

# **TVV Advisers, LLC**

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This brochure provides information about the qualifications and business practices of TVV Advisers, LLC. If you have any questions about the contents of this brochure, please contact us by telephone at (925) 621-1000 or email [audrey@trivalleyventures.com](mailto:audrey@trivalleyventures.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about TVV Advisers, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of TVV Advisers, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

## Item 2: Material Changes

There are no material updates to this brochure since our last filing on March 15, 2023

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## Item 4: Advisory Business

Our firm is a Limited Liability Company formed in the State of California and established in 2022. Greg Hitchan and Don Garman are owners of TVV Advisers, LLC (“TVV,” “we,” “us,” or “our”).

### Advisory Services

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TVV provides investment advisory services to privately offered pooled investment vehicles (the “Funds”) that rely on an exemption found in Rule 506 of Regulation D under the Securities Act from having to register their securities and an exclusion found in Section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940, as amended (the “Investment Company Act”) from having to register the Funds as investment companies. For purposes of this disclosure brochure, the Funds are also referred to herein as the “clients” of TVV. The Funds currently include Tri Valley Ventures I, L.P. and Tri Valley Ventures II, L.P. TVV GP, LLC and TVV GP II, LLC, respectively, serve as the General Partner for Tri Valley Ventures I, L.P. and Tri Valley Ventures II, L.P. While TVV has the authority to make investment recommendations to the Funds, it does not possess the authority to select investment opportunities or to make investment-related decisions on behalf of the Funds.

Investors in the Funds must be accredited investors, as defined in Rule 501(a) under the Securities Act of 1933 and may be required to meet other eligibility standards.

The Funds were organized to acquire, hold, and dispose of equity securities issued primarily by early-stage technology companies with some nexus to the Tri-Valley area in northern California. Investment strategies for each Fund may differ depending on the mandate and anticipated investments for each Fund. Investments are not customized for the investment objectives or needs of individual Fund investors, and individual Fund investors will not have authority to manage the affairs or investments of any Fund.

Information pertaining to each Fund can be found in the Limited Partnership Agreement, Subscription Documents, or similar documents for each Fund (collectively, the “Offering Documents”). Investing in any of the Funds involves significant risks, including the potential loss of all amounts invested.

### Regulatory Assets Under Management

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As of December 31, 2023, TVV had \$43,401,298 in assets under management. TVV does not offer wrap fee programs or manage separate accounts.

## Item 5: Fees & Compensation

TVV charges the Funds a fee based on the investors’ capital commitments (“Management Fee”). Management Fees shall be (x) payable quarterly in advance, on the first day of each fiscal quarter of the Fund; (y) pro-rated on a daily basis for short fiscal periods; and (z) additionally pro-rated on a daily basis (payable immediately) at any time that there is an increase in the aggregate capital commitments of the

investors. The annual Management Fee rate initially shall be 2.5% of the capital commitment of each investor. Commencing with the first complete fiscal year following the end of the Investment Period, the Management Fee rate shall be reduced by 0.5% points per year but shall not in any event be reduced to less than 1.5% of the capital commitment of each investor.

In addition to the Management Fee, Fund investments are also subject to the following costs and expenses associated with the formation, operation, dissolution, winding-up, or termination of the Fund: (i) all out-of-pocket expenses associated with the organization of the General Partner or the Fund or the syndication of interests therein; (ii) legal, accounting, audit, custodial and other professional fees as well as consulting fees relating to services rendered to the Fund that could not reasonably have been rendered by the General Partner or its members and other out-of-pocket expenses incurred by the General Partner in investigating, evaluating or monitoring investment opportunities; (iii) banking, brokerage, broken deal, registration, qualification, finders, depositary and similar fees or commissions; (iv) transfer, capital and other taxes, duties and costs incurred in acquiring, holding, selling or otherwise disposing of Partnership assets; (v) insurance premiums, indemnifications, costs of litigation and other extraordinary expenses; (vi) costs of financial statements and other reports to investors as well as costs of all governmental returns, reports and other filings; (vii) costs of meetings of the investors and (to the extent provided in Section 5.14(e)), meetings of the Advisory Committee, if any (including the reasonable travel and other out-of-pocket costs incurred by the General Partner and the Advisory Committee members in attending such meetings); (viii) interest expenses; (ix) amounts paid to or for the benefit of portfolio investments other than as capital contributions thereto or in exchange for Securities issued thereby; (x) the Management Fee; (xi) advertising and public notice costs; (xii) costs and expenses incurred by the Tax Matters Partner in its capacity as such; and (xiii) any other expenses not listed in the preceding clauses (i) through (xii) that are not normal operating expenses of the General Partner..

#### **Item 6: Performance-Based Fees & Side-By-Side Management**

As discussed in Item 4 above, TVV is the manager of the Tri Valley Ventures I, L.P. and Tri Valley Ventures II, L.P. (the "Funds"). As such, the Funds are charged the following: (i) a carried interest of 20% to the General Partner on distribution of Current Income and Disposition Proceeds after 100% to the Partners (other than a Defaulting Limited Partner) in proportion to their respective unreturned Capital Contributions until the amount distributed to each Partner, and an asset management fee. TVV does not charge any additional performance fees.

#### **Item 7: Types of Clients & Account Requirements**

TVV's clients consist of the Funds which are exempt from the requirement to register as an investment company under Section 3(c)(1) or 3(c)(7) of the Investment Company Act. Limited Partners in the Funds consist primarily of endowments, foundations, family offices, and employees or affiliates of TVV. The minimum amount for an initial investment in the Funds ranges from USD \$100,00 to \$250,000. The minimum investment amounts may be waived in TVV's sole discretion.

## Item 8: Investment Strategies & Risk of Loss

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### Investment Strategy

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TVV's deep network within tri-valley region has provided unique insight into the tremendous growth opportunity in the local area. Increasingly, companies are choosing to locate within the Tri-Valley due to its talent base, innovative community, attractive location, and relative cost. TVV intends to provide a diversified exposure to the technology, life sciences and hardware industries within the region including primarily early-stage private companies. and other securities.

### Risk of Loss

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Investing in securities is inherently risky. The investment opportunities recommended by TVV are suitable only for experienced and sophisticated investors who can bear the economic risk of loss of their investment and who have limited need for liquidity in their investment. There can be no assurance that investors will achieve their investment objectives. Fund investors should read the Offering Documents fully for more complete information on the investment strategies employed and the corresponding risks associated with such investment strategies before investing.

### Description of Material, Significant or Unusual Risks

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The following is a summary of some of the material risks associated with the strategy expected to account for a significant portion of the Funds' investments. This summary does not attempt to describe all of the risks associated with TVV's strategies. Investing in securities involves the risk of loss that investors should be prepared to bear.

**Risk Inherent in Venture Capital and Early-Stage Investments:** A purchase of securities of a Fund represents a highly speculative investment, and the types of investments that the Funds anticipate making involve a high degree of risk of loss. In general, financial and operating risks confronting portfolio companies can be significant. While targeted returns should reflect the perceived level of risk in any investment situation, there can be no assurance that a Fund will be adequately compensated for risks taken. A loss of the investor's entire investment is possible. The timing of profit realization is highly uncertain. Losses are likely to occur early in a Fund's life, while successes often require a long maturation. Early stage and development stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing, and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing, which may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper can be small.

**Investment in Companies Dependent upon New Product Development and Technologies:** The Funds focus their investing on technology and related companies in the technology industries. The value of Fund securities may be susceptible to factors affecting this industry and to greater risk and market

fluctuation than an investment in a fund that invests in a broader range of securities. The specific risks faced by such companies include:

- Rapidly changing science, technologies and consumer adoption;
- Products or technologies that may quickly become obsolete;
- Competitive environment in recruitment of management, technical, research and marketing personnel with appropriate training;
- Changes in legal and regulatory restrictions; and
- The possibility of lawsuits related to patents and intellectual property.

**Changing Economic Conditions:** The success of a Fund's investment strategy could be significantly impacted by changing external economic conditions in the United States and global economies. The stability and sustainability of growth in global economies may be impacted by terrorism or acts of war. Changing economic conditions could potentially adversely impact the valuation of portfolio holdings.

**No Assurance of Returns:** There can be no assurance that an investor will receive distributions from a Fund in an amount equal to or in excess of its investment in the Fund. The timing of profit realization, if any, is highly uncertain.

**Reliance on The General Partner:** The General Partner of a Fund will have sole discretion over the investment of the assets committed to the Fund as well as the ultimate realization of any profits. As such, the pool of assets in a Fund represents a blind pool of funds. Investors will be relying on the General Partner to conduct the business as contemplated by the Offering Documents. There can be no assurance that the principals of the General Partner will be able to duplicate prior levels of success.

**Competitive Marketplace:** The marketplace for venture capital investing has become increasingly competitive. Involvement by financial intermediaries has increased, substantial amounts of funds have been dedicated to making investments in the private sector and the competition for investment opportunities is at very high levels. Some of the Funds' potential competitors may have more relevant experience, greater financial resources and more personnel than TVV. There can be no assurances that TVV will locate an adequate number of attractive investment opportunities. To the extent that a Fund encounters competition for investments, returns to the investors may vary.

**Minority Investments:** The vast majority of the Funds' investments are expected to be minority stakes in privately held companies. In addition, during the process of exiting investments, the Funds are highly likely to hold minority equity stakes if portfolio holdings are taken public. As is the case with minority holdings in general, such minority stakes that the Funds may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded to majority or controlling stakes. The Funds may also invest in companies for which the Funds have no right to appoint a director or otherwise exert significant influence. In such cases, the Funds will be significantly reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds.

**No Assurance of Additional Capital for Investments:** After a Fund has financed a company, continued development and marketing of products may require that additional financing be provided. In particular, high technology companies are typically funded over several stages of investment. No assurance can be made that such additional financing will be available, and no assurance can be made as to the terms upon

which such financing may be obtained. Alternatively, a Fund, either directly or through one of its portfolio companies, may elect to sell developed or undeveloped technology to existing companies. No assurance can be made that buyers for such technology can be located or that the terms of any such sales will be advantageous.

**Bridge Financing:** The Funds may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in the Funds' control, such long-term securities may not issue and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

**Limitations on Ability to Exit Investments:** The General Partner expects to exit from its investments in two principal ways: (i) private sales (including acquisitions of its portfolio companies) and (ii) initial and secondary public offerings. At any particular time, one or both of these exits may not be open to the Funds, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio holdings may be constrained at any particular time.

**Potential Liabilities:** In connection with its investments, a Fund may negotiate the right to appoint one or more of the investment professionals of the General Partner as a member of the portfolio company's board of directors. Such membership on the board of directors of a company can result in a Fund or the individual director being named as a defendant in litigation. Typically, portfolio companies will have insurance to protect directors and officers, but this insurance may be inadequate. A Fund will also indemnify the General Partner and its principals, among others, for liabilities incurred in connection with operations of the Fund, including liabilities arising from such suits. Such indemnification obligations and other liabilities could be substantial.

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

**Absence of Liquidity and Public Markets:** The Funds' investments will generally be private, illiquid holdings. As such, there will be no public markets for the securities held by the Funds and no readily available liquidity mechanism at any particular time for any of the investments held by the Funds. In addition, the realization of value from any investments will not be possible or known with any certainty until the General Partner elects, in its sole discretion, to sell a Fund's investments.

**No Market; Illiquidity of Fund Interests:** Due to the privately held nature of the Funds, and the restrictions on any sale or transfer of the interest described in the Offering Documents, an investment in the Funds will be illiquid and the investors cannot expect to be able to liquidate any investment in the Funds in the case of an emergency, or perhaps at all. There is no public market for interests in the Funds, and it is not expected that a public market will develop. Consequently, the investors will bear the economic risks of its investment for the term of the Funds.



**Certain Limitations on Ability of Investors to Transfer Their Interests in a Fund:** The transferability of interests in the Funds will be restricted by the Offering Documents and by United States federal and state securities laws. In general, the investors will not be able to sell or transfer their interests to third parties without the consent of the General Partner.

**Limited Portfolio Diversification:** As is typical of venture capital firms, the portfolio holdings of the Funds will not be broadly diversified. A downturn of the economy or in the business of any one company could impact the aggregate returns delivered to the investors.

**Legal, Tax and Regulatory Risks:** Legal, tax and regulatory changes could occur during the term of a Fund that may adversely affect the Fund.

**Conflicts of Interest:** Instances may arise where the interest of the General Partner (or its members) may potentially or actually conflict with the interests of a Fund and its investors.

**Failure to Make Capital Contributions:** If an investor fails to pay when due installments of its capital commitment to a Fund, and the contributions made by non-defaulting investors and borrowings by the Fund are inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. As a result, a Fund may be subjected to significant penalties that could materially and adversely affect the returns to the investors. If an investor defaults, it may be subject to various remedies as provided in the Offering Documents.

**Lack of Limited Partner Control:** Subject to the implementation of the investment limitations described in the Offering Document, the General Partner has complete discretion in managing a Fund's portfolio. The investors will not make decisions with respect to the management, disposition or other realization of any investment made by a Fund, or other decisions regarding a Fund's business and affairs.

**Legal and Regulatory Risks:** The Funds are not and do not expect to be registered as an "investment company" under the Investment Company Act, pursuant to an exclusion set forth in Sections 3(c)(1) and/or 3(c)(7) of the Investment Company Act. There is no assurance that such exemptions will continue to be available to the Funds. Due to the burdens of compliance with the Investment Company Act, the performance of the Funds' investment portfolios could be materially adversely affected, and risks involved in financing portfolio companies could substantially increase, if the Funds become subject to registration under the Investment Company Act. Neither the Funds nor their counsel can assure investors that, under certain conditions, changed circumstances, or changes in the law, the Funds may not become subject to the Investment Company Act or other burdensome regulation. In addition, the Funds do not plan to register the offering of the interests to investors under the Securities Act. As a result, investors will not be afforded the protections of such laws with respect to their investments in the Funds.

**Volatile Political, Market and Economic Conditions:** Investments in many industries have experienced significant volatility over the last year. The ability to realize investments depends, in part, on political, market and economic conditions. The trading market for portfolio company securities, if one even exists, may not be sufficiently liquid to enable a Fund to sell when it believes that it is most advantageous to do so, or without adversely affecting the price. Continued volatility in political, market or economic conditions, including an outbreak or escalation of major hostilities, the spread of infectious illness or other public health issues, declarations of war or other substantial national or international

calamity or emergency, could have a material adverse effect on any Fund, directly or as a result of causing a material adverse effect on an underlying investment. In addition, Funds may make investments in certain publicly traded vehicles that make private investments in multiple companies or in publicly traded debt. Such investments could experience higher volatility and risk.

**Cybersecurity Risk:** In addition to the risks associated with the value of investments, there are various operational, systems, information security and related risks involved in investing, including but not limited to “cybersecurity” risk. A breach in cybersecurity refers to both intentional and unintentional events that can cause an account to lose proprietary and/or nonpublic personal information. Such events include misappropriating sensitive information, access to digital systems to obtain client and financial information, corrupting data or causing operational disruption. Similar adverse consequences could result from cybersecurity incidents affecting counterparties with which we engage in transactions, third-party service providers (e.g., custodians), governmental and other regulatory authorities, exchange and other financial market operators, banks, broker dealers and other financial institutions, and other parties.

**Business Continuity Risk:** TVV has adopted a business continuation strategy to maintain critical functions in the event of a partial or total building outage affecting our offices or a technical problem affecting applications, data centers or networks. The recovery strategies are designed to limit the impact on the Funds from any business interruption or disaster. Nevertheless, our ability to conduct business can be curtailed by a disruption in the infrastructure that supports our operations.

## Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

## Item 10: Other Financial Industry Activities & Affiliations

Mr. Garman and Mr. Hitchan each have an ownership interest in the General Partners. Currently, such General Partners include TVV GP, L.L.C. (which sponsors Tri Valley Ventures I, L.P.) and TVV GP II, L.L.C. (which sponsors Tri Valley Ventures II, L.P.). For services rendered to the Funds, the General Partner entities are entitled to receive Management Fees (based on capital committed by Fund investors) which have been assigned to TVV pursuant to a Management Agreement between TVV and each General Partner.

Mr. Garman is also the principal owner of Mirador Capital Partners, LP (“Mirador”), an affiliated SEC-registered investment adviser which provides comprehensive portfolio management services (including financial planning and asset management services) to its clients.

## Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

As a fiduciary, it is an investment adviser’s responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the underlying principle for our firm’s Code of Ethics, which includes procedures for personal securities transactions and insider trading. Our firm requires all representatives to conduct business with the

highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Our firm recognizes that the personal investment transactions of our representatives demand the application of a Code of Ethics with high standards and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our firm also believes that if investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, our firm has pre-clearance requirements and a quarterly securities transaction reporting system for all of our representatives.

Neither our firm nor a related person recommends, buys or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Likewise, related persons of our firm buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day unless included in a block trade.

## Item 12: Brokerage Practices

### Selection of a Brokerage Firm

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TVV focuses on advising private funds with respect to investments in privately placed securities. Thus, it does not ordinarily deal with any financial intermediary such as a broker-dealer, and commissions are not ordinarily payable regarding such investments. However, in the case of temporary investments or

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

securities of portfolio companies that go public or are acquired by publicly traded entities, TVV would be in the position of selecting broker dealers on behalf of the Funds.

There are no restrictions on TVV's authority to determine, without obtaining specific Fund consent, the brokers or dealers used for this purpose. Thus, to the limited extent the Funds engage in transactions other than investments in private securities, TVV has the authority to determine the financial intermediaries to be used for such transactions and to negotiate the amount of commission or other compensation to be paid to such intermediaries in connection with such transactions. If TVV determines to engage a broker, it will select the broker considering the range and quality of its brokerage services, its execution capability, commission rate, financial responsibility and responsiveness, and the value of research provided, if any.

### **Soft Dollars**

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Our firm does not accept products or services that do not qualify for Safe Harbor outlined in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Although the investment research products and services that may be obtained by our firm will generally be used to service all of our Funds, a brokerage commission paid by a specific Fund that may be used to pay for research that is not used in managing that specific Fund's account. The research products may benefit some but not all of the Funds or may benefit only the firm.

### **Brokerage for Client Referrals**

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Our firm does not receive brokerage for client or investor referrals.

### **Directed Brokerage**

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We do not allow Funds to direct brokerage outside our recommendation.

### **Aggregation of Purchase or Sale**

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When possible and in the best interest of the Funds, TVV may recommend the allocation of investment opportunities across multiple Funds. In doing so, TVV will follow any policies and procedures in effect at such time in allocating any such investment opportunities.

## **Item 13: Review of Accounts**

Fund portfolios are continuously monitored by the members of TVV's investment team. The Chief Compliance Officer performs periodic reviews to determine if the Fund's investments are in line with the investment objectives, risks and strategies set forth in the Fund offering documents.

Each of the Funds' financial statements are audited on an annual basis and distributed to investors in the Funds no later than 120 days following the end of the fiscal year.

#### **Item 14: Client Referrals & Other Compensation**

TVV does not use placement agents or pays referral fees to a third party.

#### **Item 15: Custody**

TVV does not maintain physical possession of client cash or securities. However, TVV is deemed to have custody of the Funds because affiliates serve as general partners of the Funds. TVV has implemented procedures to safeguard Fund assets that it believes are consistent with the requirements under the Investment Advisers Act of 1940. The Funds' financial statements are prepared in accordance with generally accepted accounting principles. The statements are audited annually and distributed to each Fund investor within 120 days of the fiscal year end. Investors should carefully review the Funds' audited financial statements and compare these statements to any financial information that may be distributed by TVV.

#### **Item 16: Investment Discretion**

TVV serves as the Funds' investment adviser but does not have discretionary or non-discretionary authority to manage the Funds' assets.

#### **Item 17: Voting Client Securities**

TVV generally does not vote proxies for its clients.

#### **Item 18: Financial Information**

At this time, TVV is not aware of any factors likely to impair its ability to meet its contractual commitments. It has not petitioned for bankruptcy since inception.