation relating to the provision of investment advisory services other than the income comprised of a salary and bonus he receives as an employee of Vivaldi.

### **Item 6 – Supervision**

Mr. Eisenberg provides investment advice directly to clients. Mr. Eisenberg is subject to the supervision of Mr. Randal Golden, Vivaldi's Chief Compliance Officer. Mr. Golden may be reached at the firm's primary phone number at (847) 386-2900.

## **Michael Peck**

Year of Birth: 1980

Portfolio Manager

1622 Willow Road, Suite 101

Northfield, Illinois 60093

(847) 386-2900

### **Item 2 – Educational Background and Business Experience**

Mr. Peck received a Bachelor of Arts degree in Accountancy from Lehigh University. Mr. Peck received a Masters of Business Administration in Real Estate Analysis and Financial Analysis and a Masters of Arts in Finance from DePaul University.

Mr. Peck is a Chartered Financial Analyst (CFA) designation level III candidate. The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute – the largest global association of investment professionals. To earn the CFA charter, candidates must: (1) pass three sequential, six-hour examinations; (2) have at least four years of qualified professional investment experience; (3) join CFA Institute as members; and (4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). The three levels of the CFA Program test proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

Mr. Peck has been a Portfolio Manager at Vivaldi since January 2012. From March 2010 through December 2011, Mr. Peck served as a Portfolio Manager at Coe Capital, LLC. From August 2006 through October 2008, Mr. Peck served as a Senior Financial Analyst and Risk Manager at The Bond Companies. From June 2007 through March 2009, Mr. Peck was a Director at Key Bank Real Estate Capital. Prior to that, from April 2003, Mr. Peck was a Risk Analyst at Wells Fargo Bank.

### **Item 3 – Disciplinary Information**

Mr. Peck has never been the object of any legal or disciplinary event, proceeding or action. .

### **Item 4 – Other Business Activities**

Mr. Peck is not actively engaged in any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

### **Item 5 – Additional Compensation**

Mr. Peck has no sources of compensation relating to the provision of investment advisory services other than the income comprised of a salary and bonus he receives as an employee of Vivaldi.

### **Item 6 – Supervision**

Mr. Peck provides financial advice directly to clients. Mr. Peck is subject to the supervision of Mr. Randal Golden, Vivaldi's Chief Compliance Officer. Mr. Golden may be reached at the firm's primary phone number at (847) 386-2900.