

Part 2A of Form ADV: Firm Brochure



LION EQUITY PARTNERS

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This brochure provides information about the qualifications and business practices of Lion Equity Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (303) 847-4100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority, and references in this Brochure to Lion Equity as a “registered investment adviser” are not intended to imply a certain level of skill or training.

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

Item 2: Material Changes

Item 2 summarizes material changes as the adviser is required to notify and provide you with a description of the change. All current and prospective clients and private fund investors are encouraged to read this Brochure carefully in its entirety. The following are the material changes made since our last filing on June 7, 2023:

- Item 5
 - Since our last annual brochure dated June 7, 2023, we have made certain updates and revisions to our brochure in Item 5, including further disclosures around fund expense allocation. We do not believe any of these updates or revisions are substantive as the disclosures are consistent with the Firm's historical practices and operating agreements.
- Item 10
 - Lion Equity Investment Advisors, LLC is the Investment Adviser to Lion Fund III-B, LP ("Fund III-B"). Fund III-B is considered a parallel fund to Lion Equity Fund III, LP. Fund III-B had its initial closing on October 27, 2023. The General Partner of Fund III-B is Lion Equity Management III, LLC.

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Item 4: Advisory Business

Lion Equity Investment Advisors, LLC (“Lion Equity” or the “Firm”) is a Delaware limited liability company founded in 2016 and principally owned by Edward James (“Jim”) Levitas and Ari J. Silverman. Lion Equity’s principal place of business is located in Denver, Colorado.

Lion Equity is an operations-focused value investor specializing in corporate divestitures and special situations in the lower middle market. The Firm’s investment advisory services include identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments, and selling portfolio investments. Lion Equity leverages its strategic, financial, and operational expertise to build businesses to create long-term value for all stakeholders. The Firm plans to make investments in a number of industries, including, but not limited to, business services, logistics and distribution, information technology, mature software, and light manufacturing. Lion Equity’s portfolio investments are headquartered in the United States, Mexico or Canada and may have operations throughout the world.

Lion Equity provides investment advisory services to pooled investment vehicles (each a “Fund,” and collectively, the “Funds”). The Firm manages each of its Funds within the guidelines and restrictions set forth in each Fund’s offering documents and within regulatory guidelines and limitations. The Funds are expected to generally seek to rely on an exemption from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”) and their securities will not be registered under the Securities Act of 1933, as amended (the “Securities Act”). Lion Equity provides discretionary investment management services to the Funds in accordance with the applicable limited liability company operating agreement, limited partnership agreement, management agreement, subscription agreement, and side letters of each Fund (each, an “Advisory Agreement”). The Advisory Agreements of a Fund, along with any private placement memoranda and related materials are referred to herein collectively as the “Offering Documents” of such Fund.

Assets Under Management

As of December 31, 2023, Lion Equity manages \$217,788,578 of regulatory assets on a discretionary basis.

Item 5: Fees and Compensation

The following is a general description of the fees, compensation, and other expenses of the Funds. Each Fund’s governing documents describe fees, compensation, and expenses in greater detail. Investors should refer to such governing documents of the applicable Fund for a complete understanding of how Lion Equity is compensated for its advisory services. Lion Equity or an affiliate receives a management fee, and the General Partners (or equivalent) receive “Carried Interest” or a performance fee, in each case, from the respective Lion Equity Funds it manages and are non-negotiable.

In addition, Lion Equity or an affiliate may receive directors’ fees, transaction fees (commitment, closing, merger and acquisition, divestiture, financing), topping and break-up fees, advisory fees (consulting, monitoring), or other fees in connection with portfolio investments or prospective portfolio investments of a Lion Equity Fund.

Management Fee

The Funds will pay Lion Equity or an affiliate a fee (the “Management Fee”) which is detailed in each fund’s governing documents. The Management Fee for the Funds is generally equal to 1.0%-2.0% per annum multiplied by either the total committed capital or the sum of the net invested capital. Fees are calculated and collected quarterly, either in arrears or in advance as set forth in the applicable offering documents.

In the case of the termination or dissolution of any Fund, the Management Fee will cease to accrue upon the termination date or the date of the earlier dissolution, and for all periods thereafter through the date of the Fund’s final liquidating distribution, the Fund will pay Lion Equity or affiliate thereof, as applicable, reasonable compensation for its services in connection with the liquidation of the Fund’s assets.

Carried Interest

As more fully described in the applicable offering documents, a Fund’s General Partner (or equivalent) will generally receive a Carried Interest with respect to such Fund typically equal to 20%-30% of realized profits in excess of a preferred return amount that is compounded annually. The Carried Interest distributed to the General Partner (or equivalent) would usually be subject to a potential clawback at the end of a Fund’s life if such General Partner (or equivalent) has received excess cumulative distributions, and at certain interim intervals as provided in the offering documents.

The General Partner (or equivalent) has the right, in its sole discretion, to periodically waive or reduce the Carried Interest for certain limited partners without exercising the right for other limited partners. Please refer to the Fund’s offering memorandum for additional detail regarding Management Fees and Carried Interest.

Expenses

Except for expenses borne directly by or on behalf of the Fund, as described in the Fund’s organizational documents, the General Partner and Lion Equity will assume all ordinary administrative and overhead expenses attributable to their activities, including salaries and compensation of the employees; fees and expenses for administrative, clerical and related support services; office space and facilities, utilities and equipment.

The Funds will typically bear all costs and expenses incurred in purchases, sales or exchanges made in connection with the Funds’ investment activities, including legal, audit and tax, consulting, administration, custodian, and accounting fees and expenses. In the case that one or more co-investment vehicles are established to co-invest in a portfolio investment, then the Funds and any co-investment vehicles will share fees and expenses related to such portfolio investment.

Lion Equity and its respective affiliates will from time to time, and in their sole discretion, incur fees, costs and expenses, including in connection with consummated and unconsummated transactions, on behalf of the Funds and/or one or more other investment vehicles managed by Lion Equity. To the extent practicable, any fees, costs and expenses that are incurred in connection with a consummated investment will be charged to the applicable investing entity. To the extent such fees, costs and expenses are incurred for the account or for the benefit of the Funds and one or more other Lion Equity-managed investment vehicles (but not including any co-investment vehicles), the Funds and such other Lion Equity-managed investment vehicles

will typically bear an allocable portion of any such fees, costs, and expenses in proportion to the size of the investment made or proposed to be made by each in respect of the entity to which the expense relates or in such other manner as Lion Equity considers fair and equitable under the circumstances. Although Lion Equity will endeavor to allocate such fees, costs and expenses on a fair and equitable basis over time, there can be no assurance that such fees, costs and expenses will in all cases be allocated appropriately, including in circumstances in which a pro rata allocation based on relative investment size would be more or less advantageous to certain vehicles than a pro rata allocation by the number of participating vehicles. Any such determination typically involve inherent matters of discretion and conflicts of interest. There are occasions when one Fund (the “Payor Fund”) pays an expense common to multiple Funds (the “Allocated Funds”). On such occasions, each Allocated Funds will reimburse the Payor Fund for its share of such expense, without interest, promptly after the payment is made by the Payor Fund.

There are also occasions where Lion Equity or a Payor Fund pays an expense on behalf of a portfolio company. On such occasions, the portfolio company will reimburse Lion Equity or Payor Fund for the expense, without interest, and such reimbursement will not be subject to the Management Fee offset provision. Further, portfolio companies reimburse Lion Equity for actual fees and expenses.

Some expenses are incurred on behalf of one Fund which have the potential to benefit other Funds. For example, information Lion Equity obtains in connection with a Fund’s research, due diligence and investment activities is expected to be valuable to other Funds. Additionally, tools and resources developed at Lion Equity’s expense will be the intellectual property of Lion Equity and not the Funds.

A conflict of interest could arise in Lion Equity’s determination of whether certain costs or expenses that are incurred in connection with the operation of the Funds meet the definition of Fund operational expenses for which the Funds are responsible, whether such expenses should be borne by Lion Equity or the manner in which Lion Equity allocates expenses. The Funds will be reliant on the determinations of Lion Equity in this regard. Because the allocation process can be subjective, from time to time, it is possible that subsequent review of allocations could result in an identification of expenses that should have been allocated in a different manner, in which case measures will be undertaken to correct such circumstance, which might include a reversal of the original expense allocation, if possible, or such other equitable adjustment believed by Lion Equity to be the most appropriate corrective measure to ensure allocations are equitable on an overall basis in Lion Equity’s good faith judgment.

Item 6: Performance-Based Fees and Side-By-Side Management

Each Fund’s items of income, gain, and loss are allocated among the investors of the Fund in proportion to their investment percentage interest. To the extent that investors in each Fund have combined distributions from the fund in excess of invested capital and the preferred return, if any (and subject to regulatory investor eligibility requirements), the Fund will pay the performance-based fees.

Performance-based fees may create an incentive for the General Partner of the Fund to make more speculative investments and make different decisions regarding the timing and manner of the realization of such investments, than would be made if such fees were not allocated to the General Partner. Such arrangements also create an incentive for Lion Equity to favor higher fee-paying Funds over other Funds in the allocation of investment opportunities. Lion Equity seeks to ensure the allocation of investment opportunities among Funds occurs on a fair and equitable basis at all times.

Item 7: Types of Clients

Lion Equity provides investment advisory advice to pooled investment vehicles that operate as private investment funds. The securities issued by the Funds to their investors are not registered under the Securities Act because such securities are sold in transactions not involving a public offering (i.e., a private placement). Each prospective investor in a fund is required to represent, among other things, that they are (i) an “accredited fund Investor,” as such term is defined under Regulation D of the Securities Act of 1933 (as amended, the “1933 Act”); (ii) a “qualified client” as such term is defined under Rule 205-3 under the Advisers Act; or (iii) a “qualified purchaser” as such term is defined in Section 2(a)(51) of the Investment Firm Act of 1940, as amended.

Each Fund’s minimum capital and investor qualification requirements are set forth in the Fund’s offering documents and each Investor is furnished with a copy of the partnership agreement (or equivalent - e.g., operating agreement) and other governing documents which detail the terms, conditions, and risks regarding the investment.

Lion Equity typically imposes a minimum investment in connection with investing in the Funds, often in the range of \$250,000 to \$1,000,000, although such minimums may be waived at the discretion of the General Partner (or equivalent).

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

The following is a summary of Lion Equity’s methods of analysis, investment strategies, and material risks. Investors in the Funds are encouraged to carefully review the additional information about investment and other risks in the Funds’ offering documents.

Lion Equity is an operations-focused value investor specializing in corporate divestitures and special situations in the lower middle market. Lion Equity leverages a differentiated and targeted approach to deal origination that allows the firm to find opportunities where it can bring expertise to bear without competing in broad auctions. Lion Equity’s investment strategy is centered on creating value through detailed transition planning, operational improvements, organic growth, and strategic add-on acquisitions.

Lion Equity utilizes a direct deal sourcing model to identify proprietary opportunities with limited competition. Lion Equity has created the business development infrastructure and deal flow to support current strategic and future growth plans. Lion Equity focuses on three core pillars of operational performance to achieve its investment goals: strategic distinction, carveout deal execution, and operations excellence.

Upon the identification of an investment opportunity, Lion Equity’s investment process generally includes a multi-step due diligence review of quantitative and qualitative attributes of potential portfolio investments, including but not limited to the following areas such as finance, operations, information technology, real estate, legal, human resources, insurance and other relevant areas. Once an investment is closed, the responsible team will perform regular investment monitoring, support the portfolio company with strategic initiatives and source potential add-on acquisitions.

Risks

Investing in securities involves risk of loss that clients should recognize and prepare for. An investment in a Fund or separately managed account and the corresponding investment strategy involves significant risks, including those associated with a targeted industry and market, as well as potential concentration risks.

The following is a summary of certain risks involved with Lion Equity's investment strategy. More detailed descriptions of Lion Equity's investment strategies, methods of analysis, and risks are included in the applicable Fund's offering documents.

Investing in the Funds involves risk of loss up to and including the loss of an investor's entire investment. Prospective investors or their advisors should carefully read the Risk Factors in the confidential private placement memorandum of each Fund in which they may invest.

Risks associated with Lion Equity include, but are not limited to:

- *Potential Loss of Investment.* There is a risk that an investment in the Fund will be lost entirely or in part. The Fund is not a complete investment program and should represent only a portion of an investor's portfolio management strategy.
- *Availability of Investment Opportunities/Competitive Marketplace.* The business sectors that the Firm intends to invest in are highly competitive. The Firm will be competing with other investment funds, finance companies, direct investment firms and merchant banks to identify investment opportunities. Due to this competition, there can be no assurance that the Firm will be able to identify and complete investments that satisfy the Firm's rate of return objectives.
- *Long-Term Investments.* The return of capital and the realization of gains, if any, will occur only upon the partial or complete disposition of an investment or the refinancing of the capital structure of a portfolio company. The Firm expects that liquidity events, whether in the form of whole or partial dispositions or refinancing, will not occur, if at all, until a number of years after the initial investment is made.
- *Lack of Liquidity of Investments.* The Firm's investment portfolio will, to a significant extent, consist of investments in small private companies. No public market will exist for the securities of these companies and none is likely to develop in the foreseeable future. In addition, most of the Firm's investments will be difficult to value prior to a liquidity event.
- *Leveraged Companies.* The Firm may invest in portfolio companies whose capital structures use leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. The leveraged capital structure of such portfolio companies will increase the exposure of such companies to adverse economic factors such as downturns in the economy or deterioration in the condition of the company or its industry.
- *Minority Investments.* Although the Firm does not intend to make minority or non-controlling investments in portfolio companies, in the event that it does make such investments or hold such positions in one or more portfolio companies, the Firm may not have the ability to influence the management of the company or to elect a representative to the company's board of directors. In addition, the management of the company or its shareholders may have economic or business interests which are inconsistent with those of the Firm, and they may be in a position to take action contrary to the Firm's objectives.

- *Cybersecurity Risk.* In connection with the continued use of the Internet and the dependence on computer systems to perform necessary business functions, Lion Equity and/or its portfolio companies may be susceptible to operational, information security and related risks due to the possibility of cyberattacks or other incidents. Cyber incidents may result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks or devices that are used to service our operations through hacking or other means for the purpose of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks (which can make a website unavailable) on our website. In addition, authorized persons could inadvertently or intentionally release confidential or proprietary information stored on our systems. Cybersecurity failures or breaches by our third-party service providers may cause disruptions and impact the service providers' business operations, potentially resulting in financial losses, the inability to transact business and process transactions. We may incur substantial costs to prevent or address cyber incidents in the future. In addition, there is a possibility that certain risks have not been adequately identified or prepared for. Furthermore, we cannot directly control any cyber security plans and systems put in place by third-party service providers. Cybersecurity risks are also present for issuers of securities in which we invest, which could result in material adverse consequences for such issuers and may cause our investment in such securities to lose value.
- *Reliance on the General Partner (or Equivalent).* The Fund's success will depend on the General Partner's (or equivalent) ability to implement and manage the Fund's investment program and related investments. Limited Partners will be relying on the General Partner (or equivalent) to identify, structure and implement investments consistent with the Fund's investment objectives and policies and to conduct the business of the Fund as contemplated by the Fund. In addition, Limited Partners will not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by the General Partner (or equivalent) in its selection of investments.
- *Financial Projections.* Financial information concerning portfolio companies and the terms on which they are made may only be available through certain sources, including the portfolio companies themselves. There may be no consistent means of confirming the accuracy of such information. The inaccuracy of certain assumptions and general economic conditions, which are unpredictable, can have a materially adverse impact on the reliability of any financial projections concerning portfolio companies. There can be no assurance that any financial projections can be accurately forecasted, and actual results may vary significantly from any such financial projections.
- *Reliance on Portfolio Company Management.* The day-to-day operations of each portfolio company will be the responsibility of its own management team. Although the General Partner will monitor the performance of portfolio companies and intends to invest in companies with strong management teams, and, if necessary, recruit additional or successor management personnel to such companies, there can be no assurance that such management team, or any successor, will be able to successfully operate any such portfolio company in accordance with the Fund's expectations and objectives. No assurance can be given that the Portfolio Companies will be able to attract and retain the qualified personnel necessary for success and the loss of a member or members of a portfolio company's management team could be detrimental to the company's development and success.

- *No Assurance of Additional Capital.* Portfolio companies may require additional financing to grow their businesses. Additional financing may not be available when needed or on acceptable terms. If additional financing is not available, the portfolio company may need to delay, scale back or eliminate certain of its product development and expansion or other activities, or even be forced to cease operations and liquidate. Following the Fund's initial investment in a portfolio company, the Fund may have opportunities to make additional subsequent investments in that portfolio company either through follow-on rounds and/or add-on acquisitions or other business combinations. The Fund may lack sufficient capital, or otherwise decide not, to make those investments. The failure to make subsequent investments could jeopardize the portfolio company's viability and the Fund's prior investments or may result in a missed opportunity for the Fund to increase its participation in a successful operation.
- *Limited Portfolio Diversification.* The Fund intends to participate in a limited number of investments and, as a consequence, the aggregate return of the Fund may be adversely affected by the unfavorable performance of even a single Investment. A downturn of the economy or in the business of any one portfolio company could impact the aggregate returns delivered to the Limited Partners. Although the General Partner intends to diversify the Fund's portfolio to the reasonable extent possible within the confines of the Fund's investment strategy, the inability of the General Partner to achieve this objective could adversely affect the performance of the Fund. Furthermore, to the extent that the capital raised is less than the targeted amount, the Fund may make fewer Investments and, thus, be less diversified. As a result, the Fund's investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return.
- *Availability of Financing and Market Conditions.* Market fluctuations in business loans may affect the availability and cost of loans needed for the portfolio companies. Credit availability has been restricted in the past and may become so in the future. Restrictions upon the availability of financing or high interest rates on such loans will adversely affect the portfolio companies and the ability to sell the portfolio companies. There is no assurance that such loans will be available. Likewise, prevailing market conditions at the time any portfolio company seeks to refinance a loan may make a refinancing difficult or costly to obtain. In addition, lenders may restrict the ability to obtain subordinate financing for the portfolio companies.
- *Risks Related to Investments in Regulated Industries.* The Fund may invest in companies involved in regulated industries. Future changes in federal, state and local laws and regulations, or the interpretation of current laws and regulations, could materially impact the business of the portfolio companies. Failure to comply with these extensive laws and government regulations could negatively impact results of the portfolio companies through: losing various licenses, certifications and authorizations; suffering civil or criminal penalties; or being required to make significant changes to operations. The portfolio companies could also incur significant costs in their efforts to comply with federal and state laws and regulations.
- *Cross-Border Investment Risk.* A portion of the Funds' investments may be outside the United States, particularly in Canada and Mexico. Any investment located outside the United States may face certain increased risks involving the ownership and development of a non-US portfolio company. The risks in conducting business internationally include:
 - Changes in political and economic conditions, laws or regulations;
 - Currency exchange rate fluctuations as the Funds may not use any hedging tactics;

- Export and import duties, changes to import and export regulations, and restrictions on the transfer of funds;
- Issues arising from cultural or language differences and labor unrest;
- Increased difficulties and barriers with hiring and managing operations of a portfolio company outside of the United States;
- Complying with and understanding different laws and practices in another country versus the United States, such as different employment laws, intellectual property laws, securities laws, tax laws, environmental laws or general corporate laws; and
- Increased trade barriers and import / export licensing requirements.

The inability to properly identify, hedge or handle these risks may significantly harm the Funds cross-border investments, and as a result, harm the financial results of the Fund. In the event of cross-border investments, there may be transactions and balances denominated in other currencies. If the currency of a country in which a portfolio company is located weakens significantly compared to the U.S. dollar, the Funds' results of operations or financial condition may be adversely affected.

- *Consequences of Default by Investors.* If one or more of the investors fail to make a capital contribution following receipt of a capital call notice, the Funds' ability to complete an investment or otherwise continue operations may be substantially impaired. The Limited Partnership Agreement (or Operating Agreement) of each of the Funds provides various remedies upon default by an investor in making a capital contribution when requested, all at the discretion of the General Partner, who may impose more than one remedy.
- *Side Letters.* Lion Equity without any further act, approval or vote of any investor, may enter into side letters or other agreements with certain investors that will have the effect of establishing rights under, or altering or supplementing the terms of the Limited Partnership Agreement (or Operating Agreement) of each of the Funds including, among other things, arrangements with respect to information rights and governance or adjustments in an investor's allocable share of Management Fees or amounts to be distributed to such investor.
- *Assumption of Contingent Liabilities.* In connection with a portfolio company investment, the Funds may assume, or acquire a portfolio company subject to, contingent liabilities. These liabilities may be material and may include liabilities associated with pending litigation, regulatory investigations, environmental actions, or payment of indebtedness among other things. To the extent these liabilities are realized, they may materially adversely affect the value of a portfolio company.
- *Investments in Restructurings.* The Funds expect to make investments in restructurings, which involve portfolio companies experiencing or expected to experience financial difficulties. Such financial difficulties may never be overcome. In addition, such investments could, in certain circumstances, subject the Funds to additional potential liabilities that exceed the value of the Funds' original investment. For example, under certain circumstances, a lender that has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions.

- *Investments in Corporate Divestitures and Less Established Companies.* The Funds expect to invest a significant portion of its assets in companies that have been formed through divestitures from larger corporations. Investments in such companies may involve greater risks than generally are associated with investments in more established companies. Companies that are divested from larger corporations have no experience operating as separate stand-alone entities and may not have accounting, human resources or other systems in place to support their operations. Such companies may also require extensive restructuring, new management expertise and a significant commitment of financial and managerial resources from Lion Equity. Less established companies tend to have smaller capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases will have negative cash flow. Some of the portfolio company investments may be considered highly speculative and may result in the loss of a Funds' entire investment. There can be no assurance that any such losses will be offset by gains (if any) realized on a Funds' other investments.

Item 9: Disciplinary Information

Lion Equity is required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of the adviser or the integrity of Lion Equity's management. The following material information is disclosed for such evaluation purposes.

Detailed below is a brief description of the allegation related to the regulatory action:

Lion Equity, Ari Silverman and James Levitas submitted an application to the Colorado Division of Securities for IA/IAR licensure in April 2016. Prior to April 2016, Mr. Silverman and Mr. Levitas operated two private funds from which they received a manager draw and performance-based compensation without being properly registered with the state of Colorado. Ari Silverman and James Levitas self-reported their failure to register and promptly applied for registration.

As part of the settlement, Mr. Silverman and Mr. Levitas agreed to reimburse investors in the funds for whom they had provided services. Mr. Silverman and Mr. Levitas fully cooperated with the Colorado Division of Securities in conducting its inquiry and are in good standing with the division.

An administrative regulatory action was initiated on March 1, 2017, by the Colorado Division of Securities, Colorado Department of Regulatory Agencies. The action was resolved on March 1, 2017.

Docket/Case Number: 2017 CDS 0005

For more information see Schedule DRPs in Lion Equity's Form ADV Part 1.

Lion Equity has no additional disciplinary events or information to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Lion Equity's Private Funds are typically formed as Delaware limited partnerships or limited liability companies which are controlled by a general partner or manager, respectively (in each case, a "General Partner", and collectively, the "General Partners"). Each of the General Partners of the Funds is a related person to Lion Equity. The General Partners are controlled by individuals who are managing members of Lion Equity. Below is a listing of those entities and which serve as a General Partner for each of the Funds.

- Lion Equity Management, LLC
 - Lion Equity Holdings, LLC
- Lion Equity Management II, LLC
 - Lion Equity Holdings II, LLC
- Lion Equity Management III, LLC
 - Lion Equity Fund III, LP
- Lion Equity Management III, LLC
 - Lion Fund III-B, LP

The General Partners and each Fund have entered into management agreements with Lion Equity to document the delegation of management of each Fund to the Adviser. Lion Equity's employees, advisors, and managing members may devote portions of their time to existing portfolio companies and other related investment activities and are not limited to the activities of Lion Equity and the Funds' different portfolio companies.

Item 11: Code of Ethics, Participation Client Transactions, and Personal Trading:

Code of Ethics

Lion Equity has adopted a Code of Ethics designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act. Lion Equity has a written Code of Ethics that is available to any client or prospective client upon request. All employees of the Firm are required to familiarize themselves with the Code of Ethics and adhere to its principles.

Below is a summary of the Code of Ethics:

Lion Equity and its employees shall:

- Comply with all applicable securities law, rules, and regulations.
- Comply with professional standards of conduct by following ethical principles of openness, integrity, honesty, and trust while fulfilling their fiduciary obligations.
- Place the interests of the Funds and Clients first, and not take inappropriate advantage of their positions with Lion Equity for their own personal benefit. Employees are prohibited from engaging in practices that violate Lion Equity's policy prohibiting employees from acting upon, misusing, or disclosing any material, non-public information.
- Disclose all material facts about conflicts of interest, personal account dealings, political contributions, and outside business activities. Employees are required to report their personal securities holdings upon entry into the organization and subsequently each quarter.
- Enjoin themselves from receiving gifts or entertainment which may create an actual or apparent conflict of interest.

- Notify appropriate persons of real or potential violations of the Code of Ethics.
- Attest to delivery and acknowledgement of the Code of Ethics.

Participation or Interest in Client Transactions

Allocation of investment opportunities will be fair and equitable to all clients. Lion Equity will not unfairly favor any client account over any other client account. Lion Equity recognizes its obligation to identify, monitor, and where appropriate, seek to reduce or eliminate potential conflicts of interest that might interfere with the performance of its fiduciary duties to clients.

Each General Partner will make a capital commitment to the applicable Funds and its capital commitment will be funded through such General Partner by members and employees of Lion Equity and the applicable General Partner. In addition, Lion Equity, the General Partners and their respective members, employees and affiliates may participate in co-investments with a Fund.

Personal Trading

The Code of Ethics details policies and procedures designed to identify insider information while addressing practices to prevent employees from benefiting from, or appearing to benefit from, having material, non-public information.

Lion Equity maintains a restricted list of all reportable securities for the firm, and anyone associated with its advisory practice. The list is regularly reviewed and updated by the Chief Compliance Officer or his/her compliance designee. When a company is placed on this list, no employee (or member of their immediate family/household) may trade in the securities or recommend trading in the securities until the restricted company is removed from the list. Employees are expected to regularly review the restricted list before engaging in a securities transaction.

Item 12: Brokerage Practices

Lion Equity primarily focuses on making investments in private securities; therefore, it does not ordinarily deal with any financial intermediary such as a broker-dealer acting on its behalf in making purchases, and commissions are not ordinarily payable in connection with such investments.

When Lion Equity does transact in public securities for the Funds, it will select brokers based upon the broker's ability to provide best execution for the Funds. In seeking best execution for the Funds, Lion Equity will consider a variety of factors including but not limited to: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker-dealer or counter party; and (iv) the competitiveness of commission rates in comparison with other broker-dealers.

Lion Equity does not maintain relationships with broker-dealers that feature soft-dollar benefits or referral arrangements.

Item 13: Review of Accounts

Lion Equity and its employees monitor each of the investments it makes in portfolio investments on an ongoing basis to monitor the progress of such investments and seek to ensure that such investments remain consistent with the Funds' investment strategies, objectives, and investment restrictions (as applicable). The General Partners are responsible for overseeing this process.

Investors in each Fund will receive written financial reports, including an unaudited balance sheet, a statement of net income or net loss, a statement of changes in financial position or a cash flow statement, and a supplemental statement of such investor's capital account on a quarterly basis. On an annual basis, within 105 days of the period end (or a period as defined in the governing documents), investors in each Fund also will receive audited financial statements of the Fund, valuations of the Fund's investments and tax information necessary for the completion of U.S. tax returns.

Lion Equity shall determine the fair value of each Fund's assets at its discretion as provided in such Fund's operating agreement.

Item 14: Client Referrals and Other Compensation

To date, Lion Equity has not entered into arrangements in which persons are supervised persons (such as placement agents or financial advisors) to assist in the capital-raising efforts. Lion Equity will not engage a placement agent that is not duly registered with the Financial Industry Regulatory Authority (or, if applicable, corresponding non-U.S. authorities).

Other than compensation and expense reimbursements from portfolio companies described under Item 5, Lion Equity does not accept economic benefits from a person who is not a client for providing investment advice or other advisory services.

Item 15: Custody

Lion Equity generally does not have physical custody of client funds or securities. However, Lion Equity or its affiliates, by virtue of its position with the Funds, will generally be deemed to have custody of the funds and securities of the Funds under Advisers Act Rule 206(4)-2 ("Custody Rule").

Lion Equity complies with the Custody Rule by (i) entrusting the custody of any funds and securities of a Private Fund that are not privately offered securities ("Assets") with a qualified custodian; and (ii) meeting the conditions of the pooled vehicle annual audit provision of the Custody Rule by obtaining an annual (and liquidation) audit of the Private Funds' financial statements by an independent auditor who is a member of and subject to inspection by the Public Company Accounting Oversight Board ("PCAOB"), with such audited financial statements made available to investors in compliance with the SEC's Custody Rule. The audited financial statements will be prepared in accordance with U.S. generally accepted accounting principles ("GAAP") distributed within 90 days of each Fund's fiscal year end.

Item 16: Investment Discretion

Pursuant to written investment management agreements, Lion Equity has discretionary authority to manage the investment portfolios of each of the Funds in accordance with each Fund's investment strategy and subject to any investment restrictions established in each fund's governing documents.

Each Fund's investment strategy (and restrictions, if any) are set forth in such Fund's governing documents. Investment advice is provided directly to the funds, subject to the discretion and control of the relevant General Partner, and not to the individual investors in such Funds.

Item 17: Voting Client Securities

Lion Equity generally does not trade in individual publicly traded securities that require it to vote traditional proxies. On an infrequent basis, Lion Equity may receive traditional proxy solicitations.

To the extent Lion Equity votes proxies, it will exercise voting authority in accordance with its proxy voting policies and procedures and will seek to vote any such proxies in the best interests of the Funds and Fund Investors (as applicable).

Lion Equity will provide a copy of its proxy voting policy to investors upon request. Investors may also obtain how Lion Equity voted any previous public proxies, if any.

Item 18: Financial Information

Lion Equity does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients. Lion Equity has not been subject to any bankruptcy proceedings.