

# **Union Square Strategic Capital Management, LLC**

## **Form ADV**

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This Brochure provides information about the qualifications and business practices of Union Square Strategic Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 415-501-8000 and/or [dean.riskas@usadvisors.com](mailto:dean.riskas@usadvisors.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 Union Square Strategic Capital Management, LLC is also available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## Item 2 - Material Changes

As this is the initial Form ADV for Union Square Strategic Capital Management, LLC, there are no material changes.

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## Item 4 - Advisory Business

Union Square Strategic Capital Management, LLC (the “Manager” or the “Firm”) is newly formed and filed its initial application with the Securities and Exchange Commission in October 2018. It is wholly owned by Spartan Capital Management, LLC (“Spartan”), and is an affiliate of Union Square Advisors, LLC (“Union Square Advisors” or the “Broker-Dealer”), a SEC registered Broker-Dealer that conducts mergers and acquisition advisory engagements. The officers and employees of the Firm are also employees of Union Square Advisors.

We provide discretionary investment advisory services to one private investment fund, Union Square Strategic Capital Fund I, LP (the “Fund”), and may provide similar services to additional funds in the future. The Fund is controlled by its General Partner, Union Square Capital Management, LP, which was formed by its managing partner, Spartan Capital Management, LLC for that purpose, and is operated in accordance with the limited partnership agreement executed by its investors.

The Manager will make investments in structured debt and equity in private companies in the technology sector. It expects that its affiliate, Union Square Advisors, will introduce to the Manager companies which have engaged Union Square Advisors for advisory services. These companies will need short to intermediate term capital, and will have asked that the Manager develop a proposal for providing that capital. If the company meets the specifications of the investment objectives and diligence process, the Investment Committee may approve an investment.

We manage the Fund pursuant to the objectives and conditions specified in the Private Placement Memorandum and the Limited Partnership Agreement by which the Fund offers its ownership interests to investors. The Fund imposes limits on the types of securities or other instruments in which the Fund may invest to structured equity or structured debt. The Fund limits the types of positions it may take to investments in private companies in the technology sector, and expects that those investments will be in private companies. Investments will be primarily invested in the form of either convertible debt, non-convertible debt with warrants, non-control structured equity or such other hybrid structure that may include a combination of debt and non-control structured equity (e.g., convertible preferred equity). Furthermore, no one investment will exceed \$25 million (or 10% of total committed capital) and will typically be made in the form of senior, second lien or unsecured convertible debt, non-convertible debt with warrants, non-control structured equity, or such other hybrid structured that may include a combination of debt and non-control structured equity.

As employees of the Manager are also employees of the Broker-Dealer, and because the Broker-Dealer has been engaged by the companies which it introduces to the Manager, we have identified potential conflicts of interest, which are also described in Item 10 - Other Financial Industry Activities and Affiliations and also in Item 11 - Code of Ethics. At all times, the Manager and its employees will make investment decisions in accordance with its fiduciary requirements.

We do not manage separate accounts nor do we participate in wrap fee programs.

The Portfolio Managers (Andrew Atherton and Will Andereck) will be introduced to prospective investment opportunities by Union Square Advisors at the request of its engaged client. That client will have engaged Union Square Advisors for either a private placement of capital or a merger or acquisition transaction, most often a sale of all or part of the client. Only with the express permission of the client will Union Square Advisors share any of the diligence information provided to it by the

client. The Portfolio Managers may review materials provided by the client, request additional information and seek confirmatory information through outside third parties. Once diligence is completed, the Portfolio Managers will develop potential terms to offer the client, and provide those terms and a summary of diligence conducted to the Investment Committee for its review and possible approval.

The Investment Committee reviews the diligence, financial analysis and potential investment structure and terms for either structured equity or structured debt developed by the Portfolio Managers. The Investment Committee is made up of three individuals, one of which is unrelated to either the Firm or Union Square Advisors. Any approval of an investment must be unanimous. Once approved, the investment terms are placed in front of the client company seeking capital. If approved and accepted, formal documents will be drafted and executed confirming the investment.

Potential conflicts of interest include but are not limited to:

- The Manager expects to source Investments for the Fund from companies with whom Union Square Advisors has a relationship, including technology companies, venture capital firms and private equity firms. Union Square Advisors may be motivated to enhance its relationship with these companies to further its future business with these companies or their portfolio companies. Union Square Advisors and its affiliates will have an interest in obtaining fees and other compensation in connection with such services and may take commercial steps in their own interests in connection with such services that could negatively affect the Fund. In particular, Union Square Advisors may have been engaged by a prospective portfolio company to assist in raising capital or effecting another corporate transaction, may be advising the company or its owners in connection with the terms of any financing, and may be entitled to earn a placement or similar fee by virtue of the investment by the Fund. It is expected that under the terms of its engagement letters, Union Square Advisors will be entitled to a placement or other similar fee from its clients resulting from any transaction or investment, including an investment by the Fund. As a result, there will be conflicts of interest between Union Square Advisors in respect of its investment banking and advisory business on the one hand and the interests of the Fund and the Limited Partners on the other. Each Limited Partner will be deemed to have acknowledged and consented to such conflicts.
- It is possible that clients of Union Square Advisors or other entities may utilize a similar investment strategy as the Fund and compete for the same investments. There is generally no obligation on the part of Union Square Advisors and its affiliates other than the Manager to offer investment opportunities to the Fund, and it is possible that Union Square Advisors and its affiliates (other than the Manager) will assist clients to compete with the Fund for the same investment opportunities or invest in the same securities as the Fund. Any allocation of investment opportunities among the Fund and clients advised by Union Square Advisors and its affiliates will likely give rise to conflicts of interest between such parties. Moreover, the Fund may be competing with these other clients of Union Square Advisors for the time and attention of the Manager's investment professionals.
- USA has established certain information barriers and other policies to address the sharing of information between different businesses of USA and its affiliates. As a result of information barriers, the Manager may not have access, or may have limited access, to information and personnel of other entities affiliated with USA, and may not be able to advise the Fund with the benefit of information held by such other businesses. Such other businesses will have broad access to detailed information that may not be available to the Manager, including with

regard to investment opportunities, which, if known to the Manager, might cause the Manager to present or refrain from presenting certain investment opportunities to the Fund. Affiliates of the Manager will be under no obligation or fiduciary or other duty to make any such information available to the Manager.

- Information sharing between Union Square Advisors and the Firm that is not authorized by the client which may violate certain assurances of privacy and prohibitions of information sharing, and if related to a public company, misuse of material inside information;
- An employee of the Manager and who is also an employee of Union Square Advisors may be involved with services related to a company which is client of both companies. That employee may take actions to benefit Union Square Advisors over the Fund;
- It is possible that the Portfolio Managers will propose and the Investment Committee will approve investment terms that are below market in order to improve the prospects of the client completing a transaction through Union Square Advisors that may provide higher fees than returns generated for the Fund;
- The Carried Interest (defined as the General Partner Catch-Up and the General Partner 20% of the 80/20 split) received by the General Partner may cause the Investment Committee to make more speculative investments than it otherwise would approve, or to make investments for a longer term in order to attain long term tax treatment;
- Certain clients of Union Square Advisors may be competitors of the companies seeking capital from the Fund, and the competitors may affect the performance of that client and the returns received by the Fund.

Additionally, the Manager and the General Partner of the Fund are both controlled by the same entity, Spartan, which in turn is wholly owned by JETC, LLC. Furthermore, JETC, LLC is the ultimate parent company of the holding company that controls Union Square Advisors. All income and profits received/earned by any of these related entities ultimately benefit JETC, LLC.

Other potential conflicts are also outlined in the Private Placement Memorandum of the Fund.

The Firm has taken steps to mitigate these potential conflicts. Most importantly, any officer of Union Square Advisors who is a Portfolio Manager and who is working with a Union Square Advisors client will recuse him or herself from acting as a Portfolio Manager related to that client's prospective transaction with the Fund. Likewise, if a member of the Investment Committee who is an Union Square Advisors officer is also the relationship manager for a potential client of the Fund, that individual will also recuse himself and be replaced by a Partner of Union Square Advisors.

The Investment Committee is comprised of three individuals, two of whom are Partners of Union Square Advisors and one who is unaffiliated with any of the affiliate entities. Any investment made for the Fund must be approved unanimously.

## Item 5 – Fees and Compensation

The Manager will receive a management fee paid quarterly in advance (the "Management Fee") starting on the date of the Initial Closing. The Management Fee will be assessed at the rate of 2% per annum of (i) total Commitments of the Limited Partners until the termination of the

Commitment Period, and thereafter (ii) funded Commitments of the Limited Partners reduced by the cost basis of all Realized Investments and Written Down Amounts.

100% of any transaction, directors', management, monitory, consulting, break-up and other similar fees received by the Manager in connection with the Fund and its Investments, net of unreimbursed transaction expenses incurred by the Manager, will be applied to reduce the Management Fee for the following quarterly period. Any offsets that reduce the Management Fee for a given quarterly period below zero will be carried forward and reduce future installments of the Management Fee.

The Fund will pay all costs and expenses incurred in connection with the Fund's affairs, or will reimburse the Manager, General Partner and/or its affiliates for having incurred any such expenses.

The Fund also pays all of the expenses of its administration and operation. These expenses generally include, among other things:

- investment transaction costs;
- custodial fees;
- bookkeeping, accounting and audit fees and expenses;
- legal fees;
- expenses that we incur for investment research and due diligence;
- tax preparation fees;
- other professional fees;
- governmental fees and taxes;
- travel and travel-related expenses that we incur in connection with investment activities (including attending professional investment and industry specific conferences);
- costs of reporting to investors;
- cost of governance activities (such as obtaining investor consents); and
- all other reasonable expenses related to the management and operation of the Fund or the purchase, sale or transmittal of Fund assets, all as we determine in our sole discretion.

The Manager is responsible for all its day to day operating expenses, including office overhead and compensation of its employees.

Limited Partners may request, and the Manager may consent to enter into individual arrangements, generally referred to as side letters, which may give reductions in management fees or other specific terms.

#### Other Compensation and Conflicts of Interest

Union Square Strategic Capital Management is not a registered Broker-Dealer, however, some of our supervised persons are registered with the Financial Industry Regulatory Authority ("FINRA") as representatives of Union Square Advisors, an affiliate Broker-Dealer, if necessary or appropriate to perform their responsibilities for the Broker-Dealer. Such persons may receive compensation from Union Square Advisors in connection with activities performed on behalf of

that affiliated Broker-Dealer. Those supervised persons who are also representatives of Union Square Advisors are not compensated for their services by the Manager. This may lead those supervised persons to present investment opportunities to the Investment Committee that if consummated, would provide Union Square Advisors with the opportunity to complete an investment banking engagement. Those supervised persons would ultimately receive compensation from Union Square Advisors related to the success of that investment banking transaction.

It is expected that all the companies in which the Fund may invest are investment banking or advisory clients of Union Square Advisors. This may present conflicts of interest and may otherwise affect the activities of our Fund. For example, Union Square Advisors may provide financial investment banking or advisory services to third parties who have interests that conflict with those of our Fund, or those of companies in which they are invested (Client Portfolio Companies). The Broker-Dealer may represent companies competing with Client Portfolio Companies for acquisition or business opportunities.

## Item 6: Performance-Based Fees and Side-by-Side Management

The Fund pays the Manager Incentive-Based Compensation which is based on a percentage of net profits, as described above under “Item 5: Fees and Compensation”. As discussed in Item 5 of this Brochure, Union Square Advisors earns, with respect to certain clients, advisory fees for its client engagements. Where applicable, the Manager receives performance fees or other performance-based compensation that is generally payable on a quarterly basis in advance, as investments are realized and/or capital is distributed. While the compensation received by Union Square Advisors and the compensation received by the Manager are not Side-by-Side Management fees, all income/profits received by either company are ultimately for the benefit of the same parent company, and we wish to make certain that potential investors are aware of that relationship.

Investment Proceeds will be distributed to all the Partners *pro rata* in proportion to their capital contribution with respect to such Investment, including the General Partner. In distributing Investment Proceeds, once Limited Partners receive a full Return of Capital and a Preferred Return, the General Partner receives a General Partner Catch-Up. The General Partner Catch-up entitles the General Partner to receive 100% of all Investment Returns until it has received 20% of the total amounts distributed to Limited Partners. Once the General Partner Catch-up has been achieved, Investment Returns are distributed based upon an 80/20 Split, whereby 80% of proceeds are paid to Limited Partners and 20% to the General Partner.

Distributions received from the General Partner Catch-Up and from the 80/20 Split are referred to as “Carried Interest”.

The General Partner and the Manager are owned by the same entity, Spartan Capital Management, LLC. While these returns and fees are not traditionally considered “side-by-side” management fees, the Manager deemed it sufficiently important to bring to prospective investors attention.

Our potential to receive Incentive-Based Compensation, and the fact that we will not have to refund any such fees or allocations if the Funds later experience losses, creates an incentive



for us to make investments that are riskier or more speculative than would otherwise be the case.

## Item 7 – Types of Clients

Union Square Strategic Capital provides investment advisory services to pooled investment vehicles operating as private investment funds. Presently, we have one such private fund as a client. Investors in the Fund are required to be sophisticated and experienced investors who are also at least “accredited investors” within the meaning set forth in Rule 501(a) of Regulation D under the Securities Act, and more generally will be a “qualified purchaser” within the meaning of Section 3(c)(7) of the Investment Company Act and as the term is defined in Section 2(a)(51) of the Investment Company Act.

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

The Manager will select investment in accordance with the investment strategy identified by the Fund.

Following are several key features of the investment strategy:

- The Manager will target companies that have engaged Union Square Advisors to complete a private capital raise, sale or other strategic transaction process that is expected to close within twelve (12) to twenty-four (24) months from engagement.
- The Manager will leverage its relationship with Union Square Advisors, as well as its deep industry domain knowledge and experience, to originate, close and monitor targeted investment opportunities. Union Square Advisors’ close connections with a broad range of “serial” Board Members of technology companies, long association with key intermediaries (law firms, accounting firms, investment banks, etc.), and differentiated access to strategic acquirers of technology companies, should provide the Fund with unparalleled access to attractive and unique investment opportunities.
- The Manager will primarily pursue later-stage and growth-stage companies that have created meaningful value and have substantially mitigated technology, organizational and market risk.
- The Fund’s capital will be primarily invested in the form of senior, second lien or unsecured convertible debt, or non-convertible debt with warrants, or such other hybrid structure that may include a combination of debt and non-control structured equity.
- In making investments, the Manager will adhere to a highly disciplined investment process which utilizes a combination of expertise and rigorous quantitative and qualitative analysis. Each potential investment will go through a strict confirmatory due diligence process, and once the investment is made, the Manager will perform robust post-investment monitoring.
- The Manager will not invest in publicly traded securities in companies involved in a hostile takeover, in blind pool investments, or real estate (unless through a company that owns substantial real estate).
- The Manager will not invest in a target company unless the transaction has been unanimously approved by its Investment Committee.

The Manager's investment process begins with the sourcing, careful screening and initial diligence of the target. Based upon this preliminary evaluation, the Manager will decide whether or not to work to execute a term sheet with the target. At this stage, the Manager will commence its financial and legal confirmatory due diligence process designed to corroborate and expand upon the information reviewed in the original screening. Assuming the satisfactory conclusion of the confirmatory due diligence, legal documentation process and regulatory compliance review, the investment would be approved by the Investment Committee and proceed to closing. The entire diligence and legal documentation process is expected to be completed within ninety (90) days. Additional details on each of these steps are provided below:

**Illustrative Investment Structure:** The Manager will seek to invest a combination of debt and structured equity in order to provide attractive risk-adjusted returns. The Manager expects that the debt investment will typically take the form of senior secured debt financing and will typically be structured with a perfected senior or second lien against all company assets, with a negative pledge against intellectual property, putting the debt at the top of the capitalization table, further mitigating credit risk. The debt instrument will also typically return both cash and payment-in-kind interest, and inclusion of warrants or conversion rights enhances potential upside. The convertible preferred equity (also referred to herein as structured equity) will also normally sit at the top of the equity capitalization table (junior only to the debt), which the Manager believes provides downside protection along with regular cash dividend payments; additional upside opportunity comes from the contracted return of invested capital in the form of a liquidation preference to be negotiated, and the ability to convert into common shares, therefore participating in further upside the event of a full sale.

**Initial Screening Process:** Prior to issuing a proposal, the Manager will carefully review information provided by the target, which will include, but not be limited to, the following:

- The type of investment requested and its structural optimality as a financial solution;
- Current, historical and pro-forma financial information;
- The current and historic capitalization structure of the target;
- Existing debt and liens/encumbrances against the target's assets;
- The target's current and projected value;
- Free cash available to service outstanding debt;
- The construct and experience of the management team and board of directors;
- The target's product/service and value proposition to potential customers;
- The current size and growth potential of the target's addressable market;
- The competitive landscape and nature of the target's perceived differentiation and/or competitive advantage.

**Confirmatory Due Diligence and Deal Execution:** If the Manager and the target agree on the terms of the investment and execute the term sheet, the Manager will commence rigorous financial and legal confirmatory due diligence. The broad categories of items reviewed during the financial and legal confirmatory due diligence process will generally include, but are not limited to, the following:

- Corporate documents of the company and its subsidiaries;
- Previous issuances of securities and capitalization table;

- Material contractual commitments and agreements;
- Description of any litigation;
- Background information of key employees and related parties;
- Additional financial information as may be required, including a listing of all banks or other financial institutions with whom the company has a relationship or accounts;
- Property description;
- Patent information;
- Taxation;
- Insurance and liability;
- Acquisition, partnership or joint venture agreements;
- Governmental regulations and filings;
- Any other miscellaneous information requested, e.g., board of director presentations, industry/market reports, description of intellectual property, customer lists and contacts, etc.

**Approval Process:** Upon completion of the confirmatory due diligence and compliance review, the transaction will be evaluated by the Investment Committee. All members of the Investment Committee must approve a potential transaction. If unanimously approved, the transaction will proceed to legal documents reflecting the agreed terms. The Investment Committee includes one member who is not an employee of the Manager or Union Square Advisors. That independent member may be a Limited Partner/Investor in the Fund.

**Risk of Loss:**

Potential investors should be aware that an investment in the Fund involves a high degree of risk and is suitable only for sophisticated institutions and individuals for whom such an investment is not a complete investment program. There can be no assurance that the Fund's investment objective will be achieved, or that a Limited Partner will receive a return of its capital. In addition, there will be occasions when the Manager and its affiliates may encounter potential conflicts of interest in connection with the Fund. The following considerations should be carefully evaluated before making an investment in the Fund. The risks described below do not purport to be a complete explanation of all the risks involved in acquiring an Interest in the Fund.

**No Assurance of Investment Return.**

The success of the Fund will largely depend on the ability of the Manager to identify suitable investments and to negotiate advantageous terms for the Fund relating to such investments. The Fund's investment program is inherently risky. The Fund will be making investments in debt and structured equity securities of companies that may be engaged in developing technologies without proven products and that may not have significant revenues, but may attract very high valuations. The ability of the Fund to make an attractive return on any of its Investments may depend not only on the successful execution by the portfolio company of its operating strategy but also on the ability of the company to achieve a successful liquidity transaction, including a sale, initial public offering or other capital raise, which will be highly dependent on market conditions and other factors beyond the control of the company. Accordingly, the investment program of the Fund is highly speculative and there can be no assurance that the potential rewards of an investment in the Fund are commensurate with the risks undertaken. As a result,

an investment in the Fund should only be considered by persons who can afford a loss of their entire investment.

Access to Investment Opportunities.

The Manager has not yet identified the investment opportunities in which investments will be made. The Manager's investment professionals will source investment opportunities from companies with whom Union Square Advisors has a relationship. As a result, the performance of the Fund will be highly dependent on Union Square Advisors relationships with potential portfolio companies and others in the technology venture investment community and the Manager's ability to leverage these relationships on behalf of the Fund. Union Square Advisors is under no obligation to offer any investment opportunity to the Fund, and there can be no assurance that a sufficient number of investments meeting the Fund's investment objectives will become available to the Fund, that the Fund will be able to obtain its desired investment allocation in any particular transaction, that the Fund will be able to execute on a particular investment opportunity, or that the Fund will be able to invest fully its committed capital.

***Competition for Investments.*** The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. The Fund will be competing with strategic buyers and other participants in the industries in which the Fund intends to invest, some of whom may have far greater financial resources and other advantages as compared to the Fund. In addition, the Fund will compete with other venture capital funds, direct investment firms, individual and institutional investors and others in effecting its investment program. As a result, the Manager may not be successful in making a sufficient number of attractive investment opportunities. This competition may also have an adverse impact on the length of time that is required for the Fund to become fully invested.

***Non-controlling Investments.*** The Manager expects that Investments will consist of non-controlling debt and structured equity interests in portfolio companies and, therefore, the Fund will have limited ability to protect its position in such portfolio companies. For example, the Fund will not likely have the right to compel a sale or other liquidity transaction, and may not have the right to block the incurrence of additional indebtedness, which may rank senior to the Fund's Investment. As a result, the ability of the Fund to realize on its investments will be limited.

***Risks of Investing with Third Parties.*** The Manager may invest in portfolio companies in which one or more venture capital firms or other third parties hold a controlling stake. Unfavorable performance by a controlling third party or its key personnel in overseeing and exiting an Investment could result in a substantial adverse effect on the Fund. Even if the Fund were to have control over the joint venture or co-owned entity (which is not expected), certain decisions may require approval of the third party, and the cooperation of the Fund and the third party on existing and future business decisions affecting the portfolio company will be an important factor for the sound operation of the portfolio company and the financial success of the Investment. Such Investments may involve additional risks, including the possibility that the third party may have financial constraints or economic or business interests or goals that are inconsistent with those of the Fund and may be in a position to take or block action in a manner contrary to the Fund's investment objectives. Disputes among joint owners do arise, and could have an adverse effect on the financial conditions or results of operations of these portfolio companies and in some instances, give rise to indemnification or other expense for the Fund. In addition, the Fund may in certain circumstances be liable for the actions of a third party joint investor. There can be no

assurance that the Fund will have or be able to exercise rights sufficient to protect its interests from the risks associated with investing with third parties.

***Lack of Operating History; “First-Time Fund”.*** The Fund is a “first-time fund” that has no operating history and no investment performance for prospective investors to evaluate. The General Partner and the Manager are newly formed entities. While the Principals of the Manager have previous experience advising on investments similar to those contemplated by the Fund, the Principals have no experience collectively managing and investing a pool of funds for third parties on a discretionary basis. Furthermore, there can be no assurance that the Investments will achieve results similar to those attained by previous investments advised by, or of, the Principals. In addition, the Fund’s investments may differ from previous investments made or advised by the Principals in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period.

***Investment Team Past Experience Not Indicative of Future Performance of the Fund.*** Past experience of members of the Investment Committee, their affiliates and/or investment team members of the Manager, whether in their individual or collective capacities, relates to aspects of financial services businesses other than the management of a blind pool fund with an investment strategy similar to that of the Fund, and accordingly provides no assurance of future results for the Fund. There can be no assurance that the individuals responsible for management of the Fund will be able to replicate any prior levels of success.

***Reliance on Key Personnel.*** The success of the Fund will significantly depend upon the skill and expertise of the Principals and the Manager’s investment professionals. Such professionals may not continue to be associated with Fund throughout its term, and any departure or resignation of any Principal or investment professional could have an adverse impact on the performance of the Fund. The Manager will have complete discretion over the investment of the funds committed to the Fund as well as all decisions relating to the disposition of the Investments. As the Fund is a “blind pool” fund, the Fund and the Limited Partners will rely on the Manager and the management expertise of the investment team in identifying, acquiring, administering and disposing of the Investments. Members of the investment team may cease to be involved in the management or participation in the affairs of the Manager or the management of the Fund, and the loss of any individual investment team member could have a material adverse effect on the Fund. Additional investment team members or others may be added following the Fund’s initial closing without the consent of any Limited Partner.

***Uncertainty and Imperfection in Asset Valuations.*** Valuations of Investments that do not have active trading markets will be determined by the Manager in good faith and will be final and conclusive as to all Partners. Such valuations may be arrived at on the basis of one or more subjective factors or matters of judgment, and therefore may not reflect the valuations that would be arrived at by others, including industry and investment professionals. Moreover, in some cases such valuations have experienced significant volatility due to general market conditions, changes in interest rates and changes in accounting conventions and their application to investments such as the ones made by the Fund. These valuations should not be viewed as accurate predictions of the ultimate realizable values.

***Due Diligence Risks; Valuation Issues; Role of Union Square Advisors.*** In evaluating prospective investments for the Fund, the Manager will seek to adhere to a disciplined due diligence process, but may not have direct access to sufficient information, or sufficient time or resources, to conduct thorough due diligence and may rely to a significant extent on due diligence performed by Union Square Advisors in connection with its advisory engagement of the issuer. Union Square Advisors has no duties to the Fund, and in facilitating investment opportunities for the Fund may not be acting in the best interests of the Fund. When conducting due diligence and making an assessment regarding an Investment, the Manager will be required to rely on resources available to it, including information provided by Union Square Advisors and the target of the Investment and, in some circumstances, third party investigations. Accordingly, there can be no assurance that the due diligence investigation that the Manager will carry out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Further, there can be no assurance that such an investigation will result in an Investment being successful.

Moreover, in any particular investment proposed for the Fund, Union Square Advisors may have relationships with existing investors, including venture capital firms and private equity firms, that have been longer term investors as compared to the Fund and that may control the equity in the portfolio company. The interests of these investors in connection with an investment by the Fund may be directly adverse to the interests of the Fund, insofar as it would be in the interest of these investors to negotiate for the lowest interest rate, highest valuation and most advantageous repayment terms. As a result, there is a risk that the Manager will not be successful in negotiating advantageous terms for the Fund's interest and, even if the company is successful, the Fund will not make a significant profit on its Investment.

***No Right to Control the Fund's Operations.*** The Limited Partners will have no opportunity to participate in the day-to-day operations, including investment and disposition decisions, objectives or policies of the Fund. The Limited Partners will not receive detailed financial information issued by portfolio companies in which the Fund invests that will be available to the Manager. Limited Partners must rely entirely on the Manager to conduct and manage, respectively, the affairs of the Fund.

***Illiquidity; Lack of Current Income.*** An investment in the Fund is a long-term commitment. It is uncertain when profits, if any, will be realized from the Investments. Losses on unsuccessful Investments may be realized before gains on successful Investments are realized. The Fund will be making investments in debt and structured equity securities of private companies for which there is no liquid market. While some Investments are expected to generate ongoing income in the form of interest or dividends, interest or dividend income cannot be guaranteed. As a result, the return of capital and the realization of gains, if any, generally will occur only upon the partial or complete repayment or disposition of an Investment, which will depend on the ability of the company to obtain a liquidity event or subsequent capital raise, which may be highly speculative. The market for high technology and other emerging companies is extremely volatile, and will depend on market conditions, regulatory constraints and other factors beyond the control of the company and its investors, including the Fund. As a result, an investment in the Fund should be viewed as highly illiquid.

***Restrictions on Transfer and Withdrawal.*** The Interests have not been registered under the Securities Act of 1933, as amended (the "Securities Act") or any other applicable securities law.

The Limited Partners may not sell, transfer or pledge their Interests except with the consent of the General Partner, which may be withheld in its sole discretion. The Interests will not be redeemable, and voluntary withdrawals of the Limited Partners will not be permitted, except in limited circumstances to the extent necessary to comply with particular laws, statutes, and regulations. There is no public market for the Interests, and none is expected to develop. Consequently, the Limited Partners may be unable to liquidate their Interests before the end of the Fund's term. See Section V of this Memorandum – "Summary of Fund Terms – Transfer of Interests and Withdrawal".

***Consequences of Default.*** If a Limited Partner fails to pay in full the amount of any drawdown, the General Partner may take certain actions that may result in a sale of such Limited Partner's interest in the Fund or a forfeiture of all or a portion of such Limited Partner's interest in the Fund. Additionally, the General Partner may pursue any available legal or equitable remedies, with the expenses of collection of the unpaid amount, including attorneys' fees, to be paid by such defaulting Limited Partner. The General Partner will be granted additional powers to deal with defaulting Limited Partners under the Partnership Agreement, which it may exercise in its discretion. In addition, the Partnership Agreement permits the General Partner to call on non-defaulting Limited Partners to make up any shortfall attributable to a defaulting partner, subject to certain limitations.

***Reliance on Portfolio Company Management.*** While the Manager will actively monitor each Investment, it is primarily the responsibility of company management to operate a portfolio company on a day-to-day basis. At the time of the Investment, a portfolio company may lack one or more key attributes (e.g., proven technology, marketable product, complete management team, or strategic alliances) necessary for success, and the development of such attributes will be the responsibility of portfolio company management. Portfolio company management may not produce the expected results or may not remain with the companies.

***Later Stage Investments.*** The Fund intends to focus on later-stage venture capital debt and structured equity investments. On occasion, portfolio companies may require considerable capital to further develop technologies and markets, acquire customers and achieve or maintain a competitive position, and the Investment made by the Fund may not be sufficient to ensure their stability. The ability of the company to raise capital will depend on numerous factors, many of which are beyond the control of the company, including market conditions for initial public offerings of, and private capital raising for, technology companies at the relevant time. Moreover, a company whose business plan is not fully funded may be viewed less favorably by prospective buyers and a sale of the company may not be achievable at an attractive price or at all. As a result, the company may not be able to repay the Fund's Investment. Further, the technologies and markets of such companies may not advance as anticipated, even after substantial expenditures of capital and time. Such companies may face intense competition, including competition from companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Portfolio companies may have substantial variations in operating results from period to period and may experience failures or substantial declines in value in the later stage or growth stage of their life.

***Risks of Limited Number of Investments; Concentration of Investments; Dependence on Performance of Certain Investments.*** The Fund will participate in a limited number of investments and intends to make most of its Investments in a limited number of later-stage and growth-stage technology companies. To the extent that the Fund concentrates its Investments in the technology sector, Investments will become more susceptible to fluctuations in value resulting from adverse business or economic conditions affecting that particular sector. Additionally, the Fund's aggregate return may be substantially affected by the unfavorable performance of one or a small number of companies in which the Fund has invested. In order for the Fund to achieve attractive returns when at least one Investment is likely to underperform, one or more of its other Investments must generally perform above expectations. There can be no assurance that this will be the case.

***Risks upon Disposition of Investments.*** In connection with the sale of a portfolio company or other disposition of an Investment, the Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business or may be responsible for the contents of disclosure documents under applicable securities laws. The Fund may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Partners, subject to limits set forth in the Partnership Agreement.

***Recourse to Fund Assets; Indemnification.*** The Fund's assets, including any Investment made by the Fund and any funds held by the Fund, are available to satisfy all liabilities and other obligations of the Fund. Such obligations include the Fund's obligation to indemnify the General Partner, the Manager and each other Indemnified Person for liabilities incurred in connection with the affairs of the Fund. See Section V of this Memorandum – "Summary of Fund Terms – Exculpation; Indemnification" and "–Limited Partner Giveback". Recourse to the Fund's assets could have an adverse impact on the Interests of the Limited Partners.

***Side Letters.*** The General Partner or the Fund may from time to time enter into Side Letters with one or more Limited Partners whereby, in consideration for agreeing to invest certain amounts in the Fund and other consideration deemed material to the Fund, such Limited Partners may be granted rights not otherwise afforded to other Limited Partners. These Side Letters may entitle a Limited Partner to make an investment in the Fund on terms other than those described in the Private Placement Memorandum and the Partnership Agreement. Any such terms, including with respect to (a) economic terms, (b) reporting obligations of the Fund; (c) transfer rights to affiliates; (d) withdrawal rights due to adverse tax or regulatory events; (e) consent rights to certain Partnership Agreement amendments; (f) rights to be offered opportunities to co-invest with the Fund in priority to other Limited Partners; or (g) any other matters described herein or in the Partnership Agreement, may be more favorable than those offered to any other Limited Partners. Such agreements will have the effect of establishing rights under, or altering or supplementing the terms of, the Partnership Agreement with respect to such Limited Partner.

***Projections.*** The Fund will likely rely upon projections developed by portfolio company management, the Manager or a third party concerning the portfolio company's future performance and cash flow. Projections are inherently subject to uncertainty and factors



beyond the control of the General Partner, the Manager and the portfolio company. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values and cash flow.

## Item 9 – Disciplinary Information

The Manager and its employees have no disclosures of material events related to any legal, regulatory or disciplinary matters to report.

## Item 10 – Other Financial Industry Activities and Affiliations

As discussed elsewhere, the Manager is an affiliate of Union Square Advisors, LLC, an SEC registered broker-dealer conducting mergers and acquisition advisory engagements, a member of the Financial Industry National Regulatory Authority (“FINRA”) and the Securities Investor Protection Corp. (“SIPC”). Union Square Advisors and the General Partner of the Fund and the Manager all are ultimately owned by the same company.

Union Square Advisors is not paid any placement agency or other fee for an introduction of a company to the Fund, or for introducing and subscribing any limited partner to the Fund.

Employees of the Manager are employees of Union Square Advisors, and also maintain registrations with FINRA as required by regulation. Additionally, members of the Investment Committee are also registered persons of Union Square Advisors carrying FINRA licenses. One member of the Investment Committee is affiliated with Hillspire, a family office that provides private wealth management services. Clients of Hillspire may become investors in the Fund. No compensation is paid to Hillspire in the event that any Hillspire client becomes an investor in the Fund.

Clients of the Fund are expected to be clients of Union Square Advisors, and to be introduced to the Fund by Union Square Advisors. The potential exists for The Manager to develop a term sheet for a client that is very advantageous to the Fund Client in order to ultimately enable that client to complete a transaction for which the client has engaged Union Square Advisors. Our potential to receive incentive-based-compensation, and the fact that we will not have to refund any such fees or allocations if the Fund later experiences losses, create an incentive for us to make investments that are riskier or more speculative than would otherwise be the case. The Manager has developed procedures to prevent potential conflicts of interest from causing actions adverse to the Fund and its Limited Investors.

## Item 11: Code of Ethics

Union Square Strategic Capital’s Code of Ethics (the “Code of Ethics”) is designed to meet the requirements of Rule 204A-1 of the Advisers Act. The Code of Ethics applies to Union Square Advisors Strategic access persons (which term includes all employees and certain other persons (together, the “Access Persons”)) and sets forth a standard of business conduct that takes into account the Manager’s status as a fiduciary and requires Access Persons to place the interests of

the Fund and Fund Investors above their own interests. The Code of Ethics requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code of Ethics to the attention of the Chief Compliance Officer. All Access Persons are provided with a copy of the Code of Ethics and are required to acknowledge receipt of the Code of Ethics on at least an annual basis.

We have adopted a Code of Ethics that describes the standards of business conduct that we require of employees and establishes procedures intended to prevent us, and our personnel and certain of their relatives, from inappropriately benefiting from our relationships with clients. Our Code of Ethics provides that:

- Our clients' interests come before our employees' interests and, except to the extent otherwise provided in client agreements, before our own interests;
- We must disclose all material facts about conflicts of which we are reasonably aware between ourselves and our employees' interests, on the one hand, and our clients' interests, on the other;
- Our employees must operate on our and their own behalf consistently with our disclosures to, and arrangements with, our clients regarding conflicts and our efforts to manage the impacts of those conflicts;
- We and our employees must not take inappropriate advantage of our or their positions of trust with or responsibility to our clients; and
- We and our employees must comply with all applicable securities laws.

Our Code of Ethics includes procedures for, and restrictions on, employee trading intended to prevent employees from benefiting from, or appearing to benefit from, any price movement caused by client transactions or our recommendations regarding securities. Among other things, these include requirements that employees make a written request for, and receive clearance from, our Chief Compliance Officer (or his designees) before they buy or sell any security (other than certain government securities, shares of mutual funds, and certain other types of securities that we do not believe create a potential for conflicts of interest) and prohibitions of transactions in securities that are in the technology sector or that we are actively considering, or are, buying or selling for the Fund or for which Union Square Advisors is engaged. The Code of Ethics also contains restrictions on and procedures to prevent inappropriate trading while we are in possession of material nonpublic information.

Our Code of Ethics is available to existing or prospective clients and investors upon request.

#### Personal Trading for Associated Persons

No employee may effect a transaction in an equity security for an employee's account if the employee knows that we are effecting or are considering effecting an equivalent transaction in the same equity security for client accounts. Employees of the Manager and of Union Square Advisors are prohibited from transacting in equity securities of technology companies. The Chief Compliance Officer or his or her designee may consider granting an exception to this prohibition, but these exceptions will be rare.

As required by Rule 204A-1 of the Advisers Act, the Firm requires its Access Persons to report their securities transactions on a quarterly basis and disclose their securities holdings upon employment and on an annual basis thereafter. Employees of Union Square Advisors who are unrelated to the Firm are also subject to all of the reporting, pre-clearance, and other requirements under our Code of Ethics.

## Item 12: - Brokerage Practices

The Manager does not transact in securities that are traded on public exchanges or markets and will not establish traditional brokerage accounts or relationships. The Fund will have establish any brokerage clearing relationship. However, the relationship with its affiliate, Union Square Advisors, is such that it is expected that all of the investments made by the Manager for the Fund will be from client relationships of Union Square Advisors. Please see additional information in Item 2 – Fees and Other Compensation, and Item 10 – Other Financial Industry Activities and Affiliations.

The Manager will have sole discretion in establishing vendor relationships necessary to the conduct of the affairs of the Fund. Wherever possible, any such vendor arrangement will be made through an arms-length arrangement, or by receiving competing proposals for necessary services.

In order to perform an analysis of the prospective and current companies that are the subject investments of the Fund, the Manager will require access to the current financial data of that company. At no time will Union Square Advisors provide confidential information to the Manager without prior, specific consent from the owner of that confidential information. Additionally, the Manager may require non-confidential information about comparable companies. That non-confidential information may be provided by data vendors under contract with Union Square Advisors. While there is no arrangement that falls within the definition of “soft dollars”, it is possible that the Manager will reimburse Union Square for access to those vendors, although no such arrangement is currently in place.

In establishing pricing and/or terms offered to prospective “clients”, or companies seeking to borrow capital from the Fund, the Manager may attempt to locate other lenders to provide part of the total capital being requested. Additionally, in assisting the Investment Committee in determining the appropriateness of terms proposed for any provision of capital, the Manager may also provide market comparisons for similar transactions.

Potential conflicts of interest related to the relationship between the Firm and Union Square Advisors include but are not limited to:

- Information sharing between Union Square Advisors and the Firm that is not authorized by the client;
- A dual employee of both companies performing services related to one client for both companies;
- It is possible that the Portfolio Managers will propose and the Investment Committee will approve investment terms that are below market in order to improve the prospects of the client completing a transaction through Union Square Advisors that may provide higher fees than returns generated for the Fund;
- Certain clients of Union Square Advisors may be competitors of the companies seeking capital from the Fund, and the competitors may affect the performance of that client and the returns receive by the Fund.

**Cross and Agency Cross Transactions:** The Manager is unable to affect any cross transactions in which two related entities, or entities controlled by the same person or company, purchase and sell securities to one another. As the Fund is the only entity that takes an ownership position in a security, it is not possible for a cross transaction to occur.

Agency cross transactions, in which Union Square Advisors acts as agent for both the buyer and the seller in a transaction, is not possible. However, Union Square Advisors will be under an engagement letter with the Client of the Fund, and may receive fees resulting from a transaction stemming from that engagement. As discussed elsewhere, the employees of the Manager are also employees of Union Square Advisors. Union Square Advisors will not receive any fee for the referral of Clients of the Fund, nor will its employees receive any fee related to any placement agency activities for the solicitation of investors in the Fund.

Since the Manager and Union Square Advisors are both owned and controlled by the same entity, ultimately any fees received by either benefits the parent. Therefore, prospective investors should understand that to some degree, Union Square Advisors will benefit from a Client company receiving capital (in the form of either structured debt or structured equity). Union Square Advisors may receive a fee related to an engagement to provide an introduction to a capital source. Union Square Advisors may also receive a fee for the successful sale of that Client company under a second engagement for the sale of the company.

The Manager will receive its fee(s) related to the success of the Fund. These fees are described clearing in Item 5 – Fees and Compensation.

## Item 13 – Review of Accounts

**Monitoring of Individual Investments:** After a transaction is closed and funded, the Manager will closely monitor the company's financial and operating performance. The Manager will regularly review materials provided by the target, including, in certain cases, quarterly materials provided to the company's board of directors. The General Partner expects to coordinate closely with the target in the case of any performance or other shortfall by the company. Material cash shortages and deviations from the operating plan will be discussed with the company management or its board of directors as required. The Manager will ensure that the General Partner and Limited Partners receive periodic reports as to the performance of the portfolio investments.

**Monitoring of the Portfolio:** The Manager will perform a regular review of the investments in the Fund portfolio, including updates from portfolio companies and analysis conducted internally by the portfolio management team of the Manager. Since the securities held in the investment portfolio will be securities of private companies, the Manager may only conduct thorough reviews if the company in which the Fund has invested provides updated information in addition to analysis conducted by the portfolio management team of the Manager.

Updates related to the Fund will be provided to the Limited Partners periodically by the Manager and will also be available through the Fund Administrator.

## Item 14 – Client Referrals and Other Compensation

The Manager does not seek referrals for clients, nor would it pay compensation or fees for any referral it should receive on an unsolicited basis.

## Item 15 – Custody

Pursuant to Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), Union Square Strategic Capital is deemed to have custody of the assets held by the Fund because we or our affiliate serve as general partner of the Funds. Union Square Strategic Capital does not have custody of client funds or securities. As the Fund will invest in structured debt or structured equity securities of private company, there may be no physical evidence of the investment other than contracts and/or term sheets.

The Custody Rule generally requires SEC-registered investment advisers that have custody of their clients’ assets to have a reasonable belief, after due inquiry, that a qualified custodian sends account statements detailing holdings and transactions directly to clients at least quarterly and impose certain other obligations. However, advisers to privately offered pooled investment vehicles like the Fund need not comply with those requirements if, among other things, the Funds are subject to annual audit by an independent public accountant that is registered that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board in accordance with its rules and such Funds provide investors with audited financial statements prepared in accordance with generally accepted accounting principles (“GAAP”) by a specified time each year. We satisfy those conditions and therefore are exempt from the custodial account statement delivery obligations and will be deemed to have complied with the surprise examination requirement under the Custody Rule. The Manager will provide investors in the Fund with audited financial statements, prepared in accordance with U.S. GAAP, within 120 days of the end of the Funds’ respective fiscal years (180 days in the case of a fund of funds). In the event of a liquidation of the Fund, we will obtain a final liquidation audit of the Fund’s financial statements in accordance with GAAP and distribute it to Investors in the relevant Fund promptly after completion of the audit.

## Item 16 – Investment Discretion

The Manager has discretion granted to it pursuant to an Investment Management Agreement entered into between the Manager and the General Partner of the Fund.

The Investment Management Agreement specifies the limitations to that discretionary authority, with is limited to the types of investments to be made in the Fund to those described in the Private Placement Memorandum. Those investment types are outlined in Item 4 – Advisory Services and Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.

The Investment Management Agreement may be terminated by either the Manager or the General Partner with 90 days written notice.

## Item 17 – Voting Client Securities (Proxy Voting)

The Fund does not permit the Manager to invest in the equity securities of public companies, or securities of private companies that would confer the right to cast a vote in response to a solicitation. Therefore, the Fund will not receive any solicitations from companies in which the Manager may invest.

Should the Manager become engaged by another Fund which invests in public securities, it will develop appropriate policies and procedures for voting client securities.

## Item 18 – Financial Information

As described in Item 4 – Advisory Services, the Fund will pay management fees on a quarterly basis in advance, starting on the date of the initial closing. The Management Fee will be assessed at the rate of two percent (2.0% per year of (a) total Commitments of the Limited Partners until the termination of the Commitment Period, and thereafter (b) funded Commitments of the Limited Partners reduced by the cost basis of all Realized Investments and write downs.

One hundred percent (100%) of any transaction, directors', management, monitoring, consulting, break-up, and other similar fees received by the Manager or in connection with the Fund and its Investments, net of unreimbursed transaction expenses incurred by the Manager, will be applied to reduce the Management Fee for the following quarterly period; *provided*, for the avoidance of doubt, that the foregoing offset shall not apply to any fees received by Union Square Advisors or any affiliate in the normal course of its investment banking or advisory business.

Should the Fund or the Manager terminate the management agreement on other than a quarter's end, any paid but unearned management or other fees received by the Manager will be reimbursed to the Fund promptly, but not less than prior to the close of the following quarter.

Union Square Strategic Capital Management LLC  
Brochure Supplement

This Brochure Supplement provide information about Edward R. Smith, Dean Riskas and Kenneth A. Goldman that supplements the Union Square Strategic Capital Management LLC brochure. You should have received a copy of that brochure. Please contact Harriet Britt, Chief Compliance Officer, at 415-501-8090 or [harriet.britt@usadvisors.com](mailto:harriet.britt@usadvisors.com) if you did not receive Union Square Strategic Capital Management LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Edward R. Smith, Dean Riskas and Kenneth Goldman is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Investment Committee

### Edward R. Smith

Born: 1966

Education:

University of Notre Dame, B.S., Electrical Engineering, 1988

University of Notre Dame, M.S., Electrical Engineering, 1990

Professional Background:

|  |                  |
|--|------------------|
| Union Square Advisors, LLC, President & Co-Founder                   | 6/206 - Present  |
| Credit Suisse, Managing Director, Global Software Investment Banking | 7/1998 – 8/2005  |
| Novell Corp., President Corporate & Business Development             | 6/1994 – 6/1997  |
| (Word Perfect, acquired by Novell)                                   | 10/1993- 6/1994  |
| Morgan Stanley, Investment Banking                                   | 6/1990 – 10/1993 |

Other Activities:

During 2015 Mr. Smith was selected as a member of the first-ever class of Presidential Leadership Scholars ([www.presidentialleadershipscholars.org](http://www.presidentialleadershipscholars.org)), a partnership between the presidential centers of George W. Bush, William J. Clinton, George H.W. Bush, and Lyndon B. Johnson. This unprecedented program brings together a select group of leaders who share a desire to create positive change across our nation and the world, and enables them to enhance their leadership skills to help face the toughest challenges of the 21st century. Mr. Smith also is a board director for Assurance Health System, serves as the Chairman of the Rife Scholarship Fund, and is the past Chairman of the Performing Arts Advisory Council for the University of Notre Dame.

### Dean R. Riskas

Born: 1951

Education:

|  |      |
|--|------|
| University of California, Los Angeles, B.S., Economics           | 1973 |
| University of California, Los Angeles, MBA, Finance & Accounting | 1975 |

Professional Background:

|  |                   |
|--|-------------------|
| Union Square Advisors, Senior Managing Director, Head of Capital Markets   | 1/2012 - Present  |
| TriplePoint Capital, President, MD, PM, Venture Loans & Leases             | 11/2005 – 12/2011 |
| Atherton Vista Capital, Founder, PM, Privatized US Municipal Financing     | 11/2004 – 11/2005 |
| Trinity Advisors, Co-Founder, Leveraged Lease & Project Financings         | 12/1988 – 11/2004 |
| Comdisco Financial Services, Partner, SVP; Leveraged Lease Placement Group |                   |

Other Activities

Mr. Riskas served for 18 years as the Treasurer of the COPF Foundation. He also served on both the UCLA Foundation Board of Governors and the Board of Directors of the Ronald McDonald House at Stanford. Mr. Riskas is a past President of the Menlo Circus Club, a former member of the Board of Trustees of Menlo School, and Elder of the Menlo Park Church.



## Kenneth A. Goldman

Born: 1949

### Education:

|   |      |
|---|------|
| Cornell University – B.S., Electrical Engineering | 1972 |
| Harvard Business School – MBA                     | 1974 |

### Professional Experience:

|   |                  |
|---|------------------|
| Hillspire, LLC – President - Current  |                  |
| Yahoo! – Chief Financial Officer  | 10/2012 -6/ 2017 |
| Fortinet Inc. – Chief Financial Officer   | 9/2007 – 10/2012 |
| Dexterra, Inc. – Chief Financial Officer  | 11/2006 – 8/2007 |
| Siebel Systems, Inc. – Chief financial Officer  | 8/2000 – 3/2006  |
| Other experience includes Sybase, Inc., Excite@Home, Cypress Semiconductor Corp., and VLSI Technology, Inc. |                  |

Mr. Goldman also currently serves on the board of directors of NXP Semiconductor, Trinet, RingCentral, Zuora, GoPro, Inc. and the SASB Foundation; and other non-profit boards such as Lucile Packard Children's Hospital Foundation Board and the RFK Human Rights Board.

Previously Mr. Goldman was a member of the Board of Trustees of Cornell University from 2005 to 2013 and was subsequently designated as Emeritus Trustee; and is currently on the Harvard Business School California Research Center Advisory Board. Mr. Goldman was appointed in January 2015 to a three-year term to the Public Company Accounting Oversight Board's (PCAOB's) Standing Advisory Group (SAG), an organization that provides advice on the need to formulate new accounting standards or change existing standards. He was a member of the Treasury Advisory Committee on the Auditing Profession over the years 2007-2008, a public committee that made recommendations to encourage a more sustainable auditing profession

## Wayne Kawarabayashi

Born: 1971

### Education:

|  |      |
|--|------|
| Georgetown University, B.S., International Relations | 1983 |
| Wharton School, University of Pennsylvania, MBA,     | 1988 |

### Professional Experience:

|  |                  |
|--|------------------|
| Union Square Advisors, Managing Director, Head of Mergers & Acquisition  | 4/2013 – Present |
| Barclays (through Lehman Bros. Acquisition), MD, Global M&A - Technology | 9/2008 – 4/2013  |
| Lehman Brothers Inc., MD, Global M&A, Global Technology                  |                  |

## Union Square Capital Management LLC

### Privacy Policy

Protecting your privacy is important to Union Square Capital Management LLC (“Union Square Capital” or the Firm”). We want you to understand what information we may gather and how we may share it. This Privacy Policy applies to the Firm’s collection, use, retention and security of the nonpublic personal information about our clients who are consumers who invest in any Fund we may manage. This policy is provided to you as required by applicable financial privacy laws.

#### ***How We Share Information***

- The Firm will disclose nonpublic information about you with the Fund administrator and other third parties such as accountants and auditors who are retained to provide services on behalf of the Union Square Strategic Capital Fund I, LP (the “Fund”) in conducting its investment activities, or any successor party so that they may act on our behalf.
- Union Square Capital may also share information with regulators, auditors or other vendors in their capacity as outlined in our agreements or as required by law. We may provide nonpublic information without your permission to third parties:
  - ❖ to respond to a subpoena or court order, judicial process or regulatory authorities;
  - ❖ to consumer reporting agencies, in accordance with the Fair Credit Reporting Act;
  - ❖ in connection with a proposed or actual sale, merger, or transfer of all or a portion of a business or an operating unit;
  - ❖ to protect against fraud.
- Union Square Capital will not share your public or private information with any third party (including our affiliates) other than to conduct your business, as required by law, or as you instructed or requested us to do (such as your request to share information with your accountant, etc.), unless we have your express permission.

#### ***How We Gather Information***

As part of providing you with financial products or services, we may obtain information about you from the following sources:

- From applications, forms, and other information that you provide to us, whether in writing, in person, by telephone, electronically or by any other means. This information may include your name, address, employment information, income, and credit references;
- Through your transactions with us,
- From consumer reporting agencies. This information may include account information and information about your creditworthiness;
- Information from outside sources regarding your employment, credit and other relationships;

- General information from other outside sources, such as data from public records, that is not assembled or used for the purpose of determining your eligibility for our products or services;
- As required by the Union Square Advisors PATRIOT Act, we also collect information and take actions necessary to verify your identification;

#### *Our Former Customers*

Even if you are no longer an investor in any Fund that we manage, our Privacy Policy will continue to apply to you.

#### ***Our Security Practices and Information Accuracy***

We also take steps to safeguard customer information. We restrict access to the personal and account information of our customers to those employees who need to know that information in the course of their job responsibilities. Our employees are bound by a code of ethics and legal and other requirements that require confidential treatment of customer information and are subject to disciplinary action if they fail to follow these requirements. We maintain physical, electronic, and procedural safeguards that comply with federal standards to protect customer information. We have taken reasonable measures to ensure that discarded documentation containing nonpublic information is properly destroyed and any discarded information contained in an electronic medium will be properly erased. These measures will safeguard against any information being read or reconstructed. If the confidentiality and security of your customer information is breached, we will notify you promptly, consistent with applicable law.

We also have internal controls to keep customer information as accurate and complete as we can. If you believe that any information about you is inaccurate, please let us know.

We review our Policy and processes regularly to ensure that we are in compliance with any new state or federal regulation or guidance.

#### ***Questions?***

If you have questions about this policy, or any other issue, please contact us:

Harriet Britt  
Chief Compliance Officer  
Privacy Officer  
600 Montgomery Street, 22<sup>nd</sup> Floor  
San Francisco, CA 94111  
415-501-8090