

**ITEM 1
COVER PAGE**

PART 2A OF FORM ADV: FIRM BROCHURE

Endicott Management Company

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This brochure (this "Brochure") provides information about the qualifications and business practices of Endicott Management Company ("EMC"). If you have any questions about the contents of this Brochure, please contact Brad Maneely at (212) 450-8070 or Brad@TheEndicottGroup.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about EMC also is available on the SEC's website at www.adviserinfo.sec.gov.

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

ITEM 2 MATERIAL CHANGES

There are no material changes to report. If EMC makes any material changes to this Brochure, this section will be revised to include a summary of such changes.

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ITEM 4

ADVISORY BUSINESS

A. General Description of Advisory Firm

Endicott Management Company ("EMC"), a Delaware S-Corporation, was formed on March 15, 1996. EMC provides discretionary investment advice and/or management services according to the stated investment objectives, restrictions and policies of its clients. The principal owners of EMC are Wayne K. Goldstein and Robert I. Usdan (the "Co-Presidents"), each of whom owns at least 25% of the equity interests in EMC.

EMC is not a publicly held company.

None of the equity interests in EMC are owned through subsidiaries.

B. Description of Advisory Services

EMC provides investment management services as the advisor to private investment funds (collectively, "Clients"). As of the date hereof, the Clients consist of Endicott Opportunity Partners, L.P. ("EOP"), Endicott Opportunity Partners II, L.P. ("EOP II"), Endicott Opportunity Partners III, L.P. ("EOP III"), Endicott Opportunity Partners IV, L.P. ("EOP IV"), EOP IV-A, L.P. ("EOP IV-A"), Sharpe Point Master, Ltd. ("SP Master"), Sharpe Point, Ltd. ("SP Offshore") and Sharpe Point Partners, LP ("SP Onshore"). EOP, EOP II, EOP III, EOP IV and EOP IV-A follow a private equity investment strategy, (collectively, "PE Funds"). SP Master, SP Offshore and SP Onshore follow a long/short equity investment strategy, (collectively, "Hedge Funds").

The general partner of EOP is W.R.D. Endicott, L.L.C. The general partner of EOP II is W.R. Endicott IIP, L.L.C. The general partner of EOP III is W.R. Endicott III, L.L.C. The general partner of EOP IV and EOP IV-A is W.R. Endicott IV, L.L.C. The general partner of SP Onshore is Sharpe Point Partners GP, LLC. The foregoing general partners are collectively referred to as the "General Partners".

The PE Funds generally make investments in privately issued equity and equity-related investments and, to a lesser extent, publicly traded securities. EOP, EOP II and EOP III have completed making new investments. EOP IV and EOP IV-A are currently permitted to make new investments and follow-on investments in existing portfolio companies.

The Hedge Funds will operate in a Master/Feeder investment strategy where SP Offshore and SP Onshore will invest substantially all of their respective assets into SP Master which will generally make investments in publicly traded securities.

The descriptions set forth in this Brochure of specific advisory services that EMC offers to the Clients, and investment strategies pursued and investments made by EMC on behalf of its Clients, should not be understood to limit in any way EMC's investment activities. EMC may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that EMC considers appropriate, subject to each Client's investment objectives and guidelines. The investment strategies EMC pursues are speculative and entail substantial risks. Investors should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

C. Availability of Customized Services for Individual Clients

EMC's investment decisions and advice with respect to each Client are subject to such Client's investment objectives and guidelines, as set forth in its offering documents and governing documents. Those documents specify the investments permitted to be made by the Clients and limit the types of securities that the Clients may acquire.

D. Assets Under Management

The Clients' assets under management by EMC are \$686,821,279, which includes the total unfunded committed capital by investors to the Clients and the value of other assets.

EMC provides investment advisory services to the Clients, and exercises investment discretion over the Clients' assets.

ITEM 5 FEES AND COMPENSATION

The fees applicable to each Client are set forth in detail in such Client's offering document or investment management agreement. A brief summary of such fees is provided below.

A. Advisory Fees and Compensation

EMC generally receives management fees (each, a "Management Fee" and collectively the "Management Fees") from the Clients. The Management Fees are calculated differently for each of the Clients.

EOP III currently pays a Management Fee in respect of each limited partner equal to 2.0% per annum of the Net Invested Capital attributable to such limited partner. If a limited partner has a capital commitment to EOP III which exceeds \$116,666,666.67 and shall have funded more than the \$116,666,666.67 of such capital commitment, then the Management Fee payable in respect of such limited partner shall be pro-rated between 2.0% per annum and 0.5% per annum based on the ratio of \$116,666,666.67 to the amount of such limited partner's funded capital commitment in excess of \$116,666,666.67.

EOP IV currently pays a Management Fee in respect of each limited partner's capital commitment equal to (a) 1.0% per annum for each limited partner whose capital commitment is at least \$140 million, including EOP IV-A and (b) 2.0% per annum for all limited partners who have a capital commitment less than \$140 million.

SP Master generally will pay a Management Fee each month based upon the Net Asset Value ("NAV") of its shares in the following manner (a) $1/12^{\text{th}}$ of 1.75% (1.75% annualized) in respect of Class A Interests; and (b) $1/12^{\text{th}}$ of 1.50% (1.50% annualized) in respect of Class F1 and Class F2 Interests, in each case, as of the beginning of such month; provided, that if at any time (and only at such times) the NAV of SP Master is greater than \$500 million as of the beginning of a month, the Management Fee rate shall be the same rates as above with respect to Class A Interests and the Class F2 Interests and $1/12^{\text{th}}$ of 1.00% (1.00% annualized) in respect of the NAV of Class F1 Interests as of the beginning of such month.

In addition, each General Partner is generally entitled to receive performance based compensation ("Carried Interest") with respect to the PE Funds, and ("Incentive Allocation") with respect to the Hedge Funds.

The Carried Interest for EOP and EOP II is calculated after investors receive a return of their total capital contributions to the respective fund and an 8% preferred return, compounded annually, subject to catch-up payments to the General Partners after such preferred return payments are made to the limited partners. The Carried Interest will be paid at a rate of 20%

unless the limited partner has earned an internal rate of return of greater than 30% on their respective capital contributions to the Clients at which time the Carried Interest will be paid to the General Partners at a rate of 30%.

The Carried Interest for EOP III is calculated after investors receive a return of their total capital contributions to the fund and LIBOR based preferred return. The Carried Interest to EOP III's General Partner will be equal to 20% unless the limited partner has contributed more than \$116,666,666.67 at which point the Carried Interest is calculated through an apportionment calculation between 20% and 10%.

The Carried Interest for EOP IV and EOP IV-A are calculated after investors receive a return of their total capital contributions to the respective fund and a preferred return which in certain cases will be based in part on LIBOR. The Carried Interest to EOP IV and EOP IV-A's General Partner will be equal to 20%.

An Incentive Allocation for SP Onshore and SP Offshore will generally be reallocated from the NAV of the SP Master to the Class M shares which are held by Sharpe Point Partners GP, LLC in an amount equal to (a) 20% of the net realized and unrealized appreciation in the NAV of each share corresponding to Class A Interests and (b) 15% of the net realized and unrealized appreciation in the NAV of each share corresponding to Class F-1 and F-2 Interests, in each case, as of the end of each fiscal year; provided, however, that an Incentive Allocation is only made with respect to the net realized and unrealized appreciation in the NAV in excess of its prior high NAV.

B. Payment of Fees

The Clients pay the Management Fees directly to EMC; and the Clients allocate the Carried Interest and Incentive Allocation directly to its General Partner.

C. Additional Fees and Expenses

EMC and the General Partners do not receive any fees from the Clients, other than the Management Fees, Incentive Allocation and the Carried Interest described above, but EMC and the General Partners are reimbursed by the Clients for certain expenses. The Clients do not pay EMC or the General Partners brokerage or other transaction fees, but portfolio companies of the PE Funds may pay transaction and monitoring fees directly to EMC. In the case of portfolio companies owned by EOP III, EOP IV or EOP IV-A, receipt of such fees will reduce the Management Fees charged to the Clients by 100% of the portion of such transaction and monitoring fees attributable to such limited partners. Receipt of such fees from portfolio companies owned by EOP and EOP II do not offset the Management Fees paid by the Clients, but rather go to EMC.

The Clients will generally pay, or reimburse the General Partners or EMC for, all out-of-pocket costs and expenses relating to each Client's activities, including the Management Fee, legal, auditing, compliance, investment banking, consulting, research, appraising, interest, auditing and accounting expenses (including expenses associated with the preparation of the Clients financial statements, tax returns and Schedules K-1), other expenses associated with the sourcing, acquiring, holding and disposing of its investments or proposed investments (such as clearing, custodial, brokerage and finder fees and expenses, if any, and commissions, third party trading related software and investment-related travel expenses), all expenses in connection with transactions not consummated, fees and expenses of an administrator, fees and expenses of independent valuation agents, expenses incurred in the collection of monies owed to the Clients, any taxes, fees or other governmental charges levied against the Clients, all litigation-related and indemnification expenses, if any, insurance-related expenses, organizational and offering expenses, extraordinary expenses and other costs and expenses substantially comparable to any of the foregoing.

D. Prepayment of Fees

Management Fees are paid quarterly in advance to EMC. The Carried Interest and Incentive Allocation are paid, if at all, in accordance with each Client's offering document. EMC will return that portion of any pre-paid Management Fee that it is not entitled to receive, including the Management Fees paid for periods after any termination of EMC as the investment manager of the Clients. The amount so returned will be based on the period during which EMC ceases to provide services.

E. Additional Compensation and Conflicts of Interest

EMC and its supervised persons do not accept compensation from the Clients for the sale of securities or other investment products.

ITEM 6
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described above, the General Partners have the right to receive the Carried Interest distributions and Incentive Allocations equal to a percentage of the profits of the Clients as described in each Client's offering document. As a result, EMC and the General Partners do not face certain conflicts of interest that may arise when an investment adviser accepts performance-based fees from some clients, but not from other clients.

ITEM 7
TYPES OF CLIENTS

EMC provides investment advice to the Clients, which are private investment funds, as described above. EMC may in the future advise separately managed accounts for institutional and other investors.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The descriptions set forth in this Brochure of specific advisory services that EMC offers to the Clients, and investment strategies pursued and investments made by EMC on behalf of its Clients, should not be understood to limit in any way EMC's investment activities. EMC may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that EMC considers appropriate, subject to each Client's investment objectives and guidelines. The investment strategies EMC pursues are speculative and entail substantial risks. The Clients should be prepared to bear a substantial loss of capital. There can be no assurance that the investment objectives of any Client will be achieved.

PE Fund Strategy

EMC provides investment advice designed to assist the PE Fund Clients in seeking substantial capital appreciation. EMC seeks to achieve its objective by investing the PE Funds' assets primarily in non-marketable or highly illiquid equity, or equity-linked securities of institutions engaged in various financial services-related activities, primarily regulated banking institutions. EMC's investments could range from investing in developing companies to recapitalization, acquisition and expansion investments for more mature private businesses. With respect to the PE Funds, EMC may acquire substantial blocks of illiquid securities in the secondary market. The period during which EMC's investments are held may vary widely depending on, among other things, the terms, liquidity and nature of the investment. Generally, investments are based upon their potential for long-term capital appreciation. The earning of dividend or interest income is not a primary objective of EMC. EMC may from time to time utilize options and short sales with respect to the PE Funds.

Hedge Fund Strategy

EMC provides investment advice to the Hedge Fund Clients which focuses on investing (through SP Master) in deep value and special situation opportunities. The investment objective of the SP Master is to generate consistent, market-leading absolute investment returns while minimizing the risk of capital loss. EMC combines in-depth fundamental analysis with dynamic market-neutral portfolio management to seek to capture alpha in both long and short investments. SP Master seeks to acquire securities trading substantially below intrinsic value and to sell short securities trading substantially higher than intrinsic value. SP Master focuses primarily on liquidly traded U.S. public equities. EMC seeks to minimize SP Master's market exposure by selling short securities in an amount approximating long market investments and reducing unintended exposures through the implementation of style and industry factor hedging.

The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment in the Clients advised by EMC. These risk factors include only those risks EMC believes to be material, significant or unusual and relate to particular significant investment strategies or methods of analysis employed by EMC. An investment in a specific Client involves a significant degree of risk. There can be no assurance that the Clients' investment objectives will be achieved or that there will be any return of or on capital. In addition, potential investors should be aware that there might be occasions when EMC and its affiliates could encounter potential conflicts of interest in connection with the Clients. Prospective investors should carefully consider the following risk factors before investing in the Clients.

Dependence on Principals: The success of the Clients will be dependent on the expertise and performance of EMC and its principals. The loss of one or more of these individuals could have a material adverse effect on the performance the Clients.

Competition and Risks of Locating Suitable Investments: The success of the Clients will be dependent upon EMC's ability to identify and to consummate suitable investments. The business, in which the Clients will operate, however, is highly competitive and involves a high degree of risk. EMC will be competing with a number of other sources of capital having investment objectives similar to those of the Clients. Although EMC and its affiliates have been successful in locating investments in the past, EMC may be unable to find a sufficient number of attractive opportunities to meet its investment objectives for the Clients.

Leverage of Portfolio Companies: A Client's portfolio companies may make extensive use of leverage from a number of sources including banks, investment banks, public debt markets, mezzanine funds and bridge loan funds. The use of debt by portfolio companies would expose these companies to financial risk, including the inability to meet debt obligations as they mature and possible bankruptcy. Such risks will be heightened in an environment of increasing interest rates or an overall decline in economic conditions within the United States and the global economy.

Small to Mid-Size Portfolio Companies: The PE Funds and to a lesser extent the Hedge Funds may invest in small to mid-size and/or unseasoned companies. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management depth and experience, markets or financial resources, product diversification, and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies and an investment in such companies may be illiquid. It is more difficult to obtain information about less seasoned and smaller capitalization companies because they tend to be less well known and have shorter operating histories and because they tend not to have significant ownership by large investors or be followed by many securities analysts. Investments in larger and more established companies present certain advantages in that such companies generally have greater financial

resources, more extensive research and development, manufacturing, marketing and service capabilities, more stability and greater depth of management and technical personnel.

Minority Interests in Portfolio Companies: With respect to one or several investments held by a PE Fund, EMC may have limited rights to participate in and to influence the conduct of the management of its portfolio company. The portfolio companies may be controlled by other investors which may have interests conflicting with those of the PE Funds and limited partners. Consequently, EMC and the General Partners may not always be in a position to protect the PE Funds' interests effectively.

Public Company Holdings: The PE Funds' investment portfolios may contain securities issued by publicly held companies and such securities may constitute a substantial part of the PE Funds' portfolio. The Hedge Funds investment portfolio will be constructed to only hold publicly trade securities. Such investments may subject the Clients to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of EMC to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members and increased costs associated with each of the aforementioned risks.

Limited Diversification: The PE Funds' portfolios are concentrated in a single sector, so the risk of loss is greater than if the portfolio were invested in a more diversified manner among various sectors. In addition, although the diversification of a PE Fund's investments among a variety of securities is intended to reduce the exposure to adverse events associated with specific issuers, the number of investments by the PE Fund may be limited. A limited degree of diversification increases risk because the aggregate return of the PE Funds may be substantially adversely affected by the unfavorable performance of even a single investment, or an economic downturn in a particular region. In addition, the diversification of a PE Fund's investments could be even further limited to the extent the PE Fund invests a significant portion of its capital in a transaction and is unsuccessful in refinancing a portion of that investment.

Inability to Make Follow-On Investments: Following its initial investment in portfolio companies, a PE Fund may be called upon to provide additional funds to portfolio companies or may have the opportunity to increase its investment in successful operations. There can be no assurance that a PE Fund will be able to make follow-on investments or that a PE Fund will have sufficient resources to make such investments. Any decision by a PE Fund not to make follow-on investments or its inability to make them may have a substantial negative impact on portfolio companies in need of such an investment or may result in missed opportunities for a PE Fund to increase its participation in successful operations.

Inability to Exit Investments: It is unlikely that there will be a public market for many of the investments held by the PE Funds. A PE Fund generally will not be able to sell its investments publicly unless its sale is registered under applicable federal and state securities laws, or unless an exemption from such registration requirements is available. In some cases, a PE Fund may be prohibited by contract or for regulatory reasons from selling investments for a period of time. In addition, the types of investments held by a PE Fund may be such that they require a substantial length of time to liquidate. Thus, although a PE Fund intends to develop exit strategies for each investment, there can be no assurance that its exit strategies will be feasible, thereby making it difficult to liquidate the investments and return capital to investors. In particular, no assurances can be given that a PE Fund will be able to liquidate all of its investments prior to the scheduled expiration of its term. It is possible that participation in illiquid investments, rather than cash, may be distributed directly to the limited partners when a PE Fund is dissolved.

Regulatory Change: The financial institutions industry is subject to significant regulation which has materially affected the business of financial institutions in the past and is likely to do so in the future. Regulations now affecting financial institutions may be changed at any time, and the interpretation of these regulations by examining authorities of such financial institutions is also subject to change. There can be no assurance that these or any future changes in the laws or regulations or in their interpretation will not adversely affect the business of such financial institutions.

Illiquid Investments: The PE Funds primarily invest in securities which are subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such securities tend to be volatile and/or may not readily be ascertainable, and a PE Fund may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over the counter markets. A PE Fund may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Conflicts of Interest: Instances may arise where the interest of EMC or its principals may potentially or actually conflict with the interests of the Clients and the Client's investors. Conflicts of interest may arise as a result of a Client's investors having investments in both a specific Client and the Client's portfolio companies as well as other investments both public and private. In addition, certain inherent conflicts of interest may arise from the fact that certain members, partners, officers, shareholders, employees and affiliates of EMC or the General

Partners may, in the future, carry on other business activities in which a Client will have no interest, some of which may have similar investment objectives to those of the Client.

The General Partners may offer co-investment opportunities to one or more third parties, including a PE Fund's investors, with respect to investments made by the PE Fund. The General Partners, EMC and their affiliates may be compensated on different terms under such co-investment arrangements.

Regulatory Oversight – Financial Services Industry: Banking institutions in which the PE Funds invest are subject to extensive regulation, supervision and examination by one of the following primary Federal regulators: the Federal Deposit Insurance Corporation (the "FDIC"), the Board of Governors of the Federal Reserve System (the "Fed") or the Office of the Comptroller of the Currency (the "OCC"). State-chartered institutions will also be subject to extensive regulation, supervision and examination by their respective state banking regulator, in addition to that of the FDIC or Fed. Furthermore, the FDIC acts as the deposit insurer for all Federally-insured institutions and, as such, has certain authority over all such institutions, regardless of their primary Federal regulator. These regulatory authorities have extensive discretion in connection with their supervisory and enforcement activities. This extensive regulatory regime governs all aspects of a banking institution's activities and, thus, may have an adverse effect on its business, financial position or results of operation. For example, all Federally-insured institutions are subject to minimum capital requirements that may restrict an institution's ability to grow or pay dividends.

The results of operations of banking institutions also may be materially affected by general economic conditions, changes in the level of interest rates, national and local cycles in real estate, and the monetary and fiscal policies of the Federal government. Although in recent years certain banking institutions have derived an increased portion of their income from the receipt of fees, the results of operations generally continue to depend to a large extent on the level of their net interest income.

Dependence on Management of Portfolio Companies: Although EMC will monitor the performance of each investment, each Client will also be dependent on the primary responsibility of portfolio company management to operate the portfolio companies on a day-to-day basis. There can be no assurance that such management teams will be able to operate portfolio companies in accordance with a Client's plans.

Joint Investments: A PE Fund may enter into partnerships or joint ventures with other parties to make investments. Such investments may involve risks not present in direct company investments, including, for example, the possibility that a co-investor might become bankrupt, or may at any time have economic or business interests or goals that are inconsistent with those of the Client, or that such co-investor may be in a position to take action contrary to the Client's

objectives. In addition, the Client may be liable for actions of its co-investor. While EMC will review the qualifications and previous experience of any proposed co-investor or partners, it does not expect in all cases to obtain financial information from, or to undertake private investigations with respect to, prospective co-ventures or partners.

Contingent Liabilities on Disposition of Investments: In connection with the disposition of an investment in a portfolio company, a PE Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. A PE Fund may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate, incorrect or misleading. These arrangements may result in the incurrence of contingent liabilities for which a PE Fund may establish reserves and escrows. In that regard, distributions may be delayed or withheld until such reserve is no longer needed or the escrow period expires.

Provision of Managerial Assistance: A Client may obtain rights to participate substantially in and to influence substantially the conduct of the management of its portfolio companies. A Client may designate directors (and non-executive chairmen) to serve on the boards of directors of its portfolio companies. The designation of directors and other measures contemplated could expose the assets of a Client to claims by a portfolio company, its security holders and its creditors. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability which the limited liability characteristic of business operations usually ignores. If these liabilities were to occur, a Client could suffer in its investments. While it is expected that the Clients will be managed in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

General Economic Conditions: The success of the Clients may depend on general economic conditions over which the Clients and the companies in which it invests can exercise no control. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by a Client or considered for prospective investment.

Hedging Transactions: EMC is not required to attempt to hedge investments by the Clients, and for a variety of reasons, may determine not to do so. Furthermore, EMC may not anticipate a particular risk so as to hedge against it. A Client may utilize a variety of financial instruments (including options and derivatives), both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Client's investment portfolio resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the unrealized gains in the value of the Client's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Client's portfolio; (v) hedge the interest rate or currency exchange rate on

any of the Client's liabilities or assets; (vi) protect against any increase in the price of any securities the Client anticipates purchasing at a later date; or (vii) for any other reason that EMC deems appropriate.

The success of the hedging strategy of a Client is subject to EMC's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolios being hedged. For a variety of reasons, EMC may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a Client from achieving the intended hedge or expose a Client to risk of loss. Since the characteristics of many securities change as markets change or time passes, the success of a Client's hedging strategy is also subject to EMC's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While a Client may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Client than if it had not engaged in any such hedging transactions. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Client's portfolio holdings.

Short Sales: A Client may utilize short sales. A short sale involves the sale of a security that is not owned in the expectation of purchasing the same security (or a security exchangeable therefore) at a later date at a lower price. A short sale involves the risk of a theoretically unlimited increase in the market price of the security necessary to cover the short. Furthermore, if a Client has sold short the securities offered in an exchange offer or merger and has purchased the securities of the target company, the Client is exposed to the risk that, if the transaction is not consummated, it may suffer losses with respect to both its long and its short positions.

There can be no assurance that a Client will be able to maintain the ability to borrow securities sold short. In such cases, the 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. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. In addition, when a Client effects a short sale, it may be obligated to leave the proceeds thereof 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.

Derivatives: A Client may invest in derivative instruments, which may include options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices. Derivatives typically allow an investor to hedge or speculate on the price movements of

a particular security, financial benchmark, currency, index or commodity at a fraction of the cost of investing in the underlying asset. There is no assurance that derivatives that a Client wishes to acquire will be available at any particular time, on satisfactory terms or at all. The prices of many derivative instruments, including many options and swaps, are highly volatile. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset.

Derivatives may be purchased on established exchanges or through privately negotiated transactions referred to as OTC derivatives. Exchange-traded derivatives generally are guaranteed by the clearing agency that is the issuer or counterparty to such derivatives. This guarantee usually is supported by a daily payment system (i.e., variation margin requirements) operated by the clearing agency in order to reduce overall credit risk. As a result, unless the clearing agency defaults, there is relatively little counterparty credit risk associated with derivatives purchased on an exchange. By contrast, no clearing agency guarantees OTC derivatives.

In addition, derivative contracts may expose a Client to the credit risk of the parties with which the Client deals. Non-performance of such contracts by counterparties, for financial or other reasons, could expose the Client to losses, whether or not the transaction itself was profitable. Derivatives may also expose investors to liquidity risk, as there may not be a liquid market within which to close or dispose of outstanding derivatives contracts.

A Client may take advantage of opportunities in any other derivatives that are not presently contemplated for use by the Client or that are not currently available but that may be developed, to the extent such opportunities are both consistent with the Client's investment objective and legally permissible for the Client.

Options and Swaps: Price movements of options contracts and payments pursuant to swap agreements may be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, or national and international political and economic events and policies. The value of options and swap agreements also depends upon the price of the securities or currencies underlying them. A Client is also subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses or counterparties.

A Client may purchase and sell ("write") options from time to time on, among other things, securities and currencies on non-U.S. and U.S. commodities and securities exchanges, and in the non-U.S. and U.S. over-the-counter markets. The seller ("writer") of a put option that is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security or currency above the sales price (in establishing the

short position) of the underlying security or currency, plus the premium received, and gives up the opportunity for gain on the underlying security or currency below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security or currency below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

The writer of a call option that is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security or currency below the value of the underlying security or currency less the premium received, and gives up the opportunity for gain on the underlying security or currency above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security or currency above the exercise price of the option. The securities necessary to satisfy the exercise of the uncovered call option may be unavailable for purchase except at much higher prices. Purchasing securities to satisfy the exercise of the uncovered call option can itself cause the price of the securities to rise further, sometimes by a significant amount, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset, in whole or in part, by any gain on the short sale of the underlying security.

Swaps and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

Over-the-counter options generally are not assignable except by agreement between the parties concerned, and no party or purchaser has any obligation to permit such assignments. The over-the-counter market for options is relatively illiquid, particularly for relatively small transactions that a Client may use in its investment strategies.

Interest Rate Risk: Changes in interest rates can have a variety of effects on the businesses of financial institutions in which the PE Funds invest. A financial institution's net interest income, which is the difference between interest income received on its interest-earning assets, including loans and investment securities, and the interest expense incurred in connection with such institution's interest-bearing liabilities, including deposits, can be significantly affected by changes in market interest rates. For most banking institutions, net interest income is the largest component of net income.

Regulatory Change: As discussed above, the financial institutions industry is subject to significant regulation which has materially affected the business of financial institutions in the past and is likely to do so in the future. In fact, at present, numerous changes to governing law have been introduced or are expected. Regulations now affecting financial institutions may be changed at any time, and the interpretation of these regulations by examining authorities of such financial institutions is also subject to change. There can be no assurance that these or any future changes in the laws or regulations or in their interpretation will not adversely affect the business of such financial institutions.

Market Volatility: Volatile market conditions have had a dramatic impact on investments at various times in history. The success of a Client's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Client's investments), trade barriers, currency exchange controls, and national and international political circumstances. In addition, acts of violence or war may affect the operations and profitability of a Client's portfolio companies. Such events could cause consumer confidence and spending to decrease or result in increased volatility in worldwide financial markets and economy. These factors may affect the level and volatility of the prices of securities, commodities or other financial instruments and the liquidity of a Client's investments. Volatility or illiquidity could impair a Client's profitability or result in losses. A Client may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets; the larger the positions, the greater the potential for loss.

The economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain non-U.S. economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Long/Short: The success of the Client's long/short investment strategy depends upon EMC's ability to identify and purchase securities that are undervalued and identify and sell short securities are overvalued. The identification of investment opportunities in the implementation of the Client's long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying the Client's positions were to fail to converge toward, or were to diverge further from values expected by EMC, the Client may incur a loss. In the event of market disruptions, significant losses can be incurred which may force the Client to close out one

or more positions. Furthermore, the financial and valuation models used to determine whether a position presents an attractive opportunity consistent with EMC's long/short strategies may become outdated and inaccurate as market conditions change.

Undervalued Securities: The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Client's investments may not adequately compensate for the business and financial risks assumed.

Special Situations: The success of the special situations-driven investment strategy implanted by certain Clients depends upon EMC's ability to make predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company's securities. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies or completion of asset dispositions or debt reduction programs by a company may not be valued as highly by the market as EMC had anticipated, resulting in losses. In addition, a company may announce a plan of restructuring which promises to enhance value, but fail to implement it, which can result in losses to investors. In liquidations and other forms of corporate reorganization, the risk exists that the reorganization either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the purchase price to the Client of the security in respect of which such distribution was made. The consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or stockholders of the target company, which will often result in litigation to enjoin the proposed transaction; (ii) intervention of a U.S. federal or state regulatory agency; (iii) efforts by the target company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with any applicable U.S. federal or state securities laws; and (vii) inability to obtain adequate financing. Because of the inherently speculative nature of special situations-driven investing, the results of the Client's operations may be expected to fluctuate from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results that may be expected in future periods.

Leverage; Interest Rates; Margin: The use of leverage has attendant risks and can substantially increase the adverse impact to which a Client's investment portfolio may be subject. The use of leverage will allow a Client to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital. However, leverage will also magnify the volatility of changes in the value of the Client's

portfolio. The effect of the use of leverage by a Client in a market that moves adversely to its investments could result in substantial losses to the Client, which would be greater than if the Client were not leveraged. In addition, any leverage used by the Client is subject to the risk that changes in the general level of interest rates may adversely affect expenses and operating results.

In general, any use by a Client of short-term margin borrowings results in certain additional risks. For example, should the securities pledged to brokers to secure the portfolio's margin accounts decline in value, the portfolio could be subject to a "margin call", pursuant to which the portfolio must either deposit additional funds with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of the portfolio's assets, the portfolio might not be able to liquidate assets quickly enough to pay off its margin debt.

In the futures and forward markets, margin deposits are typically low relative to the value of the futures contracts purchased or sold. Such low margin deposits are indicative of the fact that any futures or forward contract trading is typically accompanied by a high degree of leverage. Low margin deposits mean that a relatively small price movement in a contract may result in immediate and substantial losses to the investor.

To the extent a Client purchases an option in the U.S., there is no margin requirement because the option premium is paid for in full. The premiums for certain options traded on non-U.S. exchanges may be paid for on margin. Whether any margin deposit will be required for over-the-counter options and other over-the-counter instruments will depend on the credit determinations and specific agreements of the parties to the transaction, which are individually negotiated.

Exposure to Material Non-Public Information: From time to time, EMC may receive material non-public information with respect to an issuer of publicly traded securities. In such circumstances, Clients may be prohibited, by law, policy or contract, for a period of time from (i) unwinding a position in such issuer, (ii) establishing an initial position or taking any greater position in such issuer, and (iii) pursuing other investment opportunities related to such issuer.

Initial Public Offerings: Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving

them. These factors may contribute to substantial price volatility for such securities and, thus, for the value of the Interests.

Restricted Investments: Clients may invest in securities which are subject to legal or other restrictions on transfer. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable, in addition a Client may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

Non-U.S. Investments: While most Clients expect to invest predominantly in companies in the United States, a Client may make investments in companies outside the United States. Investing in the securities of companies in non-U.S. countries involves certain considerations not usually associated with investing in securities of U.S. companies or U.S. markets, including: political and economic considerations, such as greater risks of expropriation and nationalization, confiscatory taxation, the potential difficulty of repatriating funds, general social, political and economic instability and adverse diplomatic developments; the possibility of imposition of withholding or other taxes on dividends, interest, capital gain, gross sale or disposition proceeds or other income; the small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict a Client's investment opportunities. In addition, accounting and financial reporting standards that prevail in such countries generally are not equivalent to U.S. standards and, consequently, less information is available to investors in companies located in such countries than is available to investors in companies located in the U.S. There are also less regulations, generally, of the securities markets in such countries than there is in the U.S. As a result, a Client may be unable to structure its transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce a Client's rights in such markets. For example, securities traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the Securities and Exchange Commission ("SEC") or the Commodity Futures Trading Commission, the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to a Client under such laws and regulations are unavailable for transactions on non-U.S. exchanges and with non-U.S. counterparties.

Currency Exchange Exposure: A Client may invest in securities denominated in non-U.S. currencies, the prices of which are determined with reference to currencies other than the U.S. dollar. The Clients, however, value their securities in U.S. dollars. A Client may or may not seek to hedge its non-U.S. currency exposure by entering into currency hedging transactions, such as treasury locks, forward contracts, futures contracts and cross-currency swaps. There can be no guarantee that securities suitable for hedging currency or market shifts will be available at the

time when a Client wishes to use them, or that hedging techniques employed by a Client will be effective. Furthermore, certain currency market risks may not be fully hedged or hedged at all. To the extent un-hedged, the value of a Client's positions in non-U.S. investments will fluctuate with U.S. dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. Such fluctuations may result in a loss to the Client.

Furthermore, the Client may incur costs in connection with conversions between various currencies. Non-U.S. currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to the Client at one rate, while offering a lesser rate of exchange should the Client desire immediately to resell that currency to the dealer. A Client will conduct its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell non-U.S. currencies. It is anticipated that most of a Client's currency exchange transactions will occur at the time non-U.S. investments are purchased and will be executed through the local broker or custodian acting for the Client.

A Client may seek to protect the value of some portion or all of its portfolio holdings against currency fluctuations by engaging in hedging transactions, but there can be no assurance that such hedging transactions will be effective. A Client may enter into forward contracts on currencies, as well as purchase put or call options on currencies, in U.S. or non-U.S. markets. There can be no guarantee that instruments suitable for hedging currency risk will be available at the time when the Client wishes to use them or will be able to be liquidated when the Client wishes to do so.

Preferred Stock: Investments in preferred stock involve risks related to priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer's capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

Currencies: A Client may enter into spot and forward currency contracts or invest in currency futures contracts and options on currencies and futures to hedge currency risk by shifting exposure to foreign currency fluctuations from one currency to another with respect to the Client. Currency transactions made on a spot (i.e., cash) basis are at the spot rate prevailing in the

currency exchange market. A forward currency contract, which involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract, reduces the Client's exposure with respect to its investment to changes in the value of the currency it will deliver and increases the Client's exposure to changes in the value of the currency it will receive for the duration of the contract.

Currency trading is subject to risks different from those of other securities transactions. Because exchange rate control is of great importance to the issuing governments and influences economic planning and policy, purchases and sales of currency and related instruments can be negatively affected by government exchange controls, blockages, and manipulations or exchange restrictions imposed by governments. These government actions can result in losses to the Client if it is unable to deliver or receive currency or funds in settlement of obligations. Buyers and sellers of currency futures are subject to the same risks that apply to the use of futures generally. Furthermore, settlement of a currency forward contract for the purchase of most currencies must occur at a bank based in the issuing nation. The ability to establish and close out options on currency futures is subject to the maintenance of a liquid market, which may not always be available. Currency exchange rates may fluctuate based on factors extrinsic to that country's economy.

At or before the maturity of a forward currency contract, a Client may either make delivery of the currency, or terminate its contractual obligation to deliver the currency by buying an "offsetting" contract obligating it to buy, on the same maturity date, the same amount of the currency.

If a Client engages in an offsetting transaction, it may later enter into a new forward currency contract to sell the currency. If a Client engages in an offsetting transaction, it will incur a gain or loss to the extent that there has been movement in forward currency contract prices. If forward prices go down during the period between the date the Client enters into a forward currency contract for the sale of a currency and the date it enters into an offsetting contract for the purchase of the currency, the Client will realize a gain to the extent that the price of the currency it has agreed to sell exceeds the price of the currency it has agreed to buy. If forward prices go up, the Client will suffer a loss to the extent the price of the currency it has agreed to buy exceeds the price of the currency it has agreed to sell.

Exchange Traded Funds: ETFs are publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying securities they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying securities they are designed to track, and the risk of trading in an

ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. Generally, each shareholder of an ETF bears a pro rata portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their proportionate share of the Client's expenses (e.g., Management Fees and operating expenses), investors may also indirectly bear similar expenses of an ETF.

Commodities: The values of commodities that underlie commodity futures contracts and other types of financial instruments in which a Client may invest generally are affected by, among other factors, the cost of producing commodities, changes in consumer demand for commodities, the hedging and trading strategies of producers and consumers of commodities, speculative trading in commodities by commodity pools and other market participants, disruptions in commodity supply, weather and climate conditions, changes in interest rates, rates of inflation, currency devaluations and revaluations, embargoes, tariffs, regulatory developments, governmental, agricultural, trade, fiscal, monetary and exchange control programs and policies, political and other global events and global economic factors. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in certain markets and this intervention may cause these markets to move rapidly. EMC has no control over the factors that affect the price of commodities. Accordingly, the value of a Client's investments could change substantially and in a rapid and unpredictable manner.

Fixed Income Securities: A Client may invest in fixed income securities. The value of fixed income securities in which a Client may invest will change in response to fluctuations in interest rates. Increases in interest rates may cause the value of a Client's debt investments to decline. A Client may experience increased interest rate risk to the extent it invests, if at all, in lower-rated instruments, debt instruments with longer maturities, debt instruments paying no interest (such as zero-coupon debt instruments) or debt instruments paying non-cash interest in the form of other debt instruments. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed income securities generally can be expected to decline. In addition, the value of certain fixed income securities can fluctuate in response to perceptions of credit worthiness, political stability or soundness of economic policies. Valuations of other fixed income instruments may fluctuate in response to changes in the economic environment that may affect future cash flows.

ITEM 9
DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to the Clients' or prospective Client's evaluation of EMC's advisory business or the integrity of EMC's management.

ITEM 10

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer Registration Status

EMC and its management persons are not registered as broker-dealers and do not have any application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer.

B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status

EMC and its management persons are not registered as, and do not have any application to register as, a futures commission merchant, commodity pool operator, commodity trading advisor or associated person of the foregoing entities.

C. Material Relationships or Arrangements with Industry Participants

EMC provides investment advisory services to EOP, EOP II, EOP III, EOP IV, EOP IV-A, SP Master, SP Onshore and SP Offshore. W.R.D. Endicott, L.L.C., W.R. Endicott IIP, L.L.C., W.R. Endicott III, L.L.C., W.R. Endicott IV, L.L.C. and Sharpe Point Partners GP, LLC serve as the general partner of EOP, EOP II, EOP III, EOP IV, EOP IV-A and SP Onshore, respectively.

An entity affiliated with EMC, Endicott Financial Advisers, L.L.C. ("EFA"), provides advice to a number of community banks in the United States. EFA was founded in 1996 by the principals of EMC to work with small to medium size banks on numerous issues including: capital structure optimization, merger & acquisition activity and operational strategy. EFA earns fees from its clients for providing these services. EFA may receive fees from portfolio companies owned by the PE Funds. Any such fees paid by portfolio companies of EOP III, EOP IV or EOP IV-A will offset management fees borne by EOP III, EOP IV or EOP IV-A. EMC does not believe the services provided by EFA present any material conflict of interest to the PE Funds.

As indicated above, EMC and the General Partners manage several Clients which have investment programs that are similar. In addition, EMC or its affiliates may in the future establish, sponsor and become affiliated with other pooled investment vehicles and companies that have investment programs that are similar or substantially similar to the investment program of the existing Clients. As a result of the foregoing, EMC and its personnel may have conflicts of interest in allocating their time and resources between clients, in allocating investments among the Clients and other clients, and in effecting transactions between the Clients and other clients, including ones in which EMC or its personnel may have a financial interest. Accordingly, EMC will devote so much of its time and will allocate the time and resources of its operations team to its clients as in its judgment the conduct of each client's account reasonably requires.

To address potential conflicts of interests in its material relationships, EMC has adopted policies and procedures, including a Code of Ethics and a compliance manual. For a discussion of EMC's Code of Ethics and allocations and conflicts of interest policies, please see Item 11, "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading," below.

D. Material Conflicts of Interest Relating to Other Investment Advisers

EMC does not recommend or select other investment advisers for its Clients.

ITEM 11
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS
AND PERSONAL TRADING

EMC strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. In seeking to meet these standards, EMC has adopted a Code of Ethics (the "Code"). The Code incorporates the following general principles that all employees are obligated to uphold:

- employees must at all times place the interests of EMC's clients first;
- all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility must be avoided;
- employees must not take any inappropriate advantage of their positions;
- information concerning the identity of investments and financial circumstances of the Clients, including the identity of each Client's investors must be kept confidential; and
- independence in the investment decision-making process must be maintained at all times.

EMC has adopted formal policies and procedures relating to insider trading, privacy, "pay to play" and anti-money laundering regulations. Further, EMC has established policies and procedures to monitor and resolve conflicts with respect to investment opportunities in a manner it deems fair and equitable, including the restrictions placed on personal trading in the Code, as described above, and regular monitoring of employee transactions and trading patterns for actual or perceived conflicts of interest, including those conflicts that may arise as a result of personal trades in the same or similar securities made at or about the same time as client trades. Clients and prospective clients may request a copy of the Code by contacting EMC at the address or telephone number listed on the first page of this document.

EMC, its affiliates and its employees may give advice or take action for their own accounts that may differ from, conflict with or be adverse to advice given or action taken for clients. Further, instances may arise where the interests of EMC or one of its affiliates conflicts with the interests of the Clients and their limited partners. EMC and its affiliates will endeavor to ensure that these conflicts do not work to the detriment of the Clients. If a conflict of interest transaction arises, it will be presented to the applicable committee of limited partners of the applicable Client authorized to approve such conflict transaction for review.

If EMC makes a recommendation to the Clients to purchase or sell a security from or to any entity in which EMC or a related person has a material financial interest, such transaction will only be permitted if the Clients receive the consent of the committee of limited partners of the applicable Client authorized to approve such conflict transaction.

Under certain circumstances outlined in each Client's limited partnership agreement, EMC, its affiliates and its employees may invest on behalf of themselves in portfolio investments that would be appropriate for, held by, or may fall within the investment guidelines of the Clients. Such investments align the interests of EMC with its clients and are generally made on the same terms as limited partners in each Client so that affiliates of EMC do not receive more favorable terms than investors. Notwithstanding the foregoing, EMC and its related persons may not make personal investments and investments on behalf of clients contemporaneously. EMC is permitted to offer co-investment opportunities with a Client to limited partners and outside investors under certain circumstances in accordance with the terms of the limited partnership agreement of such Client and applicable side letters.

EMC manages investments on behalf of a number of clients. Certain clients have investment programs that are similar to or overlap and may, therefore, participate with each other in investments. It is the policy of EMC to allocate investment opportunities among all clients fairly, to the extent practical and in a manner that is consistent with the limited partnership agreements and investment objectives of each of the Clients. If the investment period of a Client has not yet terminated when the investment period of a new Client has started, then EMC will allocate investment opportunities among such Clients as permitted by applicable documents on an equitable basis in its good faith discretion, based on the applicable investment guidelines of such Clients, available capital, anticipated duration of the investment, likelihood of current income, portfolio diversification requirements and other appropriate factors. EMC's executive officers shall be primarily responsible for the allocation of investment opportunities among multiple Clients.

ITEM 12

BROKERAGE PRACTICES

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

The activities of the Hedge Funds and to a lesser extent the PE Funds will require EMC and its Clients to use various brokers-dealers to execute, settle and clear securities transactions. Portfolio transactions for the Clients will be allocated to brokers and dealers on the basis of best execution and taking into consideration relevant factors, including, but not limited to, price quotes; the size of the transaction; the nature of the market for the security; the timing of the transaction; the difficulty of execution; the broker or dealer's expertise in the relevant market or sector; the extent to which the broker or dealer makes a market in the security or has access to such market; the broker or dealer's skill in positioning the relevant market; the broker or dealer's facilities, reliability, promptness and financial stability; the broker or dealer's reputation for diligence and integrity (including in correcting errors); confidentiality considerations; the quality and usefulness of research products and services and investment ideas presented by the broker or dealer; and other factors deemed appropriate by EMC. Subject to the considerations described in the preceding sentence, the selection of a broker (including a prime broker) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services may be influenced by, among other things, the provision by the broker of the following: marketing assistance and consulting services with respect to technology, operations, equipment and office space, capital introduction, or other services or items. EMC, the General Partners and the Clients do not separately compensate any broker for any of these other services.

EMC is not required to solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. EMC maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

Research and Other Soft Dollar Benefits

From time to time, EMC may pay a broker-dealer commissions (or markups or markdowns with respect to certain types of riskless principal transaction) for effecting Client transactions in excess of that which another broker-dealer might have charged for effecting the transaction in recognition of the value of the brokerage and research services provided by the broker-dealer. EMC will effect such transactions, and receive such brokerage and research services, only to the extent that they fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended, and subject to prevailing guidance provided by the SEC regarding Section 28(e). EMC believes it is important to its investment decision-making processes to have access to independent research.

Also, consistent with Section 28(e), research products or services obtained with "soft dollars" generated by one or more Clients may be used by EMC to service one or more other Clients, including Clients that may not have paid for the soft dollar benefits. EMC will not seek to allocate soft dollar benefits to Client accounts in proportion to the soft dollar credits the Client accounts generate. Where a product or service obtained with soft dollars provides both research and non-research assistance to EMC (i.e., a "mixed use" item), EMC will make a good faith allocation of the cost which may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist by reason of EMC's allocation of the costs of such benefits and services between those that primarily benefit EMC and those that primarily benefit the Clients.

When EMC uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, EMC will receive a benefit because it does not have to produce or pay for such products or services. EMC may have an incentive to select or recommend a broker-dealer based on EMC's interest in receiving research or other products or services, rather than on its clients' interest in receiving most favorable execution.

EMC and its related persons did not acquire any types of products and services with client brokerage commissions (or markups or markdowns) within the last fiscal year of EMC.

At least annually, EMC will consider the amount and nature of research and research services provided by broker-dealers, as well as the extent to which such services are relied upon, and will attempt to allocate a portion of the brokerage business of its Clients on the basis of that consideration. Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation, but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. In no case will EMC make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met. A broker-dealer is not excluded from receiving business because it has not been identified as providing research products or services.

Brokerage for Client Referrals

Neither EMC nor any related person receives client referrals from any broker-dealer or third party.

Directed Brokerage

EMC does not routinely recommend, request or require that a Client direct EMC to execute transactions through a specified broker-dealer.

B. Order Aggregation

If EMC determines that the purchase or sale of a security is appropriate with regard to multiple Clients, EMC may, but is not obligated to, purchase or sell such a security on behalf of such Clients with an aggregated order, for the purpose of reducing transaction costs, to the extent permitted by applicable law.

ITEM 13

REVIEW OF ACCOUNTS

A. Frequency and Nature of Review of Client Accounts or Financial Plans

EMC performs regular reviews of each Client's portfolio. Such reviews are conducted by EMC's investment professionals.

B. Factors Prompting Review of Client Accounts Other than a Periodic Review

A review of a client account may be triggered by any unusual activity or special circumstances.

C. Content and Frequency of Account Reports to Clients

Investors in the Clients receive from EMC or its affiliates, unaudited quarterly reports providing summary financial and other information on their investment. EMC may provide the investors in certain Clients with information on a more frequent and detailed basis if agreed to by EMC or a General Partner. In addition, EMC or its affiliates provide to investors of the Clients audited financial statements concerning their respective fund and if applicable, tax information necessary for the completion of such investor's return within 120 days of the end of the Client's fiscal year.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits for Providing Services to Clients

EMC may receive transaction and monitoring fees from portfolio companies of the PE Funds. These payments result in a reduction to the Management Fee that EMC receives from the Clients as discussed above. EMC does not believe that these arrangements create any conflict of interest between EMC and the Clients.

EMC does not receive economic benefits from non-clients for providing investment advice and other advisory services.

B. Compensation to Non-Supervised Persons for Client Referrals

Neither EMC nor any related person directly or indirectly compensates any person who is not a supervised person, including placement agents, for client referrals.

ITEM 15

CUSTODY

Account statements related to assets of the Clients are sent periodically by the Client's administrator either on a monthly or quarterly basis as described in the individual Client's offering document. Any estimate sent to a client by EMC should be compared to the statement generated by the Client's administrator for discrepancies.

EMC is deemed to have custody of client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to the clients are sent by qualified custodians to EMC.

EMC is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Client because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception", which, among other things, requires that each Client be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that each Client distribute its audited financial statements to all investors within 120 days of the end of its fiscal year.

ITEM 16
INVESTMENT DISCRETION

Pursuant to the offering document of each Client, its General Partner or Board of Directors have the discretion to manage securities accounts on behalf of such Client in accordance with the restrictions set forth in such offering document, and EMC provides investment advice with respect thereto.

ITEM 17

VOTING CLIENT SECURITIES

EMC has the authority to cause each Client to vote securities held by such Client and to do so in a manner that it believes is in the best interest of such Client.

In compliance with Advisers Act Rule 206(4)-6, EMC has adopted proxy voting policies and procedures. The general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, "Proxies") in a manner that serves the best interests of the Clients.

EMC may take into account relevant factors, as determined by EMC in its discretion, including, without limitation: the impact on the value of the securities or instruments owned by the relevant Client; the anticipated associated costs and benefits associated with the proposal; the effect on liquidity; and industry and business practices.

In limited circumstances, EMC may refrain from voting Proxies where EMC believes that not voting would be in the best interests of the applicable Client, taking into consideration, among other things, the cost and restrictions associated with voting the Proxies. Generally, clients may not direct EMC's vote in a particular solicitation.

Conflicts of interest may arise between the interests of the Clients on the one hand and EMC or its affiliates on the other hand. If EMC determines that it may have, or is perceived to have, a conflict of interest when voting Proxies, EMC will vote in accordance with its Proxy voting policies and procedures. Clients may obtain a copy of EMC's Proxy voting policies and its Proxy voting record upon request.

ITEM 18
FINANCIAL INFORMATION

EMC is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.