



Firm Brochure
(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Gator Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at: (813) 282-7870, or by email at: info@gatorcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Gator Capital Management, LLC is a registered investment adviser. 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 GCM is available on the SEC's website at www.adviserinfo.sec.gov.

5/10/2013

Material Changes

Annual Update

The Material Changes section of this brochure will be updated when material changes occur since the previous release of the Firm Brochure. The last update of our brochure was January 25, 2013.

Material Changes since the Last Update

There has been a material change since our last brochure update.

Under Types of Advisory Services on page 5, we have updated the number of clients and AUM as of April 30, 2013. Also, we have increased the minimum account size for the Gator Small Cap Portfolio to \$1 million.

On page 14, we have updated and expanded the investment risks of investing with GCM.

On page 19, we have updated the section on Soft Dollars to acknowledge the use of soft dollars.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (813) 282-7870 or by email at: info@gatorcapital.com.

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Advisory Business

Firm Description

Gator Capital Management, LLC ("GCM") is a Delaware limited liability company with its main office in Tampa, Florida. GCM was founded in 2008. The principal owner is Derek Pilecki.

GCM provides investment management services using several models consisting of individual stocks: Blue Chip, Small Cap, Micro Cap, Multi-Cap, Long/Short Financials, and Strategic Income. GCM provides investment management services through separately managed accounts.

GCM purchases and sells securities for each client based on changes to the model for the investment strategy chosen by the client. GCM does not act as a qualified custodian of client assets. The client always maintains asset control. GCM places trades for clients under a limited power of attorney.

GCM also provides financial planning services to clients on an as needed basis. No commissions in any form are accepted. No finder's fees are accepted.

GCM acts as General Partner and Adviser to a Pooled Investment Vehicle, Gator Financial Partners, LLC.

GCM acts as Adviser to a '40 Act registered investment company, Gator Focus Fund.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

Derek Pilecki is a 100% stockholder of Gator Capital Management.

Types of Advisory Services

GCM provides investment management services using several strategies: Long/Short Financials, Small Cap, Strategic Income, Blue Chip, Multi-Cap, Balanced, or a customized strategy based on client needs.

As of 4/30/2012, GCM manages approximately \$32.7 million in assets for approximately 46 clients. Approximately \$32.7 million is managed on a discretionary basis, and \$0 is managed on a non-discretionary basis.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying GCM in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, GCM will refund any unearned portion of the advance payment.

GCM may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, GCM will refund any unearned portion of the advance payment.

Fees and Compensation

Description

GCM bases its fees on a percentage of assets under management according to the following fee schedule. The main factors affecting the fee are the asset size of the client relationship with GCM and the Investment Strategy chosen by the client. Qualified clients may choose to have a performance based incentive

For the Gator Long/Short Financials:

This account is only available to Qualified Clients

Minimum account size is \$5 million.

1% annual management fee and a 20% performance fee of net investment gains

For the Gator Small Cap Portfolio:

For investments with a value from \$100,000 but less than \$1 million:

Minimum account size is \$1 million.

1.50% with a value above \$1 million: 1.25%

Qualified Clients may choose to pay a management fee of 25 bps and a performance fee of 20% of the excess performance above the benchmark index. The suggested indexes for the Gator Small Cap is the Russell 2000 Index.

For the Gator Strategic Income Portfolio:

For investments with a value from \$100,000 but less than \$1 million:

Minimum account size is \$100,000.

0.75% with a value above \$1 million: 0.625%

For the Gator Blue Chip and Gator Multi-Cap Portfolios:

For investments with a value from \$100,000 but less than \$1 million:

Minimum account size is \$100,000.

1.00% with a value above \$1 million: 0.85%

Qualified Clients may choose to pay a management fee of 10 bps and a performance fee of 20% of the excess performance above the benchmark index. The suggested indexes for both the Gator Blue Chip and the Gator Multi-Cap Portfolios is the S&P 500 Total Return Index.

For the Gator Balanced Portfolio:

For investments with a value from \$100,000 but less than \$1 million:

Minimum account size is \$100,000.

0.75% with a value above \$1 million: 0.625%

Qualified Clients may choose to pay a management fee of 10 bps and a performance fee of 20% of the excess performance above a benchmark index agreed to by GCM and the client based on the targeted asset mix. For example, if the target asset mix is 50% equities and 50% fixed income, then an appropriate benchmark maybe a blended index of the S&P 500 Total Return Index and the Barclay's Capital U.S. Aggregate Bond Index.

For all portfolios, fees are *NEGOTIABLE*.

Fee Billing

Investment management fees can be billed either quarterly in advance or arrears. If billing is in advance the fee is based on either the initial deposit at the beginning of the account relationship, and prorated for the number of days remaining in the quarter or for ongoing account relationships the value of the account on the last day of the month of the prior quarter. If the account is terminated during a quarter the account will be refunded any unearned fees based on the number of days remaining in the quarter. Refunds will be processed within 14 days of receiving proper notification of the termination of the account. Advance billing will not be for more than \$500 and six months in advance.

If the account is billed in arrears we generally bill fees after the quarterly billing period has ended. The fee will be based on the monthly average value for the quarter. Some clients who custody their assets at Interactive Brokers choose to have their fees deducted on a daily basis. Payment in full is expected upon invoice presentation. If an account is terminated prior

to the end of a quarter the fee will be prorated based on the number of days in the quarter that GCM has earned a fee. The earned fee will be deducted prior to delivery of funds to the client. Terminated accounts will receive funds within 14 days of receiving proper notification of termination of the account.

Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account through their contract with GCM and through authority provided in the client's custodial account paperwork.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

GCM, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Past Due Accounts and Termination of Agreement

GCM reserves the right to stop work on any account that is more than 30 days overdue. In addition, GCM reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in GCM's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

Performance-Based Fees

Sharing of Capital Gains

GCM gives clients the option to use a performance-based fee structure. Qualified investor clients are eligible to choose a performance fee if they meet SEC guidelines for performance fees, which are an account balance greater than \$1 million or total liquid net worth greater than \$2 million.

Under a performance fee structure, GCM charges a base fee and a performance fee equal to 20% of the gains in excess of the annual return of the appropriate benchmark. The performance fee is charged in arrears at the end of the calendar year.

Performance-based fee structures have a potential conflict of interest. Performance-based compensation may create an incentive for the adviser

to recommend an investment that may carry a higher degree of risk to the client.

GCM also manages accounts that earn an asset-based fee. Since GCM manages accounts that have a performance-based structure and other accounts that earn an asset-based fee at the same time, GCM has a conflict of interest because it has an incentive to favor accounts where GCM earns a performance-based fee. GCM addresses this conflict by treating all accounts the same within a model portfolio.

Types of Clients

Description

Clients include individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, business entities, and pooled investment vehicles.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account asset balance depends on the investment strategy used in the client's account. For the Gator Long/Short Financials Portfolio, the minimum is \$5 million. For the Gator Small Cap Portfolio, the minimum is \$1 million. For the Blue Chip, AllCap, Strategic Income and Balanced Portfolios, the minimum account size is \$100,000 of assets under management.

GCM has the discretion to waive the minimum account asset balance.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Investment Philosophy

Over the course of his career, Founder Derek Pilecki developed an investment philosophy influenced by his service as co-Chair of the Investment Committee at Goldman Sachs Growth Equity Team, as well

as an in-depth study of Warren Buffett's investing career.

Buy the underlying business – Gator approaches a stock purchase as if we're buying the underlying business of the company. As investors, not speculators, we view stocks as businesses. We want to benefit from the cash it distributes and its ultimate value. Conversely, if we were speculators, we would view stocks as scraps of paper to be traded.

Focus on high quality businesses – Gator focuses on high quality businesses. We look for a strong competitive position in its market, attractive economics, such as high margins and high returns on equity, a strong balance sheet and a management team that thinks and performs like owners. High quality businesses are attractive because their intrinsic value tends to grow with low volatility through time, and they're not dependent on the capital markets to fund their businesses.

Buy businesses we understand – Gator focuses on businesses we understand. Warren Buffett calls this his "circle of competence." Our portfolio tends to favor companies in consumer, energy, financial and service industries — areas we understand thoroughly. Because we don't possess scientific expertise, we shy away from companies that make a heavy investment in research and development. As we gain experience or bring Analysts on board in these areas, this may change. Currently, we limit ourselves to reduce risk.

Focus on growing businesses – Gator focuses on growing businesses for several reasons: Growing businesses have more strategic options; the market places a high discount rate on expected growth beyond the next calendar year, and the after-tax return potential of a growth stock is higher because you can hold a growth stock for multiple years, resulting in a low turnover strategy and lower taxes. However, the risk with growing businesses is other investors love growth as well and can drive valuations too high.

Buy with a margin of safety – The intrinsic value of the business is the sum of all its future cash flows. Ultimately, stock prices converge to the intrinsic value of the business. Gator considers most stocks are either fairly priced or slightly overvalued compared to their intrinsic value. Recognizing our assessment of intrinsic value could be incorrect or may decline, we buy stocks with a "margin of safety" or at a "discount to intrinsic value" to protect ourselves.

Opportunity in small cap stocks – We find our best ideas in small cap stocks because they suffer from a lack of research coverage by Wall Street, and a lack of liquidity, keeping some large investors away. We believe we can continue to find many high quality businesses at attractive valuations in the small cap area.

Opportunity in corporate events – Gator sees regular opportunities in stocks related to corporate events such as spin-offs, initial public offerings, bankruptcy exits, rights offerings and buyback programs. We believe these opportunities exist because institutional factors cause large investors to either be forced sellers of or ignore these opportunities.

Concentrate holdings into best ideas – Gator runs concentrated portfolios to focus our clients' capital on our best ideas. A portfolio approaching a 100-plus holdings loses the benefit of active management.

Maintain a strong sell discipline – Often, the market adjusts to changes in a company's business before we do. When stocks experience negative moves, it is often better to exit the position and reassess our investment thesis.

Taxes matter – For most investors, taxes are more important than returns. Gator tries to let our gains compound over a period of years; we'd rather pay taxes on gains than let our excess gains evaporate due to poor performance.

Investment Process

Gator employs a disciplined and consistent investment process across all of its portfolios.

Narrow the universe of stocks for potential investment ideas – The universe of exchange-listed stocks is greater than 10,000 companies. Because this is too large for any investor, Gator narrows the list using several tools. We maintain an ongoing list of companies with good business models. The current list has about 300 companies, but companies are added and dropped from the list regularly. We also automatically run keyword searches on the major newswires to highlight corporate events that may unlock value. Additionally, we run computer screens to look for the companies repurchasing their stock or increasing their return on invested capital.

Preliminary reading to generate investment ideas – To determine which companies merit more thorough analysis by our investment team, we read through the earnings releases and the conference call transcripts of the companies we've found in the initial screening.

Thorough fundamental research – Upon deciding to do further research, we use several sources to gain a complete picture of the company and its business. We review the annual reports and focus on the CEO's letter to shareholders to get a sense of the company's overall direction and focus. We read the securities filings, and build a financial model to understand the underlying economics of the business. We also perform an industry

review to determine market growth rates and competitive threats. During this process, we build a list of questions to ask management, and meet with management. Finally, we try to get the “scuttlebutt” on the company by talking to our industry contacts and former employees of the company.

Write investment thesis – A very important part of the investment process is to write a 2-5 page investment thesis for the company. This helps to focus our thinking about the company; it may highlight weak areas in our analysis and deter us from purchasing the stock, or may serve as a later reminder of the reasons that led us to purchase the stock. Many potential investments are discarded at this stage because if we can't write the investment thesis clearly, it usually means the thesis isn't very good.

Compare potential investment with existing holdings – Next, we compare the potential investment against our existing holdings to determine if we have a greater level of comfort and /or a greater potential return in the new investment.

Implement investment idea – When we decide to act on an investment idea, we change our model portfolios and begin to purchase the shares across client accounts.

Continual review of holdings – We constantly review our portfolio holdings to determine if the business franchises are getting stronger or weaker. We also monitor growth rates and expectations to ensure our holdings are performing as expected.

Sell discipline – Although we intend to have a long investment period with each of our investments, we don't hesitate to sell an investment when we realize our capital is in danger. If a stock is breaking down and the explanation isn't obvious, the market usually knows something we don't. In this case, we try to reduce our position and reassess once we gather more information. We will also sell investments when we disagree with management decisions. Another reason to sell is the emergence of new competitive threats. However, our favorite reason to sell an investment is that we find a new investment that has a better risk/reward balance.

Investment Strategies

GCM offers several investment strategies. Each strategy uses the firm's underlying investment philosophy and investment process. The difference between the strategies is either a focus on companies of a certain size or industry focus.

Portfolio Strategies

Gator Long/Short Financial Services – a portfolio of both long and short positions in financial services related stocks

Gator Small Cap – a portfolio of 30 small capitalization (valued at less than \$3 billion) stocks

Gator Strategic Income – a portfolio of high yielding common and preferred stocks

Gator Blue Chip – a portfolio of 30 large capitalization (valued at greater than \$3 billion) stocks

Gator Multi-Cap – a portfolio of 30 stocks without regard to company size

Risk of Loss

Investing in securities and derivatives involves risk of loss that investors in the funds should be prepared to bear.

The following is a brief summary of certain of the more significant risks associated with GCM's investment strategies.

Investment and Trading Risk. An investment in an account managed by GCM involves a high degree of risk, including the risk that the entire amount invested may be lost. GCM invests in and actively trades securities and other instruments utilizing strategies and investment techniques with significant risk characteristics, including risks arising from the volatility of the debt and equity markets (including distressed and high yield securities) and the risks associated with the use of derivatives, short sales, leverage and other instruments. GCM has broad discretion in making investments for the funds. Investments generally consist of US equity securities and other assets that may be affected by business, financial, market or legal uncertainties. There can be no assurance that GCM will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. No guarantee or representation is made that a fund's investment objectives will be achieved.

Financial Industry Concentration. In the Gator Long Short Financials Portfolio, GCM will focus and hold its largest concentration of investments within the financial services industry. Accordingly, the funds will be disproportionately affected by events affecting the financial services industry. Events affecting the financial services industry may include changes in economic conditions and interest rates. In addition, companies in the financial services industry may fall out of favor with investors, causing the funds to lose money or underperform the stock market or funds concentrated in other industries. Such concentration of investments may also increase the volatility of the value of the funds' portfolio investments.

Highly Volatile Markets. The prices of the financial instruments in which

GCM may invest can be highly volatile. Price movements of equity, debt and other securities and instruments in which a fund's assets are invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of government and national and international political and economic events and policies. Moreover, war, political or economic crisis, or other events may occur which can be highly disruptive to the markets, regardless of the strategies being employed. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, financial instruments and derivative instruments. Such intervention often is intended to directly influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction, because of, among other things, interest rate fluctuations. Each client is also subject to the risk of failure of any of the exchanges on which its positions trade or the failure of applicable clearinghouses. Sustained cyclical market declines and periods of unusual market volatility make it more difficult to produce positive trading results, and there can be no assurance that the funds' strategies will be successful in such markets.

High Turnover and Transactions Costs. GCM actively manages each fund's portfolio. The turnover rate of a fund's investment portfolio may be significant, potentially involving substantial brokerage commissions and fees and other transactions costs. In particular, a few of the investments made by GCM, including those that are not readily marketable, may involve higher bid-asked spreads than investments that are exchange-traded.

Valuation Risk. Valuation of each fund's investments (which will indirectly determine the amount of the Management Fee and the Performance Reallocation, as applicable) may involve uncertainties and judgmental determinations, and if such valuations should prove to be incorrect, the net asset value of each fund's shares could be adversely affected. In particular, independent pricing information may not at times be available with respect to certain of the funds' investments. Further, given the illiquid nature of some Investments, the net asset value of such investments cannot be determined with the same degree of certainty as the funds' other investments. Accordingly, while each fund will use its reasonable best efforts to value all of its investments fairly, certain investments may be difficult to value and may be subject to varying interpretations of value. Each Fund has delegated certain responsibilities for determining the net asset value of the fund to its primebroker and its administrator.

Reliance on Management and Financial Reporting. Many of the strategies implemented by GCM rely on the financial information made available by the issuers in those securities which each fund invests. GCM may not be able to independently verify the financial information disseminated by the issuers in which GCM invests and may be dependent upon the integrity of both the management of these issuers and the financial reporting process in general.

Market Disruptions; Systemic Risk. Each client may incur major losses in the event of disrupted and/or illiquid markets and other extraordinary events in which historical pricing relationships become materially distorted, including through government intervention. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. Market disruptions caused by unexpected political, military and terrorist events or government intervention in the markets may from time to time cause dramatic losses for the funds, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. Risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, such that a default by one institution causes a series of defaults by other institutions. This is sometimes referred to as systemic risk. Systemic risk may adversely affect financial intermediaries, such as clearing agencies, clearinghouses, banks, securities firms and exchanges, with which the funds interact on a daily basis.

Leverage and Financing Risk. In the Gator Long Short Financials Portfolio, GCM may leverage its capital if GCM believes that the use of leverage may enable the Portfolio to achieve a higher rate of return. Accordingly, each fund may pledge its securities or instruments in order to borrow additional funds for investment and other purposes. Each client may borrow funds and enter into agreements in connection therewith and may also leverage its investment return with options, short sales, swaps, forwards, credit derivatives and other derivative instruments. The amount of borrowings which each client may have outstanding at any time may be substantial in relation to its capital. While leverage presents opportunities for increasing a client's total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by a client would be magnified to the extent the fund is leveraged. The cumulative effect of the use of leverage by a client in a market that moves adversely to a fund's investments could result in a substantial loss to a client which would be greater than if a client were not leveraged. The use of leverage may create interest expenses for a client, which can exceed the investment return from the borrowed funds. To the extent the investment return derived from securities or instruments purchased with borrowed funds exceeds the interest a client will have to pay, a client's investment return will be greater than if leverage were not used. Conversely, if the investment return from the assets acquired with borrowed funds is not sufficient to cover the cost of leveraging, the investment return of a client will be less than if leverage were not used.

Concentration. GCM may at certain times hold a few, relatively large (in relation to its capital) positions in securities or other instruments, with the result that a loss in any position could have a material adverse impact on the fund's capital. To the extent a client's investments are concentrated in a single issuer, industry, geographic region or any other applicable

exposure, a fund will be susceptible to a greater degree of risk affecting investments in that issuer, industry, geographic region or any other applicable exposure than would otherwise be the case. Such concentration of investments may increase the volatility of the value of a client's portfolio investments.

Risk of Investing in Illiquid Investments. Certain of the investments made by GCM may be or become illiquid and involve a high degree of business and financial risk that could result in substantial losses. Because of the absence of active or regulated trading markets for these illiquid investments, and because of the difficulties in determining market values accurately, it may take GCM's longer to liquidate these positions (if they can be liquidated) than would be the case for more liquid investments. The prices realized on the resale of illiquid investments could be less than those originally paid by a client. Further, companies whose securities are not publicly listed may not be subject to public disclosure and other investor protection requirements applicable to issuers of publicly traded securities.

Risk of Short Selling. A significant aspect of the Long/Short Financials Portfolio investment objectives and strategy involves seeking to profit from securities believed to be overvalued by entering into short sale positions, both directly and indirectly through the use of credit default swaps, options and other derivative instruments. When GCM effects a short sale for a client, it may be obligated to leave the proceeds of the short sale with the broker and also deposit with the broker an amount of cash or other securities (subject to requirements of applicable law) that is sufficient under any applicable margin or similar regulations to collateralize its obligation to replace the borrowed securities that have been sold. Short selling involves selling securities which are not owned by the short seller and delivering borrowed securities to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from a decline in market price to the extent such decline exceeds the transaction costs, the costs of borrowing the securities and any interest or dividends on the securities that must be paid to the lender of such securities. The extent to which a client engages in short sales will depend upon GCM's investment strategy and opportunities. In certain cases, a short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to a client of buying those securities to cover the short position. There can be no assurance that a fund will be able to maintain the ability to borrow securities sold short. In such cases, a client can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Additionally, certain market participants could accumulate such securities in a "short squeeze," which would reduce the available supply, and thus increase the cost, of such securities. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the

loss.

Risk of Investing in Small Capitalization Companies. GCM may invest a portion of client assets in small and/or unseasoned companies. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger companies. In addition, the securities of companies with small capitalization may be traded only on over-the-counter markets or on regional securities exchanges. As a result, the securities of smaller companies may be subject to wider price fluctuations. When liquidating large positions in small companies, GCM may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small transactions over an extended period of time. GCM is well aware of the information flow surrounding such investments, and, as such, using a measure such as daily average volume may not be entirely appropriate. In addition, many of these securities exhibit “asymmetrical illiquidity” in that large positions are easy to sell but hard to find.

THE FOREGOING LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN GCM'S METHODS OF ANALYSIS AND INVESTMENT STRATEGIES USED IN FORMULATING INVESTMENT ADVICE OR MANAGING ASSETS.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

GCM answered “yes” in its ADV Part 1 filing for Item 11 D.2. The circumstances surrounding this answer are as follows; GCM was fined \$3,000 by the Florida Office of Financial Regulation for the untimely filing of its annual financial reports for the years 2009, 2010 and 2011. The fine was paid through a STIP and Consent Agreement. GCM did not admit to or deny the findings of the State. This action did not involve any clients of GCM. This action did not involve any assets invested on behalf of any clients of GCM. All financial reports were filed and found acceptable by the state of Florida. GCM maintained its required net capital at all times as required by the state of Florida.

Other Financial Industry Activities and Affiliations

Neither GCM nor its principal have other financial industry activities or affiliations.

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

Code of Ethics

The employees of GCM have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

GCM and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the *GCM Compliance Manual*.

Personal Trading

The Chief Compliance Officer of GCM is Derek Pilecki. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

GCM does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. GCM recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

GCM recommends discount brokerage firms and trust companies (qualified custodians), such as Scottrade and Interactive Brokers, based on low commission cost and customer service.

GCM *DOES NOT* receive fees or commissions from any of these arrangements.

Best Execution

We trade our client accounts where the client assets are held. Trading fees charged by the custodians are also reviewed on an annual basis. GCM does not receive any portion of the trading fees.

Soft Dollars

Research and execution products and services furnished by broker-

dealers may be used in servicing any or all of the clients of GCM and may be used in connection with accounts other than those which pay commissions to the broker-dealer providing the products and services. GCM intends that any research or execution products or services it obtains with "soft dollars" generally will be eligible types of research and/or brokerage products or services for purposes of the Section 28(e) safe harbor. These research and execution products and services include, but are not limited to, fundamental research reports, current market data and news, technical and portfolio analyses, economic forecasting and currency and interest rate projections, historical information on securities and companies, tuition or attendance fees for research seminars, assistance in arranging company visits, news services, economic, political or other data directly related to industry, research or a specific security.

GCM may also defray the costs of certain computer and communication systems that facilitate research or trade execution such as on-line quotation systems and direct data feeds from stock exchanges, computer and telephone equipment and related usage costs, and on-line trading systems and other software used for research purposes with brokerage commissions generated by client transactions. Certain products or services can be used by GCM for both research/execution and non-research purposes. If these products or services are obtained with soft dollars, GCM will make a reasonable allocation of the portion of the costs which may be paid for with soft dollars and pay the remaining portion using GCM's own hard dollars. GCM and its affiliates may derive substantial direct or indirect benefits from the use of soft dollars as they may not otherwise have to produce, develop or acquire such research, products or services. Accordingly, the relationships with brokerage firms that provide soft dollar services may influence the judgment of GCM in allocating brokerage business of its clients and create a conflict of interest in using the services of those brokers or dealers to execute the Funds' brokerage transactions. Management fees paid by clients will not be reduced as a result of the use of soft dollars.

Order Aggregation

We aggregate client trades at each respective custodian. Each client receives an average price for all trades placed at that custodian. For example, all client accounts at Scottrade are aggregated and traded together. To treat all clients fairly, we reorder the order of custodians for each security that is traded by using a rotation process. We pre-allocate all orders prior to execution.

Review of Accounts

Periodic Reviews

Account reviews are performed annually by Derek Pilecki, Managing Member. Account reviews are performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. *Advisory Service Agreement* clients, *Investment Management* clients, and *Retainer Agreement* clients receive written quarterly updates. The written updates may include a net worth statement, portfolio statement, tax return (if the client requests tax preparation services), and a summary of objectives and progress towards meeting those objectives.

Client Referrals and Other Compensation

Incoming Referrals

GCM has arrangements.

Referrals Out

GCM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

None

Custody

Account Statements

For clients with separately managed accounts, all assets are held at qualified custodians. The custodians provide account statements directly to clients at their address of record at least quarterly.

For investors in the pooled investment vehicle (Gator Financial Partners, LLC or the "Fund") managed by GCM, the investors receive the Fund's annual audited financial statements which are prepared by an independent CPA firm. The investors of the Fund also receive a monthly statement of the capital account value prepared by the Fund's third-party Fund Administrator.

Investment Discretion

Discretionary Authority for Trading

GCM accepts discretionary authority to manage securities accounts on behalf of clients. GCM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used and the commission rates paid to the custodian. GCM does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

Voting Client Securities

Proxy Votes

It is the policy of GCM to vote all proxies with respect to proposals submitted for approval by shareholders of companies whose shares are held in the Fund advised by GCM. For Clients' assets held in separately managed accounts, Clients have the option to vote their own proxies or to delegate authority to GCM to vote the Clients' proxies.

When assistance on voting proxies is requested, GCM will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

GCM does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because GCM does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$500 per client and six months or more in advance.

Business Continuity Plan

General

GCM has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

GCM has key man risk with Derek Pilecki. In the event of Mr. Pilecki's death, Mr. Pilecki's wife will become the 100% owner of GCM and is under instructions to hire a third-party firm to inform GCM clients with separately managed accounts that GCM is no longer their investment advisor and to manage the wind-down and final audit of GCM's pooled investment vehicle.

Information Security Program

Information Security

GCM maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

GCM is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these

nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Derek Pilecki, CFA

CRD Number: 2254221

Date of Birth: April 24, 1970

Educational Background:

- ☐ B.A. Duke University, 1992
- ☐ M.B.A. University of Chicago, 2000

Business Experience:

- ☐ Gator Capital Management, Portfolio Manager 2008-present
- ☐ Goldman Sachs, Portfolio Manager 2002-2008
- ☐ Clover Capital Management, Analyst 2001-2002
- ☐ Burrige Growth Partners, Analyst 1999-2001

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Derek Pilecki is the Managing Member of GCM.

SUPERVISOR'S contact information:

(813) 282-7870

derek.pilecki@gatorcapital.com

Education and Business Standards

GCM requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Professional Certifications

Derek Pilecki is a Chartered Financial Analyst.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- ☐ Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.

- ☐ Successful completion of all three exam levels of the CFA Program.
- ☐ Have 48 months of acceptable professional work experience in the investment decision-making process.
- ☐ Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- ☐ Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

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

A. Derek Pilecki has NOT been involved in any of the events listed below.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.

B. Derek Pilecki has NOT been the subject of a bankruptcy petition at any time.

Erik Anderson, CFA

CRD Number: 4737526

Date of Birth: September 29, 1976

Educational Background:

- ☐ B.A. Florida State University, 1998

Business Experience:

- ☐ Gator Capital Management, Chief Financial Officer 2012-present
- ☐ Praesidis Advisors, Chief Financial Officer 2007-present
- ☐ Jove Capital Partners, Chief Financial Officer 2005-2007
- ☐ Imperium Capital Management, Chief Financial Officer 2003-2005
- ☐ SunTrust Bank, Commercial Loan Officer 1999-2003

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Derek Pilecki, Managing Member.

SUPERVISOR'S contact information:

(813) 282-7870

derek.pilecki@gatorcapital.com

Education and Business Standards

GCM requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Professional Certifications

Erik Anderson is a Chartered Financial Analyst.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- ☐ Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- ☐ Successful completion of all three exam levels of the CFA Program.
- ☐ Have 48 months of acceptable professional work experience in the investment decision-making process.
- ☐ Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- ☐ Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

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

A. Erik Anderson has NOT been involved in any of the events listed below.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - f) an investment or an investment-related business or activity;
 - g) fraud, false statement(s), or omissions;
 - h) theft, embezzlement, or other wrongful taking of property;
 - i) bribery, forgery, counterfeiting, or extortion; or
 - j) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - f) an investment or an investment-related business or activity;
 - g) fraud, false statement(s), or omissions;
 - h) theft, embezzlement, or other wrongful taking of property;
 - i) bribery, forgery, counterfeiting, or extortion; or
 - j) dishonest, unfair, or unethical practices.

B. Erik Anderson has NOT been the subject of a bankruptcy petition at any time.