

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Diorite Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at 703-201-7394 or bryan@dioritecapital.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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Diorite Capital Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 167950.

Item 2 Material Changes

Diorite Capital Management is withdrawing from SEC registration and is registering with New York State. In addition, its primary business now includes managing portfolios of securities in first loss capital accounts.

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Item 4 Advisory Business

Diorite Capital Management LLC is a New York State registered investment adviser with its principal place of business located in New York. Diorite Capital Management LLC began conducting business in 2013, and as of 11/01/2014 manages 7 million USD in assets.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Bryan Keith Godfrey-Lanoue, Managing Member & CCO

Diorite Capital Management LLC offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES ("ISS") MODEL PORTFOLIO MANAGEMENT

Our firm provides portfolio management services to individuals, private funds, and other investment advisors using separately managed accounts and a first loss capital account held at Boothbay Fund Management, LLC. Our firm provides portfolio management services using a model asset allocation portfolio. The model portfolio is designed using proprietary, quantitative methodology based on public news and data.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Our client, nevertheless, has the opportunity to place reasonable restrictions on the types of investments to be held in their account. Our client retains individual ownership of all securities.

Our investment recommendations are limited to buying and selling the following types of investments:

- Exchange-listed securities

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's investment guidelines, we will maintain daily contact with our client in terms of portfolio construction, transactions and performance.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS") MODEL PORTFOLIO MANAGEMENT FEES

Investors participating in Boothbay Fund Management's first loss capital account receive 9 times their investment in matching exposure from Boothbay. In exchange, the investor pays Boothbay 45% of performance, of which 10-15% is paid to Diorite Capital Management. The exact amount is negotiated on a case by case basis. Factors that influence the exact amount include amount of investment and length lock up period (if any).

Investors participating in a separately managed account pay between 10-20% in performance fees. Fees are negotiable on a case-by-case basis. The primary factors involved in fee levels include size of the account, anticipated costs related to investor's prime broker preferences, and length of lock up period. In general for less than 1M USD, 20% of performance is standard. As the size of the account grows these fees can fall to as low as 10%, in general above 50M USD. If the account holder selects a prime broker that requires a significant infrastructure investment on the part of Diorite Capital to send orders electronically, instead of one that does not, performance fees may be less likely to be negotiated down. In general for a 1-2 year lock up agreement, performance fees can be lowered, generally by 5%. The final performance fee is negotiated primarily upon these three factors.

Our fees are billed in arrears at the end of each calendar month based upon the value (market value or fair market value in the absence of market value), of the first loss capital account at the end of the previous month. Only when a positive return (including catch-up allocations from previous months) is present will performance fees be taken. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 60 days written notice. Upon termination of any account, any unpaid, earned fees will be promptly invoiced to client on a prorated basis through the day of termination.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

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

Diorite Capital Management LLC charges performance based fees as outlined in Item 5. It may be the case that the same portfolio manager handles accounts that have differing performance and asset-based fees. We address potential conflicts of interest arising from these situations by using a computer based asset selection approach that does not discriminate between fee structures.

Item 7 Types of Clients

Diorite Capital Management LLC provides advisory services to the following types of clients:

- Investment Advisor Firms
- Individuals
- Private Funds

The minimum amount to open or maintain accounts is 250,000 USD assuming a major investment bank is selected as prime broker with a standard separately managed account agreement for a qualified/accredited investor.

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

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.

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 strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Trading. We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, we are left with few options:

- having a long-term investment in a security that was designed to be a short-term purchase, or
- the potential of having to taking a loss.

In addition, because this strategy involves more frequent trading than does a longer-term strategy, there will be a resultant increase in brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Short sales. We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

Short selling results in some unique risks:

1. *Losses can be infinite.* A short sale loses when the stock price rises, and a stock is not limited (at least, theoretically) in how high it can go. For example, if you short 100 shares at \$50 each, hoping to make a profit but the shares increase to \$75 per share, you'd lose \$2,500. On the other hand, the price of a stock cannot fall below \$0, which limits your potential upside.

2. *Short squeezes can wring out profits.* As stock prices increase, short seller losses also increase as sellers rush to buy the stock to cover their positions. This increase in demand, in turn, further drives the prices up.

3. *Timing.* Even if we are correct in determining that the price of a stock will decline, we run the risk of incorrectly determining when the decline will take place, i.e., being right too soon. Although a company is overvalued, it could conceivably take some time for the price to come down; during which you are vulnerable to interest, margin calls, etc.

4. *Inflation.* History has shown that over the long term, most stocks appreciate. Even if a company barely improves over time, inflation should drive its share price up somewhat. In fact, short selling may not be appropriate in times of inflation for that very reason, as prices may adjust upwards regardless of the value of the stock.

Margin transactions. We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a “margin call”, and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

Risk of Loss.

Investing in securities involves risk of loss that clients should be prepared to bear. We ask that you work with us to help us understand your tolerance for risk.

For clients invested in a first-loss account with Boothbay, the investor’s entire capital investment is at risk for the first 10% in losses in the account. For example, if the investor opens a 250,000 USD account, the total account exposure will be 2.5M USD. If a 10% loss occurs in the account (250,000 USD), the investor’s entire investment will be lost.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Diorite Capital Management and its management persons participate in no outside activities or affiliations.

Diorite Capital Management and its management persons are not and have no intention of registering as a futures commission merchant, commodity pool operator, commodity trading advisor, nor an associated person of these foregoing entities.

Diorite Capital Management and its management persons have **no** relationship or arrangement material to the advisory business and our clients with any of the below:

1. broker-dealer, municipal securities dealer, or government securities dealer or broker

2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund”, and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

Clients should be aware that the receipt of additional compensation by Diorite Capital Management LLC and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Diorite Capital Management LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Diorite Capital Management and its management persons have no affiliations or activities external to its primary business.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Diorite Capital Management LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and 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 quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Diorite Capital Management LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to bryan@dioritecapital.com, or by calling us at 703-201-7394.

Diorite Capital Management LLC and individuals associated with our firm are prohibited from engaging in principal transactions.

Diorite Capital Management LLC and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

Item 12 Brokerage Practices

Diorite Capital Management LLC requires that clients provide us with written authority to determine the broker-dealer to use and the commission costs that will be charged to our clients for these transactions. Broker-dealers are selected to achieve a balance of cost and performance. Diorite Capital Management does not require any specific broker-

dealer, but may not be able to accommodate all broker-dealers that do not have the connectivity and trading algorithms that are required. A client may direct brokerage, but it may cost more to accommodate.

These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

As a matter of policy and practice, Diorite Capital Management LLC does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES("ISS") MODEL PORTFOLIO MANAGEMENT SERVICE

REVIEWS: While the underlying securities within Model Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:

- Bryan Godfrey-Lanoue, Managing Member

REPORTS: Diorite Capital Management does not supply reports in addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer.

Item 14 Client Referrals and Other Compensation

It is Diorite Capital Management LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Diorite Capital Management LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Clients will receive statements directly from the custodian and should review those statements carefully (not primarily for fee issues).

Our firm does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients will receive proxies directly from either the custodian of assets or broker-dealer. Clients are responsible for instructing each custodian or broker dealer to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients including any questions the client may have.

Item 18 Financial Information

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Diorite Capital Management LLC has no such financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Diorite Capital Management LLC has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 Requirements for State-Registered Advisers

Diorite Capital Management LLC has one principal member, Bryan Godfrey-Lanoue, who holds a BA in Mathematics and MS in Computer Science. He was an analyst at Lehman Brothers and a proprietary trader at Barclays before launching Diorite Capital Management, LLC.

Diorite Capital Management LLC is not engaged in any other business other than giving investment advice.

When working with first-loss capital accounts, Diorite Capital Management's fees are performance based. These fees will be calculated as a percentage of any profit in the prior calendar month. Profits are calculated in excess of the initial value of the first-loss capital account. In months where a loss occurs, the full amount of subsequent profits will be applied to the first loss capital account until it returns to its initial level. Any profits beyond that are charged a percentage (generally 50-55%) performance fee.

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.

Diorite Capital Management LLC and its members have never been: involved in an arbitration claims, found liable in a civil, self-regulatory organization, or administrative proceeding of any kind.

Diorite Capital Management LLC and its members have no relationship or arrangement with any issuer of securities.