

Item 1 – Form ADV, Part 2A – Appendix 1

WRAP FEE BROCHURE

Further Lane Asset Management, LLC
555 Madison Avenue, 12th Floor
New York, NY 10022
Telephone: 212-808-4800

www.furtherlane.com
November 8, 2013

This wrap fee brochure provides information about the qualifications and business practices of Further Lane Asset Management, LLC (“**Further Lane**”). If you have any questions about the contents of this brochure, please contact Aileen Doherty at 212-808-4800. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Further Lane is a “registered investment adviser” with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). Registration of an investment adviser does not imply that the adviser has attained any level of skill or training.

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

Item 2 - Material Changes

This section of the wrap fee brochure discusses only the material changes that have occurred since Further Lane's last annual update of the wrap fee brochure.

Item 4 & 9:

On October 28, 2013, the U.S. Securities and Exchange Commission issued an order instituting administrative and cease and desist proceedings against Further Lane Asset Management, LLC, Osprey Global Investments, Inc and J. Michael Araiz, pursuant to Section 15(b) of the Securities and Exchange Act of 1934, Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, making findings and imposing remedial sanctions and a cease and desist order.

As a result of the order set forth in Item 9, Mr. Araiz has resigned from his positions with Further Lane Asset Management, LLC, Further Lane Securities, LP and its affiliated entities prior to November 11, 2013 and is no longer be a control person.

Item 3. Table of Contents

Item 1 – Cover Page.....	1
Item 2 - Material Changes.....	2
Item 3. Table of Contents	3
Item 4 - Advisory Business.....	4
Item 5 - Types of Clients	5
Item 6. Portfolio Manager Selection and Evaluation	6
Item 7. Client Information Provided to Portfolio Managers	8
Item 8. Client Contact with Portfolio Managers	8
Item 9. Additional Information	8

Item 4 - Advisory Business

Further Lane was founded by J. Michael Araiz in 1996. Further Lane is wholly owned by a trust, the primary beneficiary of which is Mr. Araiz, who has effectively resigned from his position at FLAM, FLS and its affiliates, removing himself from control before November 11, 2013. Please see Item 9 for additional details.

The Further Lane Wrap Program (the “Program”) is an investment advisory program sponsored by Further Lane. The Program provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges.

To join the Program, a client must:

- 1) Complete an investor profile that describes the client’s financial needs, investment objectives, time horizon, and risk tolerance, as well as any other factors relevant to the client’s specific financial situation and any other supporting documentation the Program requires;
- 2) Complete the investment advisory wrap fee agreement (the “*Agreement*”) with Further Lane.
- 3) Complete a new account agreement with a broker/dealer or other financial institution approved by Further Lane; and
- 4) Open a securities brokerage account with the broker/dealer and deposit those assets designated for participation in the Program into the account.

After an analysis of any information provided by the client to Further Lane, Further Lane assists the client in developing an appropriate investment strategy for the assets in their accounts. Thereafter, all clients are encouraged to discuss their needs, goals, and objectives with Further Lane and to keep Further Lane informed of any changes thereto. Further Lane contacts ongoing clients at least annually to review its previous services and/or recommendations and to determine whether changes should be made to their investment strategy.

Management of Your Portfolio

All clients in the Program grant Further Lane discretionary or non-discretionary authority to buy, sell, and otherwise trade in the type of securities described in Item 6, below for their accounts and to liquidate previously-purchased securities that the client has transferred to their Accounts. Assets are managed by one of Further Lane’s investment adviser representatives.

Further Lane may recommend that certain clients authorize the active discretionary management of a portion of the assets by and/or among one or more independent investment subadvisors to implement a particular investment strategy.

The terms and conditions under which the client engages the subadvisors are set forth in a separate written agreement between Further Lane or the client and the designated subadvisors. Further Lane continues to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which Further Lane receives an annual advisory fee based upon a percentage of the market value of the assets managed by the designated subadvisors. Factors that Further Lane considers in recommending subadvisors include the client’s stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. In addition to Further Lane’s written disclosure brochure and/or wrap fee brochure, the client receives the written disclosure brochure of the designated subadvisors.

Fees for the Program

Clients in the Program pay a single annualized fee for participation in the Program (the “Program Fee”). The Program Fee is prorated and charged quarterly, in either arrears or advance, based upon the market value of the assets being managed by Further Lane under the Program. The Program Fee varies (between 1.00% and 2.50%) depending upon the market value of the assets under management. Further Lane, in its sole discretion, may negotiate to charge a lesser Program Fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

Fee Comparison

Under the Program, clients receive both investment advisory services and the execution of transactions for a single, combined annualized fee, the Program Fee. The Program Fee may also include the management and transaction fees charged by the subadvisors. Participation in the Program may cost the client more or less than purchasing such services separately. The number of transactions made in the client’s accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. The Program Fee may be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

Other Charges

Clients may incur certain charges imposed by third parties in addition to the Program Fee such as fees charged by subadvisors (as defined below), charges imposed directly by a mutual fund or exchange-traded fund in the account, which is disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Item 5 - Types of Clients

The Program participants includes individuals, investment companies, trusts, estates and charitable organizations, individual retirement plans, pensions and profit-sharing plans, corporations and broker-dealers. Further Lane does not impose any requirements or conditions for opening or maintaining and managing an account.

Further Lane does not impose a minimum portfolio size or minimum annual Program Fee. Certain subadvisors may, however, impose more restrictive account requirements and varying billing practices than Further Lane. In such instances, Further Lane may alter its corresponding account requirements and/or billing practices to accommodate those of the subadvisors.

Item 6. Portfolio Manager Selection and Evaluation

Further Lane acts as the sponsor and portfolio manager to the Program. Certain wrap programs involve the services of multiple parties in these capacities, which may involve additional conflicts of interest that the sponsor would be required to disclose in this section. Further Lane has no disclosures to make under this section.

Advisory Business

Through its **Further Lane Wealth Management** and **Energy Adviser Partners** divisions, Further Lane offers financial planning services and develops customized financial plans based on the needs and circumstances of each individual client. Financial planning advice typically involves providing a variety of services, principally advisory in nature, to individuals, businesses or families regarding the management of their financial resources based upon an analysis of their individual needs. An investment proposal is then developed for the client, which usually includes general recommendations for a course of activity or specific actions suggested to the client. For example, recommendations may be made for the client to (1) change the investment allocation of the client's portfolio, (2) obtain insurance or revise existing coverage, (3) establish an individual retirement account and/or (4) invest funds in securities.

Further Lane also provides discretionary asset management services to affiliated hedge funds ("Private Funds"). Please also see Item 10, Other Financial Industry Activities and Affiliations, for a description of the Private Funds affiliated with Further Lane. Private Fund investments are managed in accordance with the investment objective and program set forth in each Private Fund's confidential offering memorandum and such investments are not tailored to the individual needs of any particular Private Fund investor. ("Private Funds")

From time to time, Further Lane may also enter into sub-advisory agreements with unaffiliated third parties in which Further Lane delegates investment discretion to the sub-advisor to provide asset management services to Further Lane's clients.

Further Lane may select certain subadvisors or wrap fee programs to actively manage a portion of its clients assets. The specific terms and conditions under which a client engages a subadvisor are set forth in a separate written agreement between the designated subadvisor, Further Lane, the client or both.

Further Lane generally allocates assets among various mutual funds, exchange-traded funds ("ETF's"), debt and equity securities, options and privately placed securities (e.g. hedge funds, private equity vehicles, etc.) in accordance with each clients' individual investment goals and objectives. As the manager fee of these third party advisers are absorbed by the manager, there may be an incentive for the

There can be no assurance that the investment objectives of the Private Funds or the accounts advised by Further Lane will be achieved and investment results may vary substantially.

Performance-Based Fees and Side-by-Side Management For certain large institutional accounts or other accounts in special circumstances, Further Lane may negotiate a performance fee instead of, or in addition to, a fee based on assets under management.

In some instances, Further Lane portfolio managers may allocate client assets to Further Lane managed hedge funds. In such cases, Further Lane may compensate its portfolio managers and investment advisers with a portion of the performance fee payable to Further Lane. Such arrangements pose a conflict of interest as the portfolio manager may be incentivized to allocate client accounts to Funds from which Further Lane (and therefore the portfolio manager) may receive performance compensation. Further Lane may waive, lower or defer payment of management or performance fees for certain investors in the Private Funds because of their affiliation or relationship with Further Lane. Further Lane may also enter into individual agreements with a Private Fund with respect to the timing of accrual or payment of any fees.

In those instances where Further Lane manages Private Funds and other client accounts using the same or a similar investment strategy (“side-by-side” management), there is a potential conflict of interest that may create an incentive for Further Lane to favor accounts from which it receives higher fees. Performance fees may also create an incentive for Further Lane to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement.

Any allocation to a pooled account from which Further Lane receives a performance fee must be approved as a suitable type of investment for the client based upon the client’s investment objectives. Suitability reviews for such an investment will also take into consideration the availability of unaffiliated pooled accounts that may be suitable for the client.

From time to time in its Affiliated Funds, Further Lane may provide side-by-side investment advice to Side Pocket Accounts, New Issues Accounts and other memorandum accounts, as defined in the Limited Partnership Agreement of the respective Affiliated Fund. Please also see Item 10, Other Financial Industry Activities and Affiliations, for a description of the fees, including performance-based fees, earned by affiliated funds of Further Lane.

Methods of Analysis, Investment Strategies and Risk of Loss Further Lane’s comprehensive financial analysis begins with identifying the client’s investment objectives, including goals and constraints. A determination is then made as to the degree of risk that the client can tolerate and the need for diversification, liquidity, capital accumulation and tax reduction. A general portfolio mix is then recommended based on all of the information gathered.

Further Lane’s methods of analysis include a combination of charting, cyclical market trends, fundamental and technical analysis. Fundamental analysis looks at the “big picture,” such as the overall economic outlook for a company, an industry, asset class or a country. Fundamental analysis is often associated more with a “buy and hold” mentality. Technical analysis, on the other hand, focuses primarily on the supply and demand for a particular asset or security, often looking for trends related to an asset’s price. Clients may impose restrictions on investing in certain securities or types of securities.

The sources of information Further Lane uses include financial newspapers and magazines, inspections of corporate activities and press releases, research materials prepared by others,

corporate rating services, market timing services and annual reports, prospectuses and filings with the SEC and company press releases. Additional sources of research information may include but are not limited to trade journals, discussions and meetings with security analysts, internal and external research reports, statistical analysis and material, including internet sources in connection with the foregoing and interviews with outside consultants and analysts and personal assessment of financial consequences of world events derived from general or specific material depending on the particular circumstances.

Further Lane intends that its investment strategy be based on the long-term investment in securities (held for at least one year) that seeks to produce an attractive return over full-market cycles. From time to time, we may use several other investment strategies to implement the investment advice given to clients, including the short term purchases of securities (sold within one year), trading securities (sold within 30 days), short sales and option writing (including covered options, uncovered options or spreading strategies) for those accounts Further Lane has determined are suitable to engage in such trading strategies and from whom Further Lane has obtained express consent to do so. On occasion, we also provide advice with respect to real estate and real estate investment trusts.

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

Voting of Client Securities

Except for its affiliated hedge funds, Further Lane will not vote proxy statements on behalf of any advisory client. Clients will receive proxy statements directly from the custodian and are responsible for voting on them. Clients may contact Further Lane with any questions pertaining to its proxy voting practices.

Item 7. Client Information Provided to Portfolio Managers

Further Lane acts as the sponsor and portfolio manager to the Program. Certain wrap programs involve the services of multiple parties in these capacities. In those circumstances, the sponsor is required to disclose how and what type of information about client that it provides to portfolio managers. Further Lane has no disclosures to make under this section.

Item 8. Client Contact with Portfolio Managers

There are no restrictions on a clients' ability to contact and consult with Further Lane. Clients may contact subadvisors through Further Lane by providing Further Lane with written request and identification of the questions or issues to be discussed with the subadvisors. After receiving the client's written request Further Lane, at its sole discretion, contacts the subadvisors for the client or arranges for the subadvisors and the client to communicate directly.

Item 9. Additional Information

Further Lane is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

On October 28, 2013, The U.S. Securities and Exchange Commission issued administrative file No. 3-15590, instituting administrative and cease and desist proceedings pursuant to Section 15(b) of the Securities and Exchange Act of 1934, Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, making findings and imposing remedial sanctions and a cease and desist order, Administrative Proceeding File No. 3-15590. The Order found that:

1. Araiz and FLAM willfully violated Section 206(2) of the Advisers Act, which prohibits an investment adviser from engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon a client or prospective client. Proof of scienter is not required to establish a violation of Section 206(2) of the Advisers Act but, rather, may rest on a finding of simple negligence.
2. FLAM and OGI willfully violated, and Araiz willfully aided and abetted and caused FLAM's and OGI's violations of, Section 206(3) of the Advisers Act, which prohibits an investment adviser from, directly or indirectly, "acting as principal for his own account, knowingly to sell any security or to purchase any security from a client ... without disclosing to such client in writing before the completion of such transaction the capacity in which he is acting and obtaining the consent of the client to such transaction.
3. As a result of the conduct described above, Araiz and FLAM willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder. Section 206(4) prohibits investment advisers from engaging in "any act, practice, or course of business which is fraudulent, deceptive or manipulative," as defined by the Commission by rule. Rule 206(4)-8 prohibits an investment adviser to a "pooled investment vehicle" – such as Windmill Fund – from, directly or indirectly, making false or misleading statements to investors or prospective investors in those pools, and from otherwise defrauding investors or prospective investors. A violation of Section 206(4) and the rules thereunder does not require scienter.
4. FLAM willfully violated, and Araiz willfully aided and abetted and caused FLAM's violations of, Section 206(4) of the Advisers Act and Rule 206(4)-2 thereunder. Before the amendment of Rule 206(4)-2, effective March 12, 2010, Rule 206(4)-2 provided, in pertinent part, that it constituted a fraudulent, deceptive, or manipulative act, practice, or course of business within the meaning of Section 206(4) for any registered investment adviser to have custody of client funds or securities unless, among other things, the adviser had a reasonable basis for believing that a qualified custodian was sending quarterly account statements to each of the clients for which it maintained funds or securities, or to each beneficial owner of a pooled investment vehicle, identifying the amount of funds, and of each security in the account at the end of the period and setting forth all transactions in the account during the period.² The pre-amendment rule also provided that, if the adviser sent the quarterly account statements itself, an independent public accountant generally must verify all of the client funds and securities by actual examination at least once during each calendar year on a date chosen by the accountant without prior notice to the investment adviser (a "surprise examination").
5. During the relevant period, however, investors in Windmill Fund, Manta Ray Fund and Toro Fund were never sent quarterly account statements from a qualified custodian containing information about the funds' accounts, and FLAM was not subject to an annual surprise examination.

6. FLAM willfully violated, and Araiz willfully aided and abetted and caused FLAM's violations of, Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, which requires an investment adviser registered with the Commission to adopt and implement written policies and procedures reasonably designed to As a result of the conduct described above, FLAM willfully violated, and Araiz willfully aided and abetted and caused FLAM's violations of, Section 204(a) of the Advisers Act and Rules 204-2(a)(3), 204-2(a)(7), 204-2(a)(10) and 204-2(a)(17) thereunder, which require investment advisers registered with the Commission to maintain and preserve certain books and records. Rule 204-2(a)(3) requires registered investment advisers to "make and keep true, accurate and current ... memoranda [a] of each order given by the investment adviser for the purchase or sale of any security" Rule 204-2(a)(7) requires registered investment advisers "make and keep true, accurate and current ... [o]riginals of all written communications received and copies all written communications sent by such investment adviser relating to ... any recommendation made or proposed to be made and any advice given or proposed to be given" Rule 204-2(a)(10) requires registered investment advisers to "make and keep true, accurate and current ... [a]ll written agreements (or copies thereof) entered into by the investment adviser ... relating to the business of the investment adviser." Rule 204-2(a)(17) requires registered investment advisers to maintain "[a] copy of any internal control report obtained or received pursuant to [the custody rule]."

7. Araiz and FLAM willfully violated Section 207 of the Advisers Act, which makes it unlawful for any person willfully to make any untrue statement of a material fact in any registration application or report filed under the Advisers Act or willfully to omit to state in any such application or report any material fact which is required to be stated therein.

In view of the foregoing, the Commission imposed the sanctions agreed to in Respondents' Offers.

- a. Respondent FLAM shall cease and desist from committing or causing any violations and any future violations of Sections 204, 206(2), 206(3), 206(4) and 207 of the Advisers Act and Rules 204-2(a)(3), 204-2(a)(7), 204-2(a)(10), 204-2(a)(17), 206(4)-2, 206(4)-7 and 206(4)-8 promulgated thereunder.
- b. Respondent FLAM is censured.
- c. Respondent OGI shall cease and desist from committing or causing any violations and any future violations of Section 206(3) of the Advisers Act.
- d. Respondent OGI is censured.
- e. Respondent Araiz shall cease and desist from committing or causing any violations and any future violations of Sections 204, 206(2), 206(3), 206(4) and 207 of the Advisers Act and Rules 204-2(a)(3), 204-2(a)(7), 204-2(a)(10), 204-2(a)(17), 206(4)-2, 206(4)-7 and 206(4)-8 promulgated thereunder.
- f. Respondent Araiz is censured.
- g. Respondent Araiz be, and hereby is: suspended from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent or

nationally recognized statistical rating organization for a period of twelve months, effective on the second Monday following the entry of this Order.

- h. Respondents FLAM, OGI and Araiz shall pay disgorgement of \$338,017 and pre-judgment judgment interest of \$9,105 for a total of \$347,122 on a joint and several basis, to the SEC in two installments,
 - (i) \$25,000 within ten days of the entry of this Order;
 - (ii) \$161,061 within 180 days of entry of the Order; and
 - (iii) \$161,061, plus post-judgment interest on the payments described in Sections IV.I.(2) and IV.I.(3) pursuant to SEC Rule of Practice 600, within 360 days of entry of the Order.

Other Financial Industry Activities and Affiliations

Further Lane Securities, L.P.

Mr. Araiz is the beneficial owner of Further Lane Securities, L.P. (“FLS”), a broker-dealer registered with the SEC under the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”), and a member firm of FINRA and is registered with all 50 states, the District of Columbia and Puerto Rico. Mr. Araiz was previously the Chief Executive Officer and Chief Compliance Officer of FLS. As a result of the order described in Item 9, Mr. Araiz has resigned from his positions with FLAM and FLS prior to November 11, 2013, and is no longer a control person of either firm.

In addition, most of Further Lane’s non-clerical personnel are registered representatives of FLS. At the time, a client agrees to establish an account with FLAM, we may recommend that the client utilize FLS as an introducing broker, and Pershing as the carrying and clearing broker (which is also utilized by FLS) or any broker or dealer designated by Further Lane as a custodian and/or clearing broker in respect of the assets in the Account. Further Lane shall select such brokers or dealers in its own discretion and shall not be responsible for any acts or omissions of any such brokers or dealers provided Further Lane is not negligent in such selection. No commissions or fees shall be incurred which are substantially greater than those chargeable by other brokers or dealers in the community for like or comparable services, provided, however, the client authorizes Adviser, consistent with the foregoing, to select brokers and dealers on the basis of their having furnished statistical, research and other services to Adviser.

For FLS services as broker to Further Lane’s clients, the client shall pay to FLS brokerage commissions and mark ups and mark downs, as well as execution and clearing charges in accordance with FLS’ commission and fee rates. If the client does not object, amendments changing FLS’ commission and fee rates will be effective 30 days after notice to the client. Commissions will be shared with other brokers when they provide clearing or other brokerage services. FLS shares its commissions with Pershing with respect to transactions for which Pershing acts as the carrying or clearing broker.

In general, clients authorize Further Lane to cause its affiliated broker, FLS, to purchase or sell securities where the other party to the transaction may be a customer of Further Lane and FLS. FLS may receive commissions from both sides of the transaction and will have a potentially conflicting division of loyalties and responsibilities between the parties. At all times the client has a right to full disclosure on all such transactions including details on remuneration inuring to FLS and Further Lane. This authorization may be revoked at any time by written notice.

Further Lane provides its clients with notice of principal transactions and the ability to revoke consent to any trade. FLS will receive compensation for such principal trades in the form of mark ups and mark downs on the value of the securities traded.

When placing business through a broker/dealer as a registered representative, an investment adviser representative generally earns a commission. If clients execute trades through FLS, the client will generally pay commissions or fees. As a result, a potential conflict of interest exists between FLS's interests and the client's interests. A client is under no obligation to execute any business through FLS.

Osprey Opportunity Fund LP
Osprey Opportunity Offshore Fund, Ltd
Windmill Multi-Strategy Fund, LP
Toro Total Return Fund, LP

Further Lane has organized two investment partnerships: the Osprey Opportunity Fund LP, a Delaware limited partnership (the "**Osprey LP**") and Osprey Opportunity Offshore Fund, Ltd., a Cayman Islands exempted company (the "**Offshore Fund**," and together with the Osprey LP, the "**Osprey Funds**"), for the purpose of investing and reinvesting from time to time in a portfolio consisting primarily of high quality fixed income securities. Both funds may also invest in lower rated debt securities and derivative instruments and may use hedging techniques to mitigate interest rate risk.

Mr. Araiz was the sole managing member of **Osprey Opportunity Fund GP, LLC**, a Delaware limited liability company, the general partner to the Osprey Funds. Further Lane, the investment manager, receives from Class A Limited Partners of Osprey LP a percentage of the total assets under management as a management fee as well as a performance fee representing a percentage of the net capital appreciation of the limited partners' accounts in excess of a benchmark. Further Lane, as investment manager, will also receive from Class B Limited Partners a management fee and performance fee, which, is not subject to a benchmark. As a result of the order described in Item 9, Mr. Araiz has removed himself from his control positions with Osprey Opportunity Fund prior to November 11, 2013 and has placed his beneficial interest into a Trust to comply with the SEC Order..

Both fees are to be paid quarterly in arrears.

Osprey LP's administrator is Columbus Avenue Consulting, LLC.

As a Cayman Islands registered fund, the Offshore Fund operates through three Cayman Islands-domiciled entities: (a) its administrator is Admiral Administration Ltd.; (b) its Offshore Director is DMS Offshore Investment Services Ltd.; and (c) the registered office is Ogier Fiduciary Services (Cayman) Limited.

Further Lane is also the general partner and investment manager of **Windmill Multi-Strategy Fund, LP** (a "fund-of-funds") and the investment manager of **Toro Total Return Fund, LP**. On occasion, an employee of FLS may recommend that a brokerage client invest in an affiliated entity or get investment advice from Further Lane. The employee's compensation may be based, in part,

on revenues earned by Further Lane or its affiliates in connection with the opening of new accounts or the investment in one of its affiliated funds. Thus, the employee may have an incentive to recommend that a client invest in an affiliate fund or become a client of Further Lane. Further Lane will manage the account in such a situation only when it is assured that the objective is suitable for the client and that no conflict of interest exists. As a result of the order described in Item 9, Mr. Araiz has removed himself from his control positions with Osprey Opportunity Fund prior to November 11, 2013.

Windmill Multi-Strategy Fund, LP

The general partner of Windmill receives from the limited partners, a quarterly management fee representing a percentage of the total assets under management. No performance or incentive compensation is payable by the Partnership to the General Partner, although the Partnership pays such compensation and other types of compensation to underlying managers, including the General Partner and/or its affiliates in connection with their management of affiliated funds in which the Partnership invests.

Toro Total Return Fund, LP

The General Partner and/or the Investment Manager of Toro may sell Interests through broker-dealers, placement agents and other persons and pay a marketing fee or commission in connection with such activities, including ongoing payments, at the General Partner's and/or the Investment Manager's own expense and in accordance with Rule 206(4)-3 of the Advisers Act. In certain cases, the General Partner and the Investment Manager reserve the right to deduct a percentage of the amount invested by a Limited Partner in the Partnership to pay the sales fees or charges, on a fully disclosed basis, to a broker-dealer, placement agent or other person based upon the capital contribution of the investor introduced to the Partnership by such broker-dealer, placement agent or other person. Any such sales fees or charges would be assessed against the referred investor and would reduce the amount actually invested by the investor in the Partnership.

Further Lane, as investment manager, shall receive from the limited partners, a quarterly management fee representing a percentage of the total assets under management.

The General Partner will receive an incentive allocation (the “**Performance Fee**”), payable at the end of each calendar quarter with respect to each Limited Partner's Capital Account equal to a percentage of the net new appreciation.

This Performance Allocation is subject to a “*high water mark*” provision under which past losses allocated to a Limited Partner's Capital Account must be recovered before the Performance Allocation is made to the General Partner from such account. If past losses have not been fully recovered, then the Performance Allocation shall not be paid to the General Partners. For example, if for the current fiscal quarter the Partnership was down five percent (5%) under the previous quarter then the General Partner would only be eligible to receive its Performance Allocations once the Partnership profits have increased above the five percent (5%) decline.

The General Partner will take the Performance Allocation, if any, on a fiscal quarterly basis and will be debited from the **Limited Partner's** Capital Account and credited to the Capital Account of the General Partner on the first business day of each fiscal quarter.

Osprey Group, Inc.

The investment manager of the Offshore Fund is the Osprey Group, Inc. ("**OGI**"), a company incorporated in the state of Delaware., who provides services to OGI through Further Lane. OGI receives a quarterly management fee based on a percentage of the net assets of the Offshore Fund and will also receive an annual incentive fee equal to a percentage of the net profits. Both fees are paid quarterly in arrears. **OGI is wholly owned by Mr. Araiz individually** As a result of the order described in Item 9, Mr. Araiz has resigned and removed himself from his control positions with Osprey Opportunity Fund prior to November 11, 2013, placing his beneficial ownership interest into a Trust.

OGI is a special purpose vehicle and the investment adviser to the Osprey Opportunity Offshore Fund, LTD solely to provide services to the Fund in a manner that enables manager compensation to be eligible for an employee benefit compensation plan. OGI does not hold itself out to the public as a separate advisor, or function in any way as its own separate enterprise.

OGI is a relying adviser of FLAM, as it is in a control relationship, with the same principal office and place of business and compliance policies and procedures as FLAM and is thus not subject to SEC investment adviser registration.

Osprey Securities Corporation

Mr. Araiz is the principal owner of Osprey Securities Corp, the holding company of FLS. Osprey Securities Corp is otherwise inactive. As a result of the order described in Item 9, Mr. Araiz has removed himself from his control positions with Osprey Opportunity Fund prior to November 11, 2013 and placed his beneficial interest into a Trust..

Dynasty Financial Partners, LLC and Black Diamond Performance Reporting, LLC

On April 29, 2012, Further Lane entered into an arrangement with Dynasty Financial Partners, LLC ("**Dynasty**") for access to Dynasty's open-architecture platform of wealth management services and technology. This arrangement will allow Further Lane to enhance its support services and offerings to its clients, but will not cause any changes to the essential quality and character of the advisory services Further Lane provides. Eventually, through its affiliation with Dynasty, Further Lane's clients will have access to multiple investment programs, account management resources and research on investment products.

Some of Further Lane clients will receive a combined report of their holdings through Black Diamond Performance Reporting ("**Black Diamond**"), a Dynasty business partner. These changes to investor reporting were implemented by July 1, 2012.

Altegris Investments, Inc.

Altegris Investments, Inc. (“Altegris”) is a broker-dealer and a member of FINRA. Pursuant to an agreement with Further Lane, Further Lane may from time to time (in its sole discretion based on its own determination of suitability and qualifications) recommend to certain of its clients an investment in a mutual or other fund on the Altegris investment platform. In such situations, Altegris acts as a marketer or selling agent of funds (referred to herein as a “Platform Fund”) which are also sponsored and managed by an Altegris affiliate. As a selling agent for a Platform Fund, Altegris receives a percentage of management fees, incentive fees and/or other fees charged to Platform Fund investors who invest through Altegris – the specific type and amount of compensation in each case is set forth in a selling agreement or other fee-sharing arrangement between Altegris and the Platform Fund and/or its sponsor or manager.

The only compensation to Further Lane and its employees or affiliates is in the form of advisory or other fees paid by the Further Lane client to Further Lane pursuant to separate advisory contracts or other agreements entered in wholly independent of Further Lane’s arrangement with Altegris.

The only compensation to Altegris and its employees and affiliates in connection with referrals to Altegris of Further Lane clients under this arrangement is selling agent compensation pursuant to marketing or selling agreements entered into between Altegris and each Platform Fund, management fee revenue in respect of certain Platform Funds sponsored or managed by an affiliate of Altegris and/or revenue in relation to an affiliate of Altegris acting as a commodity futures introducing broker for certain Platform Funds, in each case pursuant to contracts or other arrangements entered into by Altegris or its affiliates or employees independent of this arrangement.

Sali Multi-Series Fund, L.P. – Further Lane Insurance Fund

Depending on a client’s financial objectives and needs, Further Lane may invest client funds in insurance company trusts. Further Lane has entered into an arrangement with an insurance company whereby Further Lane acts as a money manager for such insurance trusts. Further Lane acts as sub-adviser to the Sali Multi-Series Fund, L.P. – Further Lane Insurance Fund (“Further Lane Insurance Fund”) and may invest insurance trust assets within the Further Lane Insurance Fund and may allocate the assets to other Further Lane products. Depending on client needs, Further Lane may negotiate fees and expenses, resulting in lower fees to certain investors of the Further Lane Insurance Fund.

Code of Ethics

Further Lane adheres to a code of ethics adopted pursuant to Rule 204A-1 of the Advisers Act. In brief, Further Lane provides professional services with integrity and will be fair and reasonable in all professional relationships and disclose any conflicts of interest. Further Lane employees possess the knowledge and skill necessary to provide professional services competently and demonstrate exemplary ethical standards. Further Lane protects the confidentiality of all client information.

Further Lane has adopted a Code of Ethics (the “**Code**”) for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on cross-trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among

other issues. Further Lane's employees and persons associated with Further Lane are required to follow the Code and each of them must acknowledge the terms of the Code annually, or as amended. Further Lane's clients or prospective clients may request a copy of the Code by contacting the CCO.

Further Lane anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Further Lane has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Further Lane, its affiliates and/or clients, directly or indirectly, have a position of interest. Subject to satisfying this policy and applicable laws, officers, directors and employees of Further Lane and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Further Lane's clients.

The Code is designed to assure that the personal securities transactions, activities and interests of the employees of Further Lane will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that personal transactions in these securities would not materially interfere with the best interest of Further Lane's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code, in some circumstances, would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code to reasonably prevent conflicts of interest between Further Lane and its clients.

Participation or Interest in Client Transactions.

In addition to managing the accounts of clients unaffiliated with Further Lane, we may also manage the accounts of clients who are related persons with Further Lane (the "**Affiliated Clients**"). FLS, as principal, buys securities for itself from, or sells securities it owns to, its clients in accordance with Rule 206(3)-3T of the Advisers Act.

From time to time, certain employees of Further Lane and its affiliates may invest in securities held by or deemed suitable for Further Lane's clients if prior approval is obtained from our Chief Compliance Officer or his/her designee. Notwithstanding the foregoing, no prior approval is required for Further Lane employees to invest in certain types of investments, including U.S. government securities, money market instruments, open-end mutual funds and variable insurance products.

Further Lane has instituted the following procedures and guidelines to deal with transactions involving conflicts of interest:

1. The client will acknowledge the relationships that exist between Further Lane and its Affiliated Clients and that Further Lane will, from time to time, purchase and sell securities on behalf of those accounts that it also recommends to unaffiliated clients;

2. Anytime a new security is to be recommended to clients, Further Lane will review the portfolios of its unaffiliated clients and purchase such security for such clients if appropriate based on their investment guidelines and objectives before purchasing such security for its Affiliated Clients; and
3. Anytime Further Lane recommends selling a security owned by an Affiliated Client, it will review the portfolios of its unaffiliated clients and sell the security for such clients if appropriate based on their investment guidelines and objectives before selling such security for its Affiliated Clients.

In accordance with Section 204A of the Advisers Act, Further Lane also maintains and enforces written policies reasonably designed to prevent the unlawful use of material non-public information by Further Lane, its employees, or employees of any of its affiliated entities.

Review of Accounts and General Reports

Further Lane monitors assets as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealers for assets.

Client Referrals and Other Compensation

To the extent permitted by law, including Rule 206(4)-3 under the Advisers Act, Further Lane may compensate persons who refer clients (*i.e.*, “solicitors”). Such compensation will normally be in the form of a percentage of the advisory fee paid to Further Lane by such clients; however, each arrangement is unique and there is no one overriding compensation policy for referrals. No client referred to Further Lane shall pay higher fees to Further Lane as a result of such referral. In addition, in the event a client is referred to Further Lane by a particular broker, Further Lane would execute securities transactions through the broker responsible for the referral provided the commission rates are competitive with those charged by other brokers used by Further Lane and that the use of the broker in question is consistent with the best interests of the client. Any unaffiliated solicitor paid by Further Lane shall be required to provide to any solicited client a brochure in conformity with Rule 206(4)-3 of the Advisers Act.

Further Lane may adopt one or more incentive plans from time to time which provide for cash payments to its employees and employees of its affiliates who develop and refer new business to Further Lane. Further Lane may adopt such incentive plans formally or informally and the terms and the payments under such plans may vary. However, any incentive plans adopted by Further Lane will not affect in any way the amount of fees paid by a new client for services. See also Item 5 for descriptions of certain commissions Further Lane could be paid under certain circumstances.

Financial Information

Registered investment advisors are required in this section to provide you with certain financial information or disclosures about Further Lane’s financial condition. Further Lane has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.