

ADV Part 2A  
Peapod Lane Capital LLC

2 Depot Plz  
Bedford Hills, NY 10507  
(212) 265-8940

March 1, 2024

This brochure provides information about the qualifications and business practices of Peapod Lane Capital LLC (“Peapod”). If you have any questions about the contents of this brochure, please contact us at (212) 265-8940 or [mf@peapodlane.com](mailto:mf@peapodlane.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration of an investment adviser does not imply any level of skill or training. Additional information about Peapod Lane Capital LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

This brochure, dated March 1, 2024, replaces the February 16, 2023 filing of our brochure and there are no material changes.

Martin Friederichs, Managing Director, obtained ownership in Peapod Capital Lane, LLC, which is reflective in the Firm's ADV Part 1. This change does not impact any disclosures in this brochure.

### Future Changes

From time to time, we may amend this Firm Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Firm Brochure or this summary of Material Changes shall be provided to each Client annually or if a material change is made.

## Item 3 – Table of Contents

Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Services .....	4
Item 5 – Fees and Compensation .....	5
Item 6 – Performance-Based Fees and Side-by-Side Management .....	6
Item 7 – Types of Clients.....	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9 – Disciplinary Information .....	9
Item 10 – Other Financial Industry Activities and Affiliations .....	9
Item 11 – Code of Ethics, Participation or Interest in Clients Transactions and Personal Trading.....	9
Item 12 – Brokerage Practices .....	10
Item 13 – Review of Accounts.....	11
Item 14 – Client Referrals and Other Compensation.....	11
Item 15 – Custody .....	12
Item 16 – Investment Discretion .....	12
Item 17 – Voting Client Securities.....	12
Item 18 – Financial Information.....	12

## Item 4 – Advisory Services

### Firm Description

Peapod Lane Capital LLC (“Peapod”) is an investment adviser founded in 2010 with its principal place of business in Katonah, NY. The majority owner of Peapod is Erik J. Conrad.

### Advisory Services

Peapod is a private investment management firm that offers value equity strategies for individuals, high net worth individuals, and businesses (each referred to as a “Client”). This Brochure provides Clients with information regarding Peapod, and the qualifications, business practices, and nature of advisory services that should be considered before becoming a Client of Peapod.

Peapod practices management of Client portfolios on a discretionary basis. The investment objective is capital appreciation. Peapod seeks to achieve its objective using a value-oriented approach. Peapod will not target its returns against any stock or market index.

Our portfolio strategies may include investments in U.S. and foreign equity securities, warrants, rights, mutual funds, hybrid securities, United States government securities and options on securities. The adviser may hold positions over the long-term or for a short period. Peapod may employ the use of options or enter into short sales on securities, as appropriate. Peapod’s investment advice is currently limited to these types of investments.

### Client Account Management

Client portfolios are managed in accordance with the value investment strategy. Clients have limited ability to tailor such strategy. Clients may place restrictions on certain securities to be held in their respective portfolios. Prior to engaging Peapod to provide investment advisory services, each Client is required to enter into an Investment Advisory Agreement with the adviser that defines the terms, conditions, authority and responsibilities of the adviser and the Client.

### Wrap Fee Programs

Peapod does not place Client assets into a wrap fee program. Investment management services are provided directly by Peapod.

### Assets Under Management

Peapod manages \$63,482,296 in discretionary Client assets as of December 31, 2023.

## Item 5 – Fees and Compensation

### Account Portfolio Management

Advisory management fees (“Management Fees”) are based upon a percentage of assets under management. Our Management Fee is 1.5% of client assets under management.

Management Fees are payable at the end of each quarter after investment advisory services are rendered, unless otherwise agreed upon in the Investment Advisory Agreement with a Client.

Management Fees will take into account aggregate assets under management with the adviser, inclusive of cash. The asset value upon which the Management Fee is determined is calculated using the most recent quarterly valuation reflecting market prices at the end of the immediately preceding calendar quarter. All securities held in accounts managed by Peapod will be independently valued by the Custodian. Accounts initiated during a calendar quarter will be charged a prorated Management Fee.

Management Fees are negotiable for some Clients in certain circumstances and may be lower than the stated range. Peapod may enter into individual agreements with particular Clients with respect to the timing of accrual of any Management Fees.

Our services may be terminated by either party at any time with 30 days written notice; email is acceptable. If a Client terminates our services before the end of a calendar quarter, that client will be responsible for the prorated Management Fees up to and including the date of the termination. There are no penalties for cancellation or termination of our services.

### Fee Billing

Peapod may deduct the Management Fees from a Client account by instructing the Client’s custodian or, in the alternative, Peapod may bill the client. In some cases, the Client may select the method by which it pays Management Fees.

### Other Fees and Expenses

Though not charged by or paid to Peapod, Clients incur other costs in conjunction with our management. Clients pay brokerage fees and may pay custody fees to a brokerage and/or bank; the rates and amounts of which are determined by the brokerage or bank that clients choose. Peapod is not a bank or brokerage and does not perform transaction or custody services. However, our investment advice affects transactions that are performed at a brokerage or bank, and charges may be levied to clients. Please see Item 12 – Brokerage Practices for more information on our approach to clients’ brokerage and custody options.

Neither Peapod nor any of its employees receive any compensation for recommending any particular investment strategies, including the sale of securities or other investment products. We receive no commissions from any third party.

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

Qualified clients of Peapod may pay a Performance Fee. The Performance Fee will be calculated at the close of each calendar quarter. Performance Fees are paid quarterly in arrears and will be equal to 25% of any gains in the Client account during the quarter, subject to a “high water mark” to ensure the adviser will not receive a Performance Fee unless, and only to the extent that there are cumulative gains in the Client's account. Performance Fees for new accounts will be reviewed from the time of management (the “Initial Value Date”) to the end of the first quarter.

A high water mark (or "loss carry-forward provision") is applied to the Performance Fee calculation of each Qualified Client. This means that the adviser only receives Performance Fees on increases in the account value of the Client's account in excess of the highest account value it has previously achieved. For example, if at the Initial Value Date of the Investment Advisory Agreement, the account value was \$1,000,000, which then rose to \$1,100,000 at the end of the first quarter, a Performance Fee would be payable on the \$100,000 in net return. If the next quarter, the account value drops back to \$1,000,000, no Performance Fee is charged. If in the third quarter, the account value rises to \$1,200,000, a Performance Fee will be payable only on the \$100,000 return from \$1,100,000 (the high-water mark) to \$1,200,000.

Peapod manages accounts that pay a performance fee and other accounts that do not. The side-by-side management of these different investment portfolios, some of which may be charged a performance fee, creates certain conflicts of interest, as the fees for the management of certain Client portfolios are higher than others. Performance-based fee arrangements may also create an incentive for Peapod to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. As a fiduciary, Peapod exercises due care to ensure that investment opportunities are allocated fairly and equitably over time among all clients, regardless of their corresponding fee structure. Towards this end, Peapod has implemented specific controls built on the general principle of treating all clients in a fair and equitable manner over time. The investment opportunities for which a Client will participate are determined by Peapod's investment research as well as the Client's specified account restrictions. Peapod has procedures such as trade rotation and account reviews that are designed to ensure that all Clients are treated fairly and equitably over time, and to prevent conflicts from influencing the allocation of investment opportunities among clients.

## Item 7 – Types of Clients

Currently, Peapod offers investment advisory services to individuals, high net worth individuals and institutional investors. Peapod's investment minimum is \$250,000, which may be waived or reduced at our discretion.

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

### Methods of Analysis

The investment objective is capital appreciation. Peapod seeks to achieve its objective by profiting from market inefficiencies using a value-oriented approach. Peapod seeks to maximize long-term total returns in variable market and economic conditions. Peapod will not target its returns against any stock or other market index. Peapod's portfolio allocation will vary depending on economic trends, investor confidence, and financial markets.

Peapod pursues a special situations investment strategy, primarily in the equity markets. Client portfolios will consist of two segments: deep value and arbitrage situations. Peapod seeks to achieve attractive returns on investment over time.

Peapod follows a bottoms-up, research-intensive investment focus. We define a security's intrinsic value as the price an informed business person would pay for the entire business. The deep value portfolio invests in equities that are cheap on an absolute basis. Our investment process has an emphasis on the analysis of tangible assets on the balance sheet and free cash flow. We invest in securities at a discount to tangible asset value or a large free cash flow yield.

The adviser believes that many market participants are fixated on a security's price (i.e., they attempt to identify if the price is going to rise or fall over the next week or month) and do not concern themselves with a security's value. While price may dominate in the short-term, Peapod believes that underlying value dominates long-term performance. This creates opportunities and leads to investments in securities at 52-week lows and busted IPOs at a fraction of their issue price. Peapod believes that it is the best time to be buying value when sentiment toward undervalued securities is at its lowest.

The Peapod portfolio will invest across all market capitalizations; however, it will predominately be in the small and micro-cap space. This is where the market can be at its most inefficient. These stocks are often overlooked and typically have no analyst coverage.

Arbitrage investments will be opportunistic. Arbitrage investments will typically consist of companies undergoing mergers, spin-offs, liquidations, Dutch tender offers, rights offerings, special purpose acquisition companies, and closed-end fund arbitrage. Peapod will make arbitrage investments when there is the potential for attractive expected returns.

### Types of Investments

Peapod will make investments primarily in publicly-traded equity securities. Nevertheless, in the interest of both preserving capital and taking advantage of profit opportunities, Peapod retains the flexibility to invest in a broad range of asset classes.

Peapod may invest not only in equity securities, but also in so-called hybrid securities such as convertible securities, corporate bonds, preferred securities, closed end funds, SPACs, mutual funds, U.S. Government securities, options, rights and warrants. Peapod may invest in securities of foreign issuers, primarily those traded in the United States. Peapod may also hold a large percentage of a Client's assets in cash. Peapod will typically hold a concentrated portfolio of value-oriented securities.

Many of Peapod's portfolio securities may not be widely traded, and Peapod's position in such securities may be substantial in relation to the public market ("float") for such securities.

### **Risk Associated with Peapod's Value Strategy**

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear. Some of the specific risks are listed below.

*Equity Securities Risk* - Stock markets are volatile. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions.

*Small Company Risk* - Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, smaller capitalization companies are also more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

*Value Investing Risk* – Value-oriented investment approaches are subject to the risk that securities believed to be undervalued do not appreciate in value as anticipated.

*Cash and Cash Equivalents* - Client accounts may maintain significant cash positions and the client will pay the Investment Management Fee based on the net asset value of the account, including cash and cash equivalents. Furthermore, the account may forego investment opportunities to hold cash positions if we consider it in the best interests of the accounts.

*Accuracy of Public Information Risk* - Peapod selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made publicly available by the issuers or through sources other than the issuers. Although Peapod evaluates this information and data, Peapod is not in a position to confirm the completeness, genuineness or accuracy of such information and data. In some cases, complete and accurate information is not available.

*Concentration/Non-diversification Risk* - A portfolio may be concentrated in only a few industries, countries or geographic regions, or may be concentrated in other ways. This investment strategy could expose investors to greater risk than a more diversified portfolio.



*Sector Focus Risk* – A portfolio may be more heavily invested in certain sectors, which may cause the value of the portfolio’s shares to be especially sensitive to factors and economic risks that specifically affect those sectors. This may cause the value of the portfolio to fluctuate more widely than a comparative benchmark.

*Market Risk* - The market value of a security may fluctuate, sometimes rapidly and unpredictably. The prices of securities change in response to many factors, including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity.

*Derivatives Contract Risk* - Peapod may purchase or sell options, warrants or other derivatives that trade on an exchange. In general, a derivative contract (including options) typically involves leverage, i.e., it provides exposure to a potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract. Consequently, an adverse change in the relevant price level can result in a loss of capital that is more exaggerated than would have resulted from an investment that did not involve the use of leverage inherent in the derivative contract.

## Item 9 – Disciplinary Information

There are no legal, regulatory, or disciplinary events involving Peapod or any of its employees.

## Item 10 – Other Financial Industry Activities and Affiliations

Neither Peapod nor its advisory personnel are actively involved in any other business activities that would cause a conflict of interest.

## Item 11 – Code of Ethics, Participation or Interest in Clients Transactions and Personal Trading

### Code of Ethics

Peapod has implemented a Code of Ethics (the “Code”) that defines its fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with Peapod. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding Peapod’s duties to you, its Client. Peapod and its personnel owe a duty of loyalty, fairness, and good faith towards each Client. It is the obligation of Peapod associates to adhere not only to the specific provisions of the Code of Ethics, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes,

amendments to Form ADV and supervisory procedures. To request a copy of our Code of Ethics, please contact us at [mf@peapodlane.com](mailto:mf@peapodlane.com).

## Personal Trading and Conflicts of Interest

Peapod allows its employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. We may have an interest or position in certain securities, which may also be recommended to you. Owning the same securities that we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted a Code of Ethics, which addresses insider trading (material, nonpublic information controls) and personal securities reporting procedures. The Code requires access persons to submit transaction reports and initial and annual holding reports showing all transactions in which the person has or, by reason of such transaction, acquires any direct or indirect beneficial ownership in covered securities. Additionally, Peapod personnel will not have priority in the purchase or sale over Clients' accounts. This enables Peapod to determine with reasonable assurance any indications of front-running or other appearance of a conflict of interest. We have also adopted written policies and procedures to detect the misuse of material, nonpublic information.

## Item 12 – Brokerage Practices

Client assets must be maintained in an account at an independent qualified custodian. We recommend Charles Schwab & Co., Inc. as the qualified custodian to our Clients and prospective Clients. We are not owned or affiliated by Charles Schwab & Co., Inc. Generally, if the assets are custodied at Charles Schwab & Co., Inc. we will also execute trades with Charles Schwab & Co., Inc. to reduce the additional costs Clients would entail as a result of trading with a broker-dealer other than Charles Schwab & Co., Inc. However, there may be instances in which it is advantageous to the Client to trade away at another broker-dealer. We have full discretion to make the decision on which broker-dealer to execute Client transactions.

We research and recommend a qualified custodian who will hold Client assets and execute transactions on terms that are more advantageous when compared to other available providers. Factors that we consider, include, but are not limited to:

- Combination of transaction execution services and asset custody services
- Capability to execute, clear and settle trades
- Capability to facilitate transfers and payments to and from accounts
- Breadth of available investment products
- Quality control of services
- Price competitiveness
- Reputation, financial strength, and stability
- Professional training and supervision of custodial staff
- Technology-website interface, functionality, ease of access and navigation

Although we recommend Charles Schwab & Co., Inc, Clients are allowed to select the broker-dealer that will custody their accounts. Clients directing the use of a particular broker-dealer or other custodian must understand that we may not always be able to obtain the best prices and execution for the transactions.

*Aggregation of Security Purchases and Sales* - We may aggregate purchases and sales of securities for Clients during normal trade activities where two or more clients from the same broker-dealer have the same securities designated for trading. Trade orders can only be aggregated at each broker-dealer and not combined between broker-dealers. All accounts that participate in the aggregated order will receive the same average price. Individual trades or rebalancing trades of single accounts will not be aggregated. If an aggregated order is only partially filled, the trades will be allocated on a pro-rata basis at that same average price for that trading day (typically the next trade date).

## Item 13 – Review of Accounts

### Frequency of Reviews

Accounts are monitored on a regular and continuous basis by Mr. Conrad, Chief Investment Officer. Formal Client reviews are conducted at least annually, or more frequently at the Client's request.

### Causes for Reviews

Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits to or withdrawals from the Client's account. The Client is encouraged to notify Peapod if changes occur in his/her personal financial situation that might adversely affect his/her investment plan. Additional reviews may be triggered by material market, economic, or political events.

### Review Reports

The Client will receive brokerage statements no less than quarterly from the trustee or custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions, and fees relating to the Client's account.

## Item 14 – Client Referrals and Other Compensation

### Compensation Received by Peapod

Peapod is a Fee-Only adviser, who, in all circumstances, is compensated solely by the Client. Peapod does not receive commissions or other compensation from product sponsors, broker-dealers or any unrelated third party. Peapod may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, Peapod may receive referrals of new Clients from a third party.

## Client Referrals from Solicitors

Peapod does not have referral or solicitation arrangements.

## Item 15 – Custody

Peapod does not accept or maintain physical custody of any Client accounts. All Clients must place their assets with a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct Peapod to utilize that custodian for the Client's security transactions. Clients will receive statements from the custodian. Clients should review those statements carefully and compare to any received by Peapod. For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices.

## Item 16 – Investment Discretion

Peapod has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Peapod. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority.

## Item 17 – Voting Client Securities

Peapod will accept voting authority for client securities in certain cases. When Peapod does accept voting authority for client securities, it will always seek to vote in the best interest of its clients. Clients may direct Peapod on how to vote client securities by communicating their wishes in writing or electronically to Peapod. In the event there is a conflict of interest, Peapod will either refrain from voting or communicate with the client to determine the most appropriate action. Clients may obtain the voting record of Peapod on Client securities or the proxy voting policies and procedures by contacting Peapod at [mf@peapodlane.com](mailto:mf@peapodlane.com).

## Item 18 – Financial Information

Peapod does not require nor solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Peapod does not have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to clients.

Peapod has not been the subject of a bankruptcy petition in the last ten years.