

MITTLEMAN VALUE PARTNERS LLC

A Delaware limited Liability Company
CRD #327006

Telephone number- 212-535-0415

THIS BROCHURE (THE “BROCHURE”) PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF MITTLEMAN VALUE PARTNERS LLC (THE “FIRM”). IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT 212-535-0415 OR CHRIS@MITTLEMANVALUE.COM.

THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AUTHORITY.

ADDITIONAL INFORMATION ABOUT THE FIRM ALSO IS AVAILABLE ON THE SEC’S WEBSITE AT WWW.ADVISERINFO.SEC.GOV

March 30, 2024

The delivery of this Brochure at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above. This Brochure will supersede all other documents containing information about the Firm. Registration as an investment adviser does not imply a level of skill or training.

Material Changes

The only material change since the Firm's first Brochure was filed on June 15, 2023, is that the civil litigation referenced in Item 9 was settled on January 3, 2024. A link to the press release announcing the settlement is provided here below:

<https://www.newswire.ca/news-releases/aimia-announces-settlement-of-legal-disputes-with-christopher-mittleman-807335072.html>

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I. Part 2A – DISCLOSURE ITEMS ABOUT FIRM

Item 4. Advisory Business:

- (A) **Operational and Organizational Information:** The Firm is a New York based firm and is registered with the SEC as an investment adviser. The Firm was formed on May 4, 2023. Christopher P. Mittleman is the Firm’s Chief Compliance Officer and Chief Investment Officer. Mr. Mittleman is also the sole owner and employee of the Firm. As stated on the cover page of this Brochure, registration as an investment adviser does not imply a level of skill or training.
- (B) **Types of Advisory Services Offered:** The Firm offers discretionary investment management and advisory services with a focus on domestic and foreign equity securities (“Services”) to separate account clients (“Clients”). The Firm does not provide investment management services on a non-discretionary basis. The terms of such Services are described in an investment management agreement (“IMA”) that is agreed upon between each Client and the Firm.

The Firm offers a single investment strategy and in general does not tailor that strategy to the individual requests of clients.. Under limited circumstances, if acceptable investment guidelines are requested by an institutional investor, the Firm may approve client guidelines and restrictions on a case-by-case basis. Please review the Firm’s investment guidelines, specified below under “Client Investment Guidelines and Parameters.”

- (C) **Client Investment Guidelines and Parameters:** The Firm offers a single investment strategy and does not tailor its advisory services to the individual needs of its Clients. Under limited circumstances, the Firm may approve Client guidelines and restrictions on a case-by-case basis. The Firm provides discretionary investment advisory services to all fee paying Clients’ accounts. In connection with managing the investments of its Clients, such account’s IMA provides investment guidelines and parameters that describe the context within which the Firm renders its advisory services.

Separately Managed Accounts (“SMAs”) are managed in accordance with the terms, conditions, guidelines, and limitations contained in Investment Advisory Agreements or Investment Management Agreements (either, an “IMA”) between the Firm and the Client. Position weightings of investments in our Clients’ accounts will typically vary as we make independent allocation decisions with respect to each Client account. Under

limited circumstances, if acceptable investment guidelines or investment restrictions are requested by an institutional investor, we have, and will consider such on a case-by-case basis

(D) **Wrap Fee Programs:** The Firm does not offer wrap fee programs.

(E) **Client Assets Under Management:**

Discretionary: \$ 27,863,258.21 as of 12/31/2023

Non-discretionary: \$ 0 as of 12/31/2023

Item 5. Fees and Compensation:

(A) **Generally:** All fees are individually negotiated. Circumstances considered when negotiating fees may include, without limitation, customary market rates, specialized guidelines, and other performance/incentive fee arrangements with the Client.

In general, Clients may pay an annualized asset-based fee ranging between approximately 0% to 2% based on the Client account's assets under management ("Management Fee"), see Item 5(B). Clients meeting the definition of "Qualified Client" may be charged a performance fee (the "Performance Fee") that ranges between an annualized 5% and 15% of the net profits, as defined below, in such Client's account. A Qualified Client is defined in SEC Rule 205-3 under The Investment Advisers Act of 1940 (the "Advisers Act"), as follows: "*A natural person who, or a company that... has at least \$1,000,000 under the management of the investment adviser*" or "*A natural person who, or a company that, the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either: a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,200,000...*"¹:

Asset based fees shall be calculated based on all of the applicable assets under management, net of any margin balances. Asset under management values will be determined using market values on the last day of the quarter

¹ For purposes of calculating a natural person's net worth: (1) The person's primary residence must not be included as an asset; (2) Indebtedness secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time the investment advisory contract is entered into may not be included as a liability (except that if the amount of such indebtedness outstanding at the time of calculation exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess must be included as a liability); and (3) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the residence must be included as a liability.

priced according to the Client's brokerage/holding statement on the last day of the each quarter.

A pro rata Management Fee will be charged to Clients on any amounts accepted during a quarter. The Firm, in its sole discretion, may waive or reduce the Management Fee for any period of time, or agree to apply a different Management Fee for any Client (all such arrangements in the form of a rebate or otherwise).

A full description of the entire fee arrangement will be disclosed to the Client in such Client's IMA. Fees may be deducted directly from a Client's account, if so authorized by Client, and as specified in the relevant IMA. The Firm's receipt of Performance Fees is intended to align the Firm's interests with those of its Clients, and to provide the Firm with a greater incentive to manage assets well. Such fees will be structured and charged in a manner consistent with the requirements of applicable law. The nature of the Performance Fee, however, creates potential conflicts of interest among the Firm, its associated persons, and Clients.

In addition, as the Firm will manage accounts from which it collects Performance Fees and also manage accounts from which it does not collect Performance Fees, the Firm has an incentive to favor accounts for which it receives the Performance Fees because it will receive a greater profit from the accounts which are charged Performance Fees. Therefore, the Firm has an incentive to allocate investments that are expected to be more profitable to accounts from which it collects Performance Fees, on the one hand, and that are riskier on the other hand, since in both scenarios, the Firm may receive greater fees if the investment generates a positive return. Notwithstanding the foregoing, the Firm does not favor accounts that pay Performance Fees.

The Firm does not represent that the amount of the Performance Fee or the manner of calculating such fees is consistent with other similar fees charged by other investment advisers under the same or similar circumstances. The Performance Fees charged by the Firm may be higher or lower than such similar fees charged by other investment advisers for the same or similar services.

As described above, Performance Fees may create an incentive for the Firm to make investments that are riskier or more speculative than would be the case in the absence of a Performance Fee. With respect to the Performance Fees collected, the Firm may receive increased compensation with regard to unrealized appreciation as well as realized gains in the Client's account.

Fees charged by the Firm are separate and distinct from fees and expenses charged by mutual funds or money market funds which may also be recommended to Clients. A description of these fees and expenses are available in each mutual fund's or money market fund's prospectus.

(B) Payment of Fees:

Management Fees: The Firm generally charges Management Fees on a quarterly basis, in arrears. Specifically, Management Fees are calculated based on the assets managed by Firm as reflected on brokerage statements from the Client's custodian as of the last day of the preceding quarter. Management Fees are typically deducted from Client accounts by such Client's custodian. Upon a Client's request, such Client may be billed directly by the Firm, as an alternative.

Performance Fees: Performance Fees are typically calculated in the manner discussed above and charged on an annual basis, in arrears. Performance Fees are typically deducted from Client accounts by such Client's custodian. Upon a Client's request, such Client may be billed directly by the Firm, as an alternative.

Additional Fees and Expenses: Any program involving investment in an operating company, outside money managers and/or mutual funds involves additional fees. Such investments may also result in higher fees or commissions. Accordingly, such higher fees or commissions may not be suitable for certain Clients. For example, Clients may incur brokerage and other transaction costs. Clients should review carefully Item 12, which discusses conflicts of interest related to brokerage practices. Brokerage commissions and/or transaction ticket fees charged by the Client's custodian will be billed directly to the Client. The Firm will not receive any portion of such commissions or fees from the custodian or Client. In addition, Clients may incur certain charges imposed by third parties other than the Firm in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12(b)-1 fees, surrender charges, and IRA and qualified retirement plan fees. Management fees charged by the Firm are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to Clients. A description of these fees and expenses is available in each investment company security's prospectus or the issuers offering documents.

(C) Fees Paid in Advance: The Firm does permit Clients to pay fees in advance, but in no event shall such fees be paid in excess of six months in advance and exceed \$500.

Termination of Services: Either party may terminate the IMA upon written notice to the other. The Management Fee will be pro-rated for the quarter in which the cancellation notice was given, and any unearned fees will be refunded to the Client. After the IMA has been terminated, transactions are processed at the prevailing brokerage rates. Client becomes responsible for monitoring their own assets and the Firm has no further obligation to act or provide advice with respect to those assets.

- (D) **Additional Compensation of Supervised Persons:** Neither the Firm nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

Item 6. **Performance Based Fees and Side-By-Side Management:** The Firm may charge performance based fees. See Item 5. Performance-based fee arrangements may create an incentive for the Firm to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. The Firm has procedures designed to ensure that all Clients are treated fairly and equally and to prevent this conflict from influencing the allocation of investment opportunities among Clients. Investment opportunities are typically allocated *pari passu*. The terms of the Performance Fee and allocations may differ in the future among new Clients. This may result in a conflict of interest when the Firm allocates opportunities among such Clients because there will be an incentive to favor allocations to Clients that have higher performance based fees and allocations. To avoid such a conflict of interest, the Firm generally follows documented procedures in allocating opportunities among its Clients which do not consider the performancebased fees and allocations to which such Clients are subject.

Item 7. **Types of Clients:**

SMAs- Generally, our Clients include high-net-worth individuals and various institutional Clients including, but not limited to: corporations, partnerships, private funds including private registered foreign funds, small businesses, endowments (public and private), ERISA plans & retirement accounts, foundations, accounts of other investment advisers, and pooled investment vehicles.

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

- (A) **Methods of Analysis and Investment Strategies:** The Firm's single investment strategy is to pursue superior returns through long-term investments in what we deem to be deeply undervalued securities on a global basis, while maintaining a focus on limiting risk. We seek to mitigate risk, which we define as the probability of a long-term loss of capital, by investing in businesses that we believe are proven franchises with durable economic advantages, evidenced by a well-established track record of substantial free cash flow generation over complete business cycles, and only when we believe the very low valuation at which the investment is made provides a significant "margin of safety." We employ a concentrated, long-term investment approach, typically holding between 10 and 20 securities. Investments are made globally, with foreign holdings historically representing an average of approximately 50% of our portfolios, although this percentage could be higher (as it has more recently been) or lower, depending on the investment opportunities we deem attractive. Unconstrained by capitalization parameters, we tend to gravitate towards smaller market capitalization companies where we have identified the greatest disparities between market price and our estimate of fair value. We buy stock in large capitalization companies as well, but only when we believe those companies are priced attractively enough to warrant inclusion in our portfolios. We believe that our ability to go wherever the best risk/reward ratios appear to be available, in companies small and large, domestic and international, gives us an advantage over other investment managers, who we believe often operate within a more constrained investment universe.

Investing in securities involves risk of loss that Clients should be prepared to bear.

- (B) **Risks Associated with Firm's Investment Strategies:** Different types of investments involve varying degrees of risk that our clients should be prepared to bear, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by us) will be profitable or equal any specific performance level. There can be no assurance that our clients or investors will achieve their investment objectives or that investments made by us will be successful. Our investment strategies involve a substantial degree of risk, including the complete loss of capital. Nothing in this Brochure is intended to imply, and no one is or will be authorized to represent, that our investment strategies are either low risk or risk free. Our investment strategies are appropriate only for sophisticated persons who fully understand and are capable of bearing the risks of our investment strategy. The various risks outlined

below are not the only risks associated with our investment strategies and processes and may not necessarily apply to each client or investor.

Margin Risks: We may also implement the use of leverage through margin loans in certain SMAs that have authorized us to use margin. Margin entails a higher level of risk. A margin transaction occurs when an investor uses borrowed funds to purchase financial instruments, or withdraws funds from a previously unleveraged investment account in excess of actual, nonmargin cash available. The investor obtains the borrowed funds from its custodian brokerage firm by using other securities in the account as collateral for the borrowed sum. The effect of utilizing margin is to magnify any gains or losses in the portfolio holdings in relation to the net equity value of the account, or to provide for liquidity needs of our Client. The Firm's use of leverage in an attempt to enhance account returns is extremely limited, and on the occasions when margin is used, it is primarily employed on a transitory basis to provide funds to satisfy our Client's withdrawal demands that would otherwise result in the premature liquidation of longerterm investments.

Competition Generally: The securities industry and the varied strategies and techniques to be engaged in by the Firm are extremely competitive and each involves a degree of risk. The Firm will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs. Further, lower fees for comparable services may be available from these or other firms.

Market Volatility: The profitability of the investments chosen by the Firm substantially depend upon the Firm correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Firm cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Accuracy of Public Information: The Firm may select investments for a Client, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Firm by the issuers or through sources other than the issuers. Although the Firm evaluates certain such information and data and sometimes seeks independent corroboration when the Firm considers it appropriate and when it is reasonably available, the Firm is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. Investments may not perform as expected if information is inaccurate.

Disruptions or Inability to Trade Due to a Failure to Receive Timely and Accurate Market Data from Third-Party Vendors: The Firm's

strategy may depend on the receipt of timely and accurate market data from third-party vendors. Any failure to receive such data in a timely manner or the receipt of inaccurate data for any reason could disrupt and adversely affect the Firm's trading until such failure or inaccuracy is corrected.

Non-U.S. Investments: On behalf of our Clients, we may invest in financial instruments of non-U.S. corporations. Investing in the financial instruments of companies outside of the U.S. involves certain considerations not usually associated with investing in financial instruments of U.S. companies, including: political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding, or other taxes on, interest, dividends, capital gains or other income limitations on the removal of assets and general social, political and economic instability, the relatively 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, the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries, fluctuations in the rate of exchange between currencies and costs associated with currency conversion, and certain government policies that may restrict our Clients' investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, we may be unable to mitigate all risks associated with non-U.S. markets. Finally, it could be difficult to enforce our Clients' rights in non-U.S. markets.

Interest Rate Risks: The Firm's investment strategies may include investments in debt securities of government and corporate issuers. These and various other assets including investments in equity securities, as well as our Clients' borrowings, subject our Clients to various risks associated with movements in interest rates. For example, the Firm may be required to manage both curve risk, which is the risk that the slope of the yield curve will vary from the slope assumed in our strategy, and credit spread risk, which is the risk that the spreads between yields of differently rated issuers will change in a manner that adversely affects our Clients' portfolio. Further, changes in interest rates may affect the valuations of equity securities and markets overall potentially leading to lower valuations for such securities thus increasing the risks inherent in our Clients' investments, which could have a negative impact on the performance of those investments.

Cash and Other Investments: A portion of our Clients' investments are invested in cash or cash equivalent investments. These cash investments are generally of high quality at the time of investment and may include money market instruments such as negotiable or nonnegotiable securities issued by

or short-term deposits with the U.S. and non-U.S. governments and agencies or instrumentalities thereof, bankers' acceptances, high quality commercial paper, repurchase agreements, bank certificates of deposit and short-term debt securities of U.S. or non-U.S. issuers deemed by us to be creditworthy. While these investments generally involve relatively low risk levels, they may produce lower than expected returns and could result in losses. Clients will also be responsible for the expenses associated with any such investments.

Side Letters: the Firm have the discretion to waive or modify the application of certain provisions or grant special or more favorable rights to certain of our SMA Clients. We have in the past entered into side letters or similar separate agreements with one or more such investors, or Clients, that altered the terms and conditions in the IMA with respect to such investors (including with regard to, without limitation, to the payment of management fees, performance fees and/or incentive allocations, or related to withdrawals, transfers and notices) or within an SMA Client's IMA.

Use of Automated Order Routing and Execution Systems Generally: The Firm may use automated order routing and execution systems in its trading. Such systems are typically provided on an "as is" basis. Such systems may experience technical difficulties which may render them temporarily unavailable. In addition, such systems may fail to properly perform. Such failures may result in losses to a Client, for which losses the providers of such services have disclaimed all liability. In an effort to mitigate such risks, the Firm intends to closely monitor trades executed through automated order routing and execution systems and the operation of the systems themselves.

Trading Errors: The Firm utilizes third-party electronic trading systems. Such trading systems rely on the ability of its operators to accurately process such systems' inputs and outputs and to use the proper trading orders, including stop-loss or limit orders, to execute the transactions called for by the systems. Both third-party and Firm systems are accordingly subject to human errors in addition to errors in properly executing transactions. This could cause substantial losses on transactions, and any such losses could substantially and adversely affect the performance of the Client. See "Brokerage Practices" herein.

Investments in Non-U.S. Investments: The Firm's central focus is global investing and, as such, the Firm expects that at times a substantial portion of a Client's assets will be committed to non-US financial assets. Investments in non-U.S. securities and other assets (through ADRs and otherwise), will give rise to risks relating to political, social and economic

developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and non-U.S. issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Non-U.S. securities and other assets often trade in currencies other than the U.S. dollar, and a Client may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect a Client's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of a Client's investments to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in value or liquidity of the Client's foreign currency holdings. If a Client enters into forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if a Client enters forward contracts for the purpose of increasing return, it may sustain losses.
- Non-U.S. securities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

Custody and Prime Brokerage Risk: There are risks involved in dealing with the custodians or prime brokers who settle Client trades. The Firm maintains custody accounts with independent custodians ("Custodians"). Although the Firm monitors the Custodians and believes it is an appropriate custodian, there is no guarantee that the Custodians will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure, or liquidation of a brokerdealer, there is no certainty that, in the event of a failure of a brokerdealer that has custody of Client assets, a Client would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

A Client and/or the Custodians may appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the Client. The Custodians may not be responsible for cash or assets which are held by sub custodians in certain non-U.S. jurisdictions, nor for any losses suffered by the Client as a result of the bankruptcy or insolvency of any such sub custodian. The Client may therefore have a potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to a fund by a custodian may not be available to the Client. Under certain circumstances, including certain transactions where the Client's assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of the Custodians, or where the Client's assets are held at a non- U.S. custodian, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of the Client and hence the Client could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there is a transaction and custody risk of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency, or mismanagement in certain non-U.S. jurisdictions, the ability of a Client to recover assets held by a sub-custodian in the event of the sub custodians bankruptcy or insolvency could be in doubt, as a Client may be subject to significantly less favorable laws than many of the protections that would be available under U.S. laws. In addition, there may be practical or time problems associated with enforcing a Client's rights to its assets in the case of a bankruptcy or insolvency of any such party.

Risks Associated with Leverage: The Firm may use leverage for certain Client accounts. In the event that the Firm determines that leverage is appropriate in its provision of Services, the Firm may use borrowed funds and/or investments in certain types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Firm purchases securities for a Client account with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of an account. If the interest expense on borrowings were to exceed the net return on the investments made with borrowed funds, the Firm's use of leverage would result in a lower rate of return than if an account was not leveraged.

If the amount of borrowings outstanding for a Client account at any one time is large in relation to such accounts capital, fluctuations in the market value of the account will have disproportionately large effects in relation to the accounts capital and the possibilities for profit and the risk of loss will therefore be increased. Any investment gains made with the additional monies borrowed will generally cause the net asset value of a Client account to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies borrowed fails to cover their cost to a Client account, the net asset value of the account will generally decline faster than would otherwise be the case.

Certain of the Firm's trading and investment activities may be subject to U.S. Federal Reserve Board ("FRB") margin requirements, which are computed daily by a self-clearing broker-dealer. For example, the FRBs Regulation T permits a broker to lend no more than 50% of the purchase price of "margin stock" bought by a Client. When the market value of a particular open position changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a "margin call" on the Client is made. If the Client does not deposit additional funds with the broker to meet the margin call within a reasonable time, the Client's position may be closed out. In the event of a precipitous drop in the value of the assets managed by the Firm, it might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices, incurring substantial losses. With respect to the Firm's trading activities on behalf of a Client account, the account, and not the Firm, will be subject to margin calls.

Overall, the use of leverage, while providing the opportunity for a higher return on investments, also increases the volatility of such investments and the risk of loss. Clients should be aware that an investment program utilizing leverage is inherently more speculative, with a greater potential for losses, than a program that does not utilize leverage.

Risks Associated with Non-Diversification: . We typically invest our clients' funds in a limited number of small-cap, mid-cap and large-cap issuers and generally have no formal guidelines relating to the diversification of our clients' assets related to market capitalization. In addition to market capitalization concentration, our clients' portfolios may be concentrated in a limited number of issuers, types of financial instruments, industries, sectors, strategies, countries, or geographic regions, and any such concentration of risk may increase losses suffered by our clients. This limited diversification could expose our clients to losses disproportionate to market movements in general. Even when we attempt to control such risks, risks associated with different assets may be correlated in unexpected ways, with the result that our clients face concentrated exposure to certain risks. In addition, many other investment managers

pursue similar strategies which create the risk that many investment managers would be forced to liquidate positions at the same time thus reducing liquidity, increasing volatility and exacerbating losses. Although we attempt to identify, monitor and manage significant risks, these efforts cannot take all risks into account and there is no assurance that these efforts will be effective. Many risk management techniques are based upon observed historical market behavior, but future market behavior may be entirely different. Any inadequacy or failure in our risk management efforts could result in material losses for our clients.

Epidemic or Serious Public Health Event Risk: The Firm's business may be affected by outbreaks of an infectious disease, pandemic or any other serious public health concern, including diseases such as severe acute respiratory syndrome, avian influenza, H1N1/09, and, most recently, the coronavirus COVID-19, or other similarly infectious diseases. Such events have the potential to significantly adversely affect or cause uncertainty in financial markets and businesses, including the Investment Adviser's business, and may adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. Any of the foregoing may therefore materially adversely affect the performance of the Firm, its affiliates, personnel, Clients, and their respective investment activities. The Firm has policies and procedures to address known situations, but because such an event may create significant market and business uncertainties and disruptions, the Firm cannot predict the likelihood of such epidemics or serious public health events occurring in the future nor how such events may affect the Firm's Clients.

Cyber Security Breaches and Identity: The information technology systems of the Firm and its third-party service providers may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Firm and its third-party service providers have implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the Firm may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to account holder, beneficial owners or investors. Such a failure could harm the Firm's reputation, subject any such

entity and its respective affiliates to legal claims and otherwise affect its business and financial performance.

Risk of Default or Bankruptcy of Third Parties: The Client may engage in transactions in securities and other financial instruments and assets that involve counterparties. Under certain conditions, the Client could suffer losses if a counterparty to a transaction were to default or if the market for certain securities or other financial instruments or assets were to become illiquid. In addition, the Client could suffer losses if there were a default or bankruptcy by certain other third parties, including brokerage firms and banks with which the Client does business, or to which securities or other financial instruments or assets have been entrusted for custodial purposes.

Additional Counterparty Risk: Many of the markets in which the Client effects its transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange based” markets. This exposes the Client to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the relevant contract or because of a credit or liquidity problem, thus causing the Client to suffer a loss. Such risk may be accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Client has concentrated its transactions with a single or small group of counterparties.

Security-Specific Risks: Please see the response to Item 8(B), above.

The foregoing list of risk factors does not purport to be a complete analysis or explanation of the risks associated with the Firm’s investment strategies and with an investment in an SMA. Prospective Clients should read their IMA for a more detailed explanation of the investment strategy and risk factors and consult with their own advisors before deciding whether to invest.

Item 9. Disciplinary Information:

The Firm believes that its CIO, Christopher Mittleman, was involved in a legal event that is material to a Client’s or prospective Client’s evaluation of the Firm’s advisory business, management or Services.

Mr. Mittleman settled a civil litigation matter involving Mittleman Investment Management LLC’s (“MIM”) termination of Mr. Mittleman’s employment in March 2023, after MIM alleged that Mr. Mittleman violated confidential obligation not involving customer information, which Mr. Mittleman denied. The settlement was announced on 1/3/24.

(A) A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the Firm or a management person:

1. Was convicted of, or pled guilty or nolo contendere (“no contest”) to:
(a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses. **No.**
2. Is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses. **No.**
3. Was found to have been involved in a violation of an investment related statute or regulation. **No.**
4. Was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order. **No.**

(B) An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which Firm or a management person:

1. Was found to have caused an investment-related business to lose its authorization to do business. **No.**
2. Was found to have been involved in a violation of an investment related statute or regulation and was the subject of an order by the agency or authority:
 - (a) Denying, suspending, or revoking the authorization of Firm or a management person to act in an investment related business. **No.**
 - (b) Barring or suspending Firm’s or a management persons association with an investment-related business. **No.**

- (c) Otherwise significantly limiting Firm's or a management person's investment-related activities. **No.**
 - (d) Imposing a civil money penalty of more than \$2,500 on Firm or a management person. **No.**
- (C) A self-regulatory organization (SRO) proceeding in which the Firm or a management person:
 - 1. Was found to have caused an investment-related business to lose its authorization to do business. **No.**
 - 2. Was found to have been involved in a violation of the SROs rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500. **No.**

Item 10. Other Financial Industry Activities and Affiliations:

- (A) Neither the Firm nor its management persons are registered or have an application pending to register as a broker-dealer or registered representative thereof.
- (B) Neither the Firm nor its management persons are registered or have an application pending to register as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor or other associated person of the foregoing entities.
- (C) Neither the Firm nor its management persons have a relationship or arrangement that is material to the Services or to Clients with regard to the following entities.
 - 1. Broker-dealer, municipal securities dealer, or government securities dealer or broker. **No.**
 - 2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund). **No.**
 - 3. Other investment adviser or financial planner. **No.**

4. Futures commission merchant, commodity pool operator, or commodity trading advisor. **No.**
5. Banking or thrift institution. **No.**
6. Accountant or accounting firm. **No.**
7. Lawyer or law firm. **No.**
8. Insurance company or agency **No.**
9. Pension consultant. **No.**
10. Real estate broker or dealer. **No.**
11. Sponsor or syndicator of limited partnerships. **No.**

(D) The Firm does not select other investment advisers for its Clients.

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

- (A) **Code of Ethics:** A copy of the code of ethics (“Code of Ethics”) is available upon request to Clients or prospective Clients.

The Code of Ethics sets forth the Firm’s policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary duties that the Firm and each of its employees has to each of its Clients. The Code of Ethics is circulated at least annually to all employees, and each employee, at least annually must certify in writing that he or she has received and followed the Code of Ethics and any amendments thereto.

The Code of Ethics requires all personnel to: (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of the Firm; (3) observe the Firm’s personal trading policies so as to avoid “front-running” and other conflicts of interests between the Firm and its Clients; (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by the President and that personnel who violate the Code of Ethics are subject to sanctions by the Firm, up to and including termination in the discretion of the President.

Other Policies and Procedures of Firm

Trade Error Policy: The Firm has internal controls in place to prevent trade errors from occurring. On those occasions when such an error nonetheless occurs, the Firm will use reasonable efforts to correct the error. The Firm will endeavor to maintain a record of each trade error, including information about the trade and how such error was corrected or attempted to be corrected.

Activities of Firm and its Affiliates: Neither the Firm, nor any affiliate or employee, is required to manage Client accounts as its sole and exclusive function. Each of them may engage in other business activities, including competing ventures and/or other unrelated employment. In addition to managing Client accounts, the Firm, and its respective affiliates or employees may provide investment advice to other parties and may manage other accounts in the future.

Privacy Policy: The Firm's adopted privacy policy explains the manner in which the Firm collects, utilizes and maintains nonpublic personal information about Clients, as required under federal legislation. The Firm maintains safeguards that comply with federal standards to protect Client information. The Firm restricts access to the personal and account information of Clients to those employees who need to know that information in the course of their job responsibilities. Third parties with whom the Firm shares Client information must agree to follow appropriate standards of security and confidentiality. Firm's privacy policy applies to both current and former Clients. Firm may disclose nonpublic personal information about a former Client to the same extent as for a current Client.

(B) Participation or Interest in Client Transactions and Personal Trading:

The Firm recognizes that the personal securities transactions of its employees are conducted in a highly ethical manner, and the Firm requires that all such transactions be carried out in a way that does not endanger the interest of any Client. At the same time, the Firm believes that if investment goals are similar for Clients and for employees of the Firm, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to address conflicts of interest, the Firm has adopted a set of procedures, included in its Code of Ethics, with respect to transactions effected by its officers, directors and employees (hereafter, "Employees") for their personal accounts. In order to monitor compliance with its personal trading policy, the Firm has adopted a quarterly securities transaction reporting system for all of its Employees. For purposes of the policy, an Employees "personal account" generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls, including the

Firm's Client accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest.

Records will be maintained of all securities bought and sold by associated persons and related persons.

Additionally, the Code of Ethics sets forth the Firm's policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary duties that the Firm and each of its Employees has to each of its Clients. The Code of Ethics is circulated at least annually to all Employees, and each Employee, at least annually must certify in writing that he or she has received and followed the Code of Ethics and any amendments thereto.

- (C) The Firm or a related person may invest in the same securities (or related securities, e.g., warrants, options or futures) that the Firm or a related person recommends to Clients.

See our response to Items 11 (A)-(B), above.

- (D) The Firm or a related person may recommend securities to Clients, or buys or sells securities for Client accounts, at or about the same time that the Firm or a related person buys or sells the same securities for its own (or the related persons own) account.

See our response to Items 11 (A)-(B), above.

Item 12. Brokerage Practices:

Factors that the Firm considers in selecting or recommending broker-dealers for Client transactions and determining the reasonableness of their compensation are described herein.

- (A) **Factors Considered in Selecting or Recommending Broker-Dealers:**
Securities transactions for Client accounts are executed through brokers selected by the Firm in its sole discretion. In placing portfolio transactions, the Firm will seek to obtain the best execution for Client accounts, taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected and the efficiency of error resolution, taking into account the size of order and difficulty of execution; the financial strength, integrity and

stability of the broker; special execution capabilities; clearance; settlement; reputation; on-line pricing; block trading and block positioning capabilities; willingness to execute related or unrelated difficult transactions in the future; order of call; on-line access to computerized data regarding Client's accounts; performance measurement data; the quality, comprehensiveness and frequency of available research and related services considered to be of value; the availability of stocks to borrow for short trades; and the competitiveness of commission rates in comparison with other brokers satisfying the Firm's other selection criteria. Client accounts shall bear brokerage costs as set forth in the relevant IMA.

1. "Soft Dollar" Policy.

The Firm does not intend to use soft dollars generated by clients' accounts to pay for certain research and/or related services provided by brokers described above, though this does not preclude us from doing so in the future. The Firm has the option to use "soft dollars" generated by Client account transactions to pay for the research and non-research related services described above. The term "soft dollars" refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of the investment advisers Clients. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment). Section 28(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), provides a "safe harbor" to investment managers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment adviser in the performance of investment decision making responsibilities. In the event the Firm elects to use its soft dollars for payment of all or a portion of the Firm's or its affiliates administrative costs and expenses of operation such as office rent, office equipment and supplies, utilities, employee benefits and salaries, newswire and quotation equipment, data processing charges, periodical subscription fees, computer equipment, telephone and facsimile charges and equipment costs, recordkeeping services, consulting fees, issuer due diligence expenses, placement fees and other marketing costs, and legal and accounting fees, as more fully described above, such uses of soft dollars are not within the safe harbor afforded by Section 28(e) of the Exchange Act.

The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of the Firm or its affiliates creates a conflict of interest between the Firm and Clients because the Clients pay for such products and services that are not exclusively for the benefit of Clients and that may be primarily or exclusively for the benefit of the Firm. To the extent that the Firm is able to acquire these products and services without expending its own resources (including management fees paid by Clients), the Firm's use of soft-dollars would tend to increase the Firm's profitability. In addition, the availability of these nonmonetary benefits may influence the Firm to select one broker rather than another to perform services for Clients. The Firm has an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on a Client's interest in receiving the most favorable execution. Moreover, the Firm may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other brokerdealers in return for soft dollar benefits. In the event that the Firm uses soft dollar benefits, the Firm will use such benefits to service all Client accounts rather than only those accounts that paid for the benefits.

The Firm reserves the right to pay a fee or commission, in its sole discretion, to brokers or other persons who introduce Clients to the Firm, provided that any such fee or commission will be paid solely by the Firm or its affiliates and no portion thereof will be paid by Clients.

- (a) When the Firm uses Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Firm receives a benefit because the Firm does not have to produce or pay for the research, products or services. *Please refer to Item 12.(A)(1).*
- (b) The Firm may have an incentive to select or recommend a broker-dealer based on the Firm's interest in receiving the research or other products or services, rather than on Client's interest in receiving most favorable execution. *Please refer to Item 12.(A)(1).*
- (c) The Firm may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other brokerdealers in return for soft dollar benefits (known as paying-up). *Please refer to Item 12.(A)(1).*

- a. The Firm may use soft dollar benefits to service all Clients or only those Clients that paid for the benefits. The Firm may or may not seek to allocate soft dollar benefits to Clients proportionately to the soft dollar credits the accounts generate. *Please refer to Item 12.(A)(1).*
- b. The types of products and services the Firm or any related persons acquired with Client brokerage commissions (or markups or markdowns) within Firm's last fiscal year were: *Please refer to Item 12.(A)(1).*
- c. The procedures the Firm used during its last fiscal year to direct transactions to a particular broker-dealer in return for soft dollar benefits the Firm received were: *Please refer to Item 12.(A)(1).*

2. **Brokerage for Client Referrals:**

- (a) The Firm reserves the right to pay a fee or commission, in its sole discretion, to brokers or other persons who introduce Clients to the Firm, provided that any such fee or commission will be paid solely by the Firm or its affiliates and no portion thereof will be paid by Clients. As a result, the Firm may have an incentive to select or recommend a broker based on the Firm's interest in receiving Client referrals rather than on Client's interest in receiving most favorable execution. Because such referrals, if any, are likely to benefit the Firm but will provide an insignificant (if any) benefit to Clients, the Firm will have a conflict of interest with Clients when allocating Client brokerage business to a broker who has referred investors to a Client. To prevent Client brokerage commissions from being used to pay referral fees, Firm will not allocate Client brokerage business to a referring broker unless the Firm determines in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to Clients.
- (b) The Firm reserves the right to provide direct compensation to brokers who refer Clients to the Firm for participation in the proprietary strategy in the form of a portion of the fees

received by adviser. This compensation, if any, will not result in any additional charges being imposed on a Client.

3. **Directed Brokerage:**

- (a) The Firm does not recommend, request, or require a Client to direct the Firm to execute transactions through a specified broker-dealer.
- (b) The Firm may permit a Client to direct the Firm to execute transactions through a specified broker-dealer if agreed to in the relevant IMA. Clients that direct brokerage may not receive as favorable commission rates as compared to nondirected broker-dealers.

(B) **Allocation of Transactions and Aggregation of Trades:** The Firm does not anticipate having the ability to aggregate transactions among brokerdealers. To the extent the Firm is able to aggregate among broker-dealers, it will do so in the best interest of its Clients and apply the standards described herein. Transactions implemented by the Firm for accounts may be effected independently or on an aggregated basis. The Firm anticipates that it may decide to purchase or sell the same securities for several Clients at approximately the same time. The Firm will aggregate orders when it believes aggregation may prove advantageous to Clients. When the Firm aggregates Client orders, the allocation of securities among Client accounts will be done on a fair and equitable basis. Typically, the process of aggregating Client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among Clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and execution cost and will be allocated among the Firm's Clients in proportion to the purchase and sale orders placed for each Client account on any given day. When the Firm aggregates Client orders for the purchase or sale of securities, including securities in which its associated person(s) may invest, the Firm will do so in a fair and equitable manner. It should be noted that Firm does not receive any additional compensation or remuneration as a result of aggregation.

Item 13. Review of Accounts:

- (A) All accounts managed by the Firm are reviewed, at least on a quarterly basis by Mr. Mittleman. In addition, all accounts are reviewed in light of emerging trends and developments as well as market volatility.
- (B) The calendar is the main triggering factor of a review of an account, although more frequent reviews may be also be triggered by Client request, or unusual market activity. Clients may be contacted periodically by the Firm to discuss the management and performance of their account.
- (C) Monthly, quarterly and/or annual reports covering an account's holdings and activity will be provided by the Client's custodian firm. These reports, including trade confirmations and/or monthly statements, will typically identify the account holdings and a current valuation of such holdings. Mr. Mittleman will be available to assist the Client in reviewing and understanding such reports.

Item 14. Client Referrals and Other Compensation:

The Firm does not receive any economic benefit associated with advising Clients, such as sales awards or prizes. The Firm reserves the right to pay a fee or commission, in its sole discretion, to brokers or other persons who introduce Clients to the Firm, provided that any such fee or commission will be paid solely by the Firm or its affiliates and no portion thereof will be paid by Clients. The Firm will use independent third party solicitors to refer Clients and pay a portion of its advisory fees to such solicitors, in accordance with the Advisers Act.

Item 15. Custody:

Any fees directly debited from an account of a Client will be done in accordance with the Client's initial authorization. As stated above in Item 13, Review of Accounts, a qualified custodian will send quarterly account statements directly to Clients which Clients should carefully review. Clients are urged to compare statements that are received from the qualified custodian to statements received directly from the Firm. The Firm is considered to have custody because Clients provide written authorization to permit the Firm to be paid directly from their accounts held by the qualified custodian. Moreover, the Firm will send a debit invoice to the Qualified

Custodian and the Client prior to any fee debits. Thus, the Firm is not required to comply with the standard custody requirements because it complies with the above process.

Item 16. Investment Discretion:

The Firm intends to have discretionary investment authority over Client assets that are managed by the Firm. Such discretionary investment authority shall be described in the relevant Client's IMA, and there are typically no limits on discretionary authority unless otherwise provided in the relevant IMA. Investment discretion authority is provided by the execution of a Client's IMA, which typically provides limited power for trading authorization only.

Item 17. Voting Client Securities – Proxy Policy:

Unless our client directs otherwise in writing, and other than as provided in the following paragraph, we are responsible for voting and granting or withholding proxies with respect to securities held in our SMA client accounts. We vote on proxy proposals, amendments, consents or resolutions in a manner that we believe will serve the best, long-term economic interests of our clients, as determined in our discretion.

The Firm will notify the custodian that the Firm is authorized to vote all proxies for securities in such Client's portfolio and instruct the custodian to forward to the Firm a copy of all proxies relating to shares held in the account. The Firm will vote all proxies in a prudent manner and solely in the interest of such Client. For any proxy votes cast by the Firm, a record will be made and retained by the Firm. Clients can obtain information on how proxies were voted and a detailed description of the Firm's policies and procedures regarding proxy voting by requesting such information from the Firm. In evaluating how to vote a proxy, the Firm will typically determine whether there is a conflict of interest related to the proxy in question between the Firm and its Clients. This examination will include (but will not be limited to) an evaluation of whether the Firm (or any affiliate of the Firm) has any relationship with the company (or an affiliate of the company) to which the proxy relates outside of an investment in such company by a Client. If a conflict is identified and deemed "material" by the Firm, the Firm will determine whether voting in accordance with these proxy voting guidelines is in the best interests of affected Clients (which may include utilizing an independent third party to vote such proxies). With respect to material conflicts, the Firm will determine whether it is appropriate to disclose the conflict to affected Clients and give Clients the opportunity to vote the proxies in question themselves, if applicable. In addition, the Firm

will not act upon notices pertaining to class actions, but will forward such notices to the Client. If a proxy is received after the termination of the advisory services by a Client, then the proxy will not be voted, but will be forwarded directly to the former Client. Clients may contact Mr. Mittleman by telephone or by email regarding any such solicitation.

Item 18. Financial Information:

- (A) The Firm does not solicit prepayment of more than \$500 in fees per Client, six months or more in advance.
- (B) Because the Firm has discretionary authority over and/or custody of Client fund or securities, the Firm has disclosed, as follows, any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients:
The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients.
- (C) The Firm has not been the subject of a bankruptcy petition during the past ten years.