



# GLACIER PEAK CAPITAL

**Form ADV Part 2 A (Brochure)**

## **Item 1 - Cover Page**

Glacier Peak Capital LLC  
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Bellevue, WA 98004

(425) 453-5010

July 30, 2012

This Brochure provides information about the qualifications and business practices of Glacier Peak Capital LLC (“Glacier Peak”, “Adviser”, us, we, our). If you have any questions about the contents of this Brochure, please contact us at (425) 453-5010. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any other authority.

Glacier Peak Capital LLC is a Registered Investment Adviser with the Securities and Exchange Commission. Registration of an Investment Adviser does not imply any 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 Glacier Peak Capital LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 - Material Changes

This Form ADV, Part 2 A / B (Brochure) is the Brochure used for our initial filing with the SEC as a Registered Investment Adviser. As a result, there are no material changes to this Brochure.

In future updates, we will identify all material changes reflected in the new version of the Brochure (as compared to the previous version and the date of the last annual update). Updates are made at least annually, or as information changes. Updates are provided without request and are free of charge.

This Brochure for Glacier Peak may be downloaded from the SEC website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) or is available by contacting:

John Rudolf, Chief Compliance Officer  
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## Item 3 - Table of Contents

Item 1 - Cover Page .....	1
Item 2 - Material Changes .....	2
Item 3 - Table of Contents .....	3
Item 4 - Advisory Business.....	4
Item 5 - Fees and Compensation .....	7
Item 6 - Performance-Based Fees and Side-By-Side Management .....	10
Item 7 - Types of Clients .....	10
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	11
Item 9 - Disciplinary Information .....	14
Item 10 - Other Financial Industry Activities and Affiliations .....	14
Item 11 - Code of Ethics.....	14
Item 12 - Brokerage Practices .....	15
Item 13 - Review of Accounts.....	17
Item 14 - Client Referrals and Other Compensation .....	17
Item 15 - Custody .....	17
Item 16 - Investment Discretion .....	18
Item 17 - Voting Client Securities .....	18
Item 18 - Financial Information.....	19

## **Item 4 - Advisory Business**

### **Background**

Glacier Peak Capital, LLC is a Washington limited liability company, initially established on April 19, 1996 and previously named as Summit Special Situations GP LLC.

On or about June 22, 2012, the name of Summit Special Situations GP LLC was changed to Glacier Peak Capital LLC.

Glacier Peak Capital LLC (Glacier Peak) is both the Investment Adviser and General Partner (“GP”) to two (2) private funds. We do not, at this time, manage separate accounts for any individual or person. Our business is to provide portfolio management services as the investment adviser to the Funds and to manage the business of the Funds as the GP.

### **Owners**

Glacier Peak is solely owned by John C. Rudolf. Mr. Rudolf is also the sole Managing Member of and serves as President and Senior Portfolio Manager for Glacier Peak.

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### **Assets Under Management**

As of July 20, 2012, the discretionary assets under managed are:

\$148,000,000.00

We do not manage client accounts on a non-discretionary basis.

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### **Portfolio Management Services to Private Funds**

The Funds are a “private fund” as defined under the Investment Company Act of 1940 and interests in the Funds are only available to certain type of investors as defined under the Adviser’s Act and Regulation D of the Securities Act of 1933.

We manage two Funds:

1. **Glacier Peak Global Value Fund**  
(previously managed by Summit Capital Management under the name of Summit World Partners LP)
2. **Glacier Peak U.S. Value Fund**  
(previously managed by Summit Capital Management under the name of Summit Special Situations Fund LP)

The objectives of the funds are as follows:

Glacier Peak Global Value Fund's objective is to provide a return on invested capital in excess of the major global equity and fixed income market indices. The Partnership expects to pursue this objective primarily through an active asset allocation program seeking to optimally allocate funds globally across multiple asset classes through multiple managers utilizing:

- 1) Long term strategic allocation, and
- 2) Tactical shifts of total exposure on an ongoing basis. In turn, the Partnership will invest in both direct and indirect securities utilizing, but not limited to, the following strategies:

Indirect Investments:

- Private investment partnerships (hedge funds) across multiple asset classes, with the intent of allocating funds globally among multiple strategies.
- Long-only registered investment advisors (managed accounts and mutual funds), in a variety of asset classes.
- Active use of exchange traded funds, closed end funds and other market proxies in an attempt to invest in various asset classes with a value orientation.

Direct Investments:

- Special situations may occur within any given asset class, in which the price of a given security presents a unique opportunity to invest in a given asset class at a compelling valuation. Such special situations may involve more than one security within an asset class, allowing for asset class exposure within a basket of securities purchased by the Partnership.
- Parallel positions, in which the Partnership may overweight singular positions held by managers the Partnership may employ on an indirect basis. In turn, if the manager's position is less than 10% of the Partnerships total assets, the Partnership may add to such an individual position held within a manager's portfolio in an effort to increase its total ownership in conjunction with securities owned by a given manager.

- To reduce individual asset class volatility, the Partnership will overlay option contracts across multiple asset classes.

Glacier Peak U.S. Value Fund's objective is to achieve above-average capital appreciation by investing and trading in certain types of public and private securities of companies that the adviser believes show promise of capital appreciation. The Fund uses an opportunistic value strategy that focuses primarily (but not exclusively) upon companies whose current stock market valuations are, in the opinion of the adviser, less than their current business or private market valuations as appraised by the Glacier Peak.

The principal activity of the Fund is to invest in public and private securities, although the Fund may enter into other types of investment transactions which the adviser considers appropriate to the achievement of the partnership's investment objectives such as:

- Bonds
- Options
- Open and closed-end mutual funds
- Equity or debt positions in non-publicly traded private companies
- Short positions (to balance long positions), or
- Short sales in securities we believe are overvalued

The Fund will take concentrated positions in the securities of companies we believe offer particularly compelling risk versus reward investment relationships. The Fund's investment exposure will vary from a highly liquid status to a fully invested or highly leveraged status depending on market conditions and investment selections. Please see Item 8, below for additional detail on strategies and risks related to the Funds.

Please see the Private Offering Memorandum for specific details on each Fund.

As is the case with private funds, Limited Partner investors are not permitted to place limitations of any kind on Glacier Peak as the Adviser to the Funds. As the Adviser and GP to the Funds we are obligated to follow the investment objectives of the Fund as a whole (as described in the Private Offering Memorandum).

Because investments in these types of entities may involve certain additional degrees of risk, investors, (Limited Partner Investors or LPs or LPIs) are only accepted:

- If the LP investor qualifies as a qualified client
- The investment is consistent with the LPI's objectives, risk tolerance, liquidity needs and overall suitability (as documented in the subscription documents for the Fund(s)) they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. Investors in the Funds must meet specific qualification standards (and indicate / affirm qualification in the Subscription Agreement to the Fund). Please see the Fund's current Subscription Agreements for specific details. In addition, interests in the Fund may not be generally marketed or offered to the public generally. Qualification of LP investors in either Fund are as follows:

### Accredited Investor

- Income of \$200,000 for an individual or \$300,000 with their spouse
- \$1.0 million net worth excluding their primary residence
- Pension Plan or Trust that meets qualification requirements

### Qualified Client

- \$1,000,000.00 of assets invested with Glacier Peak, or
- \$2.0 million net worth (individual and/or spouse) excluding primary residence
- Qualified Purchaser as defined under the Investment Company Act of 1940

## **Item 5 - Fees and Compensation**

Glacier Peak is compensated in two ways from the Funds to which we act as an Investment Adviser:

- **Base Fee:** The General Partner is paid a base advisory fee of 1% per year billed quarterly at a rate of 0.25%; and
- **Performance Fee:** The general partner realized and unrealized gains and losses, to the extent that the net profit for the Fund (and each Limited Partner investor) exceeds any prior unrecouped losses (i.e., "high water mark").

Performance fees are charged in accordance with the guidelines and requirements of the Investment Advisers Act of 1940 (IA Act).

In some circumstances, Glacier Peak will receive increased compensation with regard to unrealized gains (appreciation) in the Fund(s) including potential gains from hard to value securities under Financial Account Standard Topic 820 accounting rules; this may impact each Limited Partner investor in the Fund.

We, as the Adviser and GP to the Funds have the ability to designate certain side pocket investments, such as investments in illiquid funds, accounts or securities that do not have a readily ascertainable market value (as of the date of this Brochure, we have never and do not hold any side pocket investments in either Fund).

Accordingly, limited partners paying performance-based fees are directed to the "Performance-Based Fees" section (Item 6) below for more comprehensive disclosures, including potential conflicts of interest resulting from this type of compensation.

**Valuation:** We, as the GP to the Funds have the authority to value the assets for both Funds. However, holdings are typically valued by the Fund's independent, third party custodian (which is also a securities broker dealer). The Net Asset Value of the Funds and each LP Investor's capital account is reported to you monthly.

- Securities traded on national exchanges are valued at the last sales price or if traded on multiple exchanges as determined by us.
- Over the counter securities are valued at the last trade as reported by quotation services, or based on the average of the last bid / ask price.
- For direct (private) investments; the valuation is the amount equal to the NAV of the Fund's investment in such direct investment as determined by that fund's general partner or manager. If information is not available from the direct investment's general partner or manager, we will value the investment concurrently with other valuations of the partnership, based upon our judgment at that time.
- All other securities, including illiquid securities held by the Funds will be valued as we determine in good faith using the best information available to us.
- We may apply alternative valuation methodologies to the extent we determine necessary to comply with relevant generally accepted accounting principles. We may solely rely on valuations provided by the Fund's custodian or brokers or we may utilize a valuation process specific to that security or need.

As the GP and adviser to the Funds, the potential conflict of interest with valuations is that the security owned by the Fund may not be readily convertible into cash at the carry value of the direct investment (or so called "ill liquid investment"). Therefore, miss pricing (higher or lower than a true value, if one can be determined) may have an adverse effect on the Net Asset Value of the Funds and Glacier's receipt of base and incentive fee compensation.

#### **Termination of Limited Partnership Interests:**

Limited Partner Interests are terminated on the expiration of the Fund or the dissolution of the Fund as described in the Private Offering Memorandum.

Limited Partner investors in Glacier Peak Global Value Fund may withdraw capital from their capital accounts on a semi-annual basis with 90 days written notice in advance of the quarter end.

Limited Partner investors of Glacier Peak U.S. Value Fund may withdraw capital from their capital accounts on a quarterly basis with 30 days written notice in advance of the quarter end.



## General Information on Advisory Services and Fees

- Fees (management or performance based) may be negotiated or waived at the discretion of Glacier Peak
- Fees due to Glacier Peak for GP or Advisor services are deducted from each Limited Partner capital account by the third party administrator of the Funds upon a debit request delivered to the custodian of the Fund's assets. This debit charge is reflected a LP investor's capital account report sent by the Administrator
- Employees and Family members
  - Employees and some of their family members (who are qualified investors) may be limited partner investors in the Funds but may not be charged the base and performance fees that are charged to LP investors.

Fees payable to Glacier Peak for our GP and Advisory services by the Funds and the LP investors do not include the following. These fees or charges are borne by the Funds and LP investors. We do not participate, directly or indirectly in these fees as listed:

- Brokerage commissions, mark-up or mark-downs (on principal transactions as executed by third party and independent broker dealers)
- Transaction fees, including exchange and SEC transaction fees
- Other related costs and expenses that may be imposed by custodians, brokers or third parties
- Charges imposed by custodians, brokers and third parties, including but not limited to:
  - Advisory fees and administrative fees charged by mutual funds or exchange traded funds held by the Funds
  - Advisory fees charged by third parties if the Fund(s) make an investment with or engage a sub-adviser
  - Custodial fees
  - Sub-agent transfer fees, if any
  - Deferred sales charges on mutual funds, if any
  - Odd-Lot differentials, if any
  - Transfer taxes
  - Wire transfer and electronic fund processing fees
  - Among others that may be incurred

Please see Item 12, below for additional information regarding "other costs" that may be incurred as an investor in the Funds.

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

As we disclosed in Item 5 of this Brochure, our firm accepts performance-based fees from the Funds to which we act as an Investment Advisor. Such performance-based fees are calculated based on an annual profit allocation of 10% of the net profits of the partnership (including realized and unrealized gains and losses) to the extent that the net profit for the Fund (and each Limited Partner investor) exceeds any prior un-recouped losses (also known as a “high water mark”).

To qualify for a performance-based fee arrangement, a Limited Partner must either demonstrate a net worth of at least \$2,000,000 excluding the value of a primary residence or must have at least \$1,000,000 under management immediately after entering into a management agreement with us.

Clients should be aware that performance-based fee arrangements can create conflicts of interest that may impair the objectivity of our firm and our employees when making advisory recommendations. These conflicts include:

- The incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.
- Since Glacier Peak is the investment advisor to more than one limited partnership, we may have an incentive to favor one Fund over another or a side letter / side pocket investment (if applicable); this conflict may also include loss carryforward provisions (also known as high water marks mentioned above).
- We may benefit from appreciation, including unrealized appreciation, in the value of partnership assets. Because performance-based fees are tied to the Net Asset Value of the partnerships (and their investments), including gains which may not or are not realized these situations pose a potential conflict. This conflict includes situations involving uncertainties as to the valuation of partnership assets. These could then have an adverse effect on the Net Asset Value of the Fund or a LP Investor’s capital account and / or result in the General Partner receiving compensation for gains that are never realized by the Funds and its LP Investors.

As part of our fiduciary duty as a Registered Investment Adviser, Glacier Peak endeavors at all times to put the interest of the Funds (the client) and each LP Investor in the Fund(s). We have a Quarterly Valuation Committee meeting which reviews any illiquid securities in each Fund, as well as those securities where no value can be readily determined, to assign a fair market value utilizing the best information reasonably available to us.

## **Item 7 - Types of Clients**

We provide investment advice to two private Funds, only. See Item 4, above.

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

We use the following methods of analysis when making portfolio management decisions for the Funds:

### Fundamental Analysis.

We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

### Technical Analysis.

We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

### Charting.

In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse. A risk in using charting analysis is that assumptions based on previous trends may prove to be incorrect in predicting future activity.

### Quantitative Analysis.

We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

### Qualitative Analysis.

We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

### Asset Allocation.

We attempt to identify an appropriate ratio of investments consistent with the Fund's objectives and prevailing markets. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements.

### Mutual Fund and/or ETF Analysis.

We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) we may purchase or hold in a Fund. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

### Risks for all forms of analysis.

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategies in managing the Funds:

- Long-term purchases: We sometimes purchase securities with the idea of holding them in the Funds' account for a year or longer. Typically we employ this strategy when:
  - o We believe the securities are currently undervalued and/or
  - o We want exposure to a particular asset class over time regardless of the current projection or assessment of the class
  - o Risk: we may not (in holding a security for an extended period) take advantage of short-term gains that could be profitable to the Funds. If our predictions are incorrect, the security may decline rapidly in value before we can sell the security
- Short-term purchases: We sometimes purchase a security with the idea of selling the security within a year or less. We will do this to take advantage of conditions we believe will result in a price swing in those securities we purchase

- Risk: the anticipated price swing may not materialize and we are then left with a decision to keep the security as a long term investment or taking a loss. Short term purchases also include higher trade costs than does longer term, as a result, commission charges will be higher and related tax implications to LP investors in the Funds
- Trading: We sometimes purchase of securities with the idea of selling them quickly (within 30 days). This can include shorting securities, the use of leverage (for a more concentrated position), etc. The trigger for a trading decision is to take advantage of our anticipation of price swings. This strategy includes higher commission costs for more frequent transactions.
  - Risk: potential for sudden losses if our assumptions do not materialize, short term tax implications (losses or gains) to the LP members.
- Short sales: A strategy where the Fund borrows shares from someone else and we then replace the security at a future date at a predetermined price. We sell the borrowed shares and then replace the original shares to the counter party from whom we borrowed the shares. This “strategy” is intended to allow us to profit when the price of the security is moving lower.
- Margin: the Funds utilize margin with borrowed money from our broker / custodian. This allows us to “leverage” our investment ideas in excess of the actual value of the fund, without liquidating other positions. There are costs when borrowing capital, as a result the Funds pay the margin interest expenses, which are pro-rated allocated to LP capital accounts.
- Options and Option Writing: Are used as a strategy for the Funds (puts, calls, spreads or straddles are utilized as we determine appropriate).
- Asset Allocation: We sometimes strategically allocate assets of the Funds across multiple asset classes (Global or Domestic) through multiple managers, with a long term strategic allocation and tactical shifts of exposure as markets dictate. We accomplish this through direct and indirect investments; please see the Private Offering Memorandum for each Fund for explicit detail. Indirect investments means, generally:
  - Other private funds (hedge funds)
  - Long only third party advisors using managed accounts or mutual funds
  - Active use of exchange traded funds (ETFs) or mutual fundsDirect investments means, generally:
  - Special situations, parallel positions / overweight’s / concentrations
  - Option contracts as an overlay to manage asset class volatility
  - Among others

## **RISKS – INCLUDING RISK OF LOSS**

Our Private Funds have a number of Risk Factors as described in detail in the Private Offering Memorandum. We present here, a summary of various risk factors; please see the Private Offering Memorandum for complete Risk details:

1. Operating History of the Funds and the GP to the Funds
2. Achievement of the Fund’s Investment Objectives
3. Market volatility
4. General Global economic conditions and market risks
5. Market Correlation
6. Reliance on the General Partner / Investment Adviser
7. Illiquidity of Partnership Interests
8. Risks related to direct and indirect investments used by Glacier Peak

9. Tax implications for certain transactions (for taxable LP investors)
10. Effects of substantial withdrawals
11. Regulation of the Partnerships or the GP / Adviser (including Dodd Frank provisions, revisions to the Exchange Act or related regulations, among others)
12. Among others as documented in the Private Offering Memorandum(s)

Investing in securities and private funds carry with them the potential of a high degree of loss of invested assets; LP investors should be prepared to absorb such losses.

Please see the Private Offering Memorandum for the Funds for a full explanation of Risks, High Water Marks and other relevant information.

## **Item 9 - Disciplinary Information**

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us as an Adviser.

There have been no legal, criminal or civil actions against Glacier Peak or its employees.

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

Glacier Peak is the Investment Adviser and General Partner to the Funds identified above (see Item 4). We (as an entity and our employees) do not have other financial industry activities or affiliations to disclose to you.

## **Item 11 - Code of Ethics**

Our firm has adopted a Code of Ethics which sets forth our standards of business conduct that we require of our employees, including compliance with our policies and procedures (which include the Code). These policies and procedures document our standards to comply with the Investment Advisers Act of 1940 and additional, applicable federal securities laws.

Glacier Peak and our employees owe a duty of loyalty, fairness and good faith towards our Funds and each Limited Partner investor. We have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of securities transactions made by all of our employees, their family members and all beneficial ownership accounts, as defined in the Code. Personal security transactions are a potential conflict of interest between our interests and those of the Funds and the LP Investors. However, many (but not all of our employees) have invested in the Funds.

Generally, all new employees are required to provide disclosure of:

- All securities holdings
- Members of their household
- All beneficial ownership accounts and securities (including those not held a custodian)
- Among other requirements

We require all employees to maintain their accounts at our designated custodians (JP Morgan / Merlin Securities). We generally will not approve an employee or their family member to hold their personal accounts at brokers other than those indicated above. To do so would require the specific permission of our Managing Member / Chief Compliance Officer.

Among other things, our Code of Ethics also requires:

- Pre-approval of any acquisition of securities in a limited offering (private placement), except for investments in our two Funds (as we would process the subscription)
- An Initial public offering (however, we do not grant permission for any employee or family member to invest in any initial public offering (directly or through a family member / beneficial ownership account). Initial public offerings are also referred to as an “IPO”.
- A prohibition on the use or dissemination of material, non-public “inside information” on any issuer of a security. We may not use the information for the Funds, ourselves (company or any individual or family member) or any other person. This prohibition means we cannot take action on that issuer for any person (Funds, ourselves or any LP investor) or communicate the information to any person until such time as the information is available to the general public (via press release, internet or news article).

Individuals who violate our Policies and Procedures, including the Code are subject to remedial sanctions, including the termination of employment with Glacier Peak.

A copy of our Code of Ethics is available to our current and prospective Limited Partner investors. You may request a copy by contacting John Rudolf (see Item 2 for contact details).

## **Item 12 - Brokerage Practices**

As the Adviser to the Funds, we have brokerage discretionary authority (to select the broker, to execute a transaction, and to negotiate price and commissions on a transaction-by-transaction basis).

In selecting brokers or dealers to execute transactions (or series of transaction), we consider a number of factors to determine the appropriateness of using that broker. Our assessments includes a number of components which are generally describe as criteria as “achieving best execution.” However, best execution is not a defined term and is conditional upon a number of variable not just price or commission const. Best execution is a concept that can vary from adviser to adviser based on a number of variables. These include the following (this is not an extensive list):

- Price negotiation
- Ability to effect the transactions
- The brokers’ or dealers’ facilities
- Reliability and financial responsibility
- Specialty execution capabilities
- Block trading capabilities
- Willingness to execute related or unrelated difficult transactions in the future
- Willingness to commit capital to our trade practices / activity
- Custody

- Recordkeeping and similar services
- Among others

We are not required, however, to solicit competitive bids from broker-dealers. We are not required to seek the lowest available commission cost.

We typically look for and use “specialty brokers.” These are broker dealers that make a market in the equity securities we are most interested in acquiring. In effect, this causes the broker dealers to compete for our business. This interest in specialty brokers and their interest in Glacier Peak provide us with the specific brokerage expertise, including trading opportunities when we are purchasing or liquidating positions for the Funds.

Selected employees of Glacier Peak meet periodically to evaluate the broker-dealers we use for the Fund using the foregoing factors.

#### Soft Dollars

We do not have any written or verbal agreement with any broker-dealer to accumulate Fund commissions for the purpose of paying Fund expenses. We do not and have not requested any of the brokers or dealers that we use to provide or offer “credits” to us related to our transactions (so-called commission credits or commission sharing arrangements, another method to generate soft dollars).

Although we are a specialty Investment Adviser we do have a good working relationship with those specialty brokers or dealers that compete for our business. However, it is our view that these relationships are not formal in the traditional sense of soft dollars under the safe harbor of Section 28(e) of the Securities Exchange Act of 1934 (“Section 28(e)").

Although we do not use soft dollars, our investment team monitors all broker-dealer transactions. Broker-dealers are evaluated on a number of factors, including their ability to provide special insights related to our investment objectives and portfolio interests. The overall assessment is viewed in the context of the contribution of the specialty broker-dealer, the specific transactions during the review time period and our fiduciary obligation to the Funds and Limited Partner investors.

The use of Fund(s) commissions (or mark-ups or mark-downs) to obtain insight and technical expertise of brokerage products and services raises potential conflicts of interest. For example, we do not pay for the insights or strategies separately (through hard dollars). Thus, this is an incentive for us to select a specialty broker-dealer competing for our business based on the information, strategies and insights provided to Glacier Peak and the Funds versus a broker-dealer who provides pure execution services only.



### Trade Errors:

If an error is discovered in placing a purchase or sell order, we will review the facts to determine who caused the error and take corrective actions. In all cases, the Fund(s) will be made whole either by Glacier Peak, the executing broker, or by the custodian (as applicable, i.e., the entity that created the error). If the error is a shared responsibility, then those that caused the error will compensate the Funds to make the Funds "whole.")

Our CCO will record all errors, cause and corrective actions consistent with our books and records requirements.

## **Item 13 - Review of Accounts**

While the underlying securities in our Funds are continually monitored, the Funds are generally reviewed daily by John Rudolf, Senior Portfolio Manager.

### Reports

Limited Partners investors receive monthly statements on their capital accounts. The reports summarize capital account balances and the performance of the Fund, the LP investor's capital account among other information. These statements are independently prepared and delivered by Archway Technology Partners, our third party administrator with copies provided to Glacier Peak.

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

It is Glacier Peak's policy not to engage solicitors or distribution partners for referring potential limited partner investors to us.

## **Item 15 - Custody**

We are deemed to have custody due to Glacier Peak being both the General Partner and Investment Adviser to the Funds.

This is due to the ownership of Glacier Peak by our Managing member (see item 4 above) and the responsibility we have as GP to manage the Funds (pay bills; enter into agreements among other responsibilities).

As a result, as GP, Glacier Peak has the authority and responsibility to manage the Funds, including access to checkbooks; write checks; access to securities and authority, among related activity. The role of the GP is to have control over the business management of the Funds, this equates to custody as defined under the Investment Advisers Act of 1940.

To comply with the Custody Rule under the Investment Advisers Act of 1940, the GP contracts for and requires an annual financial audit of each Fund. These financial audits are conducted by an independent accountant that is:

- i. Registered with, and
- ii. Subject to regular inspection by, the Public Company Accounting Oversight Board (PCAOB)

The financial audits are prepared in accordance with generally acceptable accounting practices (GAAP). The audits are then distributed to beneficial owners (LP investors) within 120 days of the Fund's fiscal year end.

Our proprietary Funds undergo an annual audit each calendar year by our independent auditor Rothstein Kass.

## **Item 16 - Investment Discretion**

We have investment discretionary authority for the Funds we manage (see Item 4, above) to select the securities and amount of securities to purchase or sell for the Funds.

As our Funds are our only clients, Limited Partner investors in the Funds are not permitted to restrict or otherwise place limitations on our investment or brokerage discretionary authority applicable to the Funds as a whole, or specific limited partner capital account(s).

Please see the private offering memorandum and subscription agreement for more details.

## **Item 17 - Voting Client Securities**

As the Investment Adviser and General Partner to the Funds, we vote all securities (proxy materials) on behalf of the Funds. No Limited Partner investor has the ability to vote the proxies for their portion of the Funds.

We maintain, as required by the Advisers Act, proxy voting policies and procedures. To receive a copy of the proxy voting policies and procedures, please contact John Rudolf, CCO, at the telephone number or e-mail listed in Item 2 of this Brochure.

A summary of our proxy vote procedures is as follows:

- We vote in what we believe are the best interests of the Funds
- Disclose to Limited Partner investors, any conflicts of interest between Glacier Peak and the Limited Partner investors in the Funds as they related to Proxy Voting issues
- If a material conflict exists, we will determine (in accordance with the voting guidelines and factors described in our Proxy Vote Procedures) if voting is in the best interest of the Funds, or if an outside, third party should be consulted to determine the vote

In voting proxies, we generally vote in favor of:

- Routine corporate housekeeping proposals
- Election of directors (where no corporate governance issues are implicated)
- For all other proposals, we determine whether a proposal is in the best interests of the Funds and may take into account the following factors, among others:
  - Whether the proposal was recommended by management and Glacier Peak's opinion of management
  - Whether the proposal acts to entrench existing management, and;
  - Whether the proposal fairly compensates management for past and future performance

## **Item 18 - Financial Information**

Glacier Peak does not have any financial circumstances to report that impairs its ability to meet contractual and fiduciary commitments to Limited Partner investors and has not been the subject of a bankruptcy proceeding.