

CrossCap Management Inc.

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This brochure provides information about the qualifications and business practices of CrossCap Management Inc. If you have any questions about the contents of this brochure, please contact us at 713-781-1000 or doug@crosscapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about CrossCap Management Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

In the future, this page will discuss only specific material changes that are made to this brochure and will provide readers with a summary of such changes. We will also reference the date of our last annual update of our brochure.

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ADVISORY BUSINESS

Advisory Firm Description

CrossCap Management, Inc. ("CrossCap") was founded on October 1, 2000 by Mark Crosswell and Brady Crosswell. Mark Crosswell and Brady Crosswell each own 50% of the Investment Advisor.

Types of Advisory Services

CrossCap Management, Inc. ("CrossCap") provides continuous advice to pooled investment vehicles and to separately managed accounts. Each is discussed in detail below.

Pooled Investment Vehicles

CrossCap provides investment supervisory services to three pooled investment vehicles, namely CrossCap Partners, L.P., CrossCap Partners Enhanced, LP., and The CrossCap Opportunity Fund, LP. CrossCap acts as General Partner of CrossCap General Partners, L.P., which in turn acts as General Partner to CrossCap Partners, L.P. In addition CrossCap acts as General Partner of CrossCap Enhanced GP, L.P., which in turn acts as General Partner to CrossCap Partners Enhanced, L.P. and The CrossCap Opportunity Fund, LP.

CrossCap manages the funds based on the guidelines outlined in each fund's private placement memorandum.

Separately Managed Accounts

CrossCap provides investment advice for individual clients based on their individual needs. CrossCap conducts personal discussions with each client, determining goals and objectives and risk tolerance. Then CrossCap develops a client's personal investment policy and creates and manages a portfolio based on that policy. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income). CrossCap manages advisory accounts on a discretionary basis only.

Tailored Advisory Services

CrossCap manages advisory accounts on a discretionary basis only.

Client Assets Under Management

Discretionary assets under management were approximately \$64,000,000 as of February 28, 2011.

FEES AND COMPENSATION

Pooled Investments

Percentage of Assets Under Management:

For its management of CrossCap Partners, L.P. and The CrossCap Opportunity Fund, LP, CrossCap charges an annual fee of 1.00% payable quarterly in advance. For its management of CrossCap Partners Enhanced, L.P. CrossCap charges an annual fee of 1.50% payable quarterly in advance. All management fees are disclosed in each pooled investment vehicle's Private Placement Memorandum. In addition to the management fees, CrossCap charges a performance-based fee to these vehicles, as outlined in the following section.

Individually Managed Accounts

Percentage of Assets Under Management:

Under this billing method, CrossCap will charge an annual advisory fee as a percentage of assets under management, according to the following fee schedule:

Assets under management Annual Fee (%)

First \$1 million 1.50%

Next \$4 million 1.00%

Above \$5 million 0.80%

Clients will be invoiced in arrears at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

For its management of CrossCap Partners, L.P., CrossCap Partners Enhanced, L.P. and CrossCap Opportunity Fund, LP., CrossCap receives fees based on the performance of the account. Performance-based fees may create an incentive for CrossCap to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee.

PERFORMANCE-BASED FEES WILL ONLY BE CHARGED IN ACCORDANCE WITH THE PROVISIONS OF REG. 205-3 OF THE INVESTMENT ADVISERS ACT OF 1940.

As of the close of each fiscal year, a performance allocation is debited against the capital account of each Limited Partner of the pooled investment vehicles. The performance allocation is equal to 20% of each Limited Partners allocable share of net

profits for the fiscal year for CrossCap Partners, LP and CrossCap Partners Enhanced LP and 10% for CrossCap Opportunity Fund, LP. The performance allocation is subject to a high water mark limitation. Thus, after the first year in which a performance allocation is earned, the performance allocation for subsequent years only applies to the extent that a Limited Partners pro rata share of net profits measured on a cumulative basis, net of any losses, for all years since admission exceeds the highest level of such cumulative net profits achieved through the close of any prior year since admission.

If a Limited Partner makes a withdrawal at a time when his capital account balance is below its historic high water mark level, the level is ratably reduced to reflect such withdrawal. The performance allocation is generally calculated and charged to each Limited Partner at the end of each fiscal year.

As discussed above, CrossCap receives a performance based fees for the management of the pooled investment vehicles, while CrossCap does not receive a performance based fees for the individual managed accounts. As a result, certain conflicts of interest could develop in the management of the two types of portfolios. CrossCap continuously monitors the transactions in each portfolio to confirm that no transaction is made that benefits one portfolio over the other.

TYPES OF CLIENTS

The CrossCap advisory business currently provides advisory services to individual investors and requires a minimum account size of \$1,000,000.

In the pooled investment vehicles investors include high net worth individuals and institutional investors. The minimum investment amounts in CrossCap Partners, LP and the CrossCap Opportunity Fund is \$250,000. The minimum investment amount in CrossCap Partners Enhanced LP is \$500,000. In addition, CrossCap requires that each investor in the partnerships is accredited or a qualified purchaser, as defined in each Partnership's subscription material.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

As part of the CrossCap Advisory services, CrossCap creates a portfolio consisting of one or all of the following: individual equities, bonds and other investment products such as mutual equity and bond funds. CrossCap allocates the client's assets among various investments, taking into consideration the overall management style selected by the client. The mutual funds are selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors is determined by each client's individual needs and circumstances. Clients have the opportunity to place reasonable restrictions on the types of investments which are made on the client's behalf. Clients retain individual ownership of all securities.

When appropriate to the needs of the client, CrossCap may recommend the use of trading (securities sold within 30 days), short sales, margin transactions or option writing. Because these investment strategies involve certain additional degrees of risk, they are recommended when consistent with the client's stated tolerance for risk.

CrossCap Partners LP and CrossCap Partners Enhanced LP invest primarily in the securities of small and mid cap companies (implied enterprise value of \$100 million to \$2.0 billion). The General Partner's investment decisions are based principally on fundamental bottom-up research of individual companies. The following factors generally weigh heavily in each investment:

- intrinsic value vs. price
- management discussions and visits
- discussions with industry contacts

The General Partner views its investment style as opportunistic, favoring value stocks, but selectively investing in growth companies that are trading at valuations that the General Partner considers reasonable.

Short Selling. The General Partner believes that short selling offers significant opportunities to the Partnership. Short selling securities allows the Partnership to profit when a company's stock price declines and hedges the portfolio when the overall market declines.

Risk Controls. The General Partner feels the key to successful investing is discipline. Therefore, the General Partner will endeavor to use risk controls in implementing the Partnerships' investment strategy, including:

- Always maintaining cash on hand
- Adherence to position and sector limits
- Managing portfolio on Hedge Ratio and Beta adjusted basis
- Maintaining strict controls on Short positions

The CrossCap Opportunity Fund allocates capital to other pooled investments including CrossCap Partners Enhanced, LP. Each underlying investment fund is evaluated based on it's expected impact to the overall portfolio.

The General Partner intends to effectuate the strategies described above and will generally follow these strategies for as long as such strategies are in the Partnership's objectives. However, the General Partner reserves the right to modify the Partnership's investment approaches or to formulate new approaches to carry out the objectives of the Partnership. There can be no assurance that the Partnership's objectives will be achieved and investment results may vary substantially.

THE INVESTMENT OBJECTIVES AND METHODS SUMMARIZED ABOVE REPRESENT THE GENERAL PARTNER'S CURRENT INTENTIONS. DEPENDING ON CONDITIONS AND TRENDS IN THE SECURITIES MARKETS AND THE ECONOMY IN GENERAL, THE GENERAL PARTNER MAY PURSUE ANY OBJECTIVES, EMPLOY ANY INVESTMENT TECHNIQUES OR PURCHASE ANY TYPE OF SECURITY THAT IT CONSIDERS APPROPRIATE AND IN THE BEST INTERESTS OF THE PARTNERSHIP WHETHER OR NOT DESCRIBED IN THIS SECTION. THE FOREGOING DISCUSSION INCLUDES AND IS BASED UPON NUMEROUS ASSUMPTIONS AND OPINIONS OF THE GENERAL PARTNER CONCERNING WORLD FINANCIAL MARKETS AND OTHER MATTERS, THE ACCURACY OF WHICH CANNOT BE ASSURED. THERE CAN BE NO ASSURANCE THAT THE PARTNERSHIP'S INVESTMENT STRATEGY WILL ACHIEVE PROFITABLE RESULTS.

Prospective investors should give careful consideration to the risks outlined in the offering documents of each pooled investment when evaluating the merits and suitability of an investment.

DISCIPLINARY INFORMATION

None

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

N/A

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

CrossCap has adopted a Code of Ethics which describes the general standards of conduct that the Firm expects of all Firm personnel (collectively referred to as "employees") and focuses on three specific areas where employee conduct has the potential to adversely affect the client: misuse of confidential information; personal securities trading and outside business activities. Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination with the Firm. Any client or prospective client may request a copy of the Firm's Code of Ethics which will be provided at no cost.

The following basic principles guide all aspects of the Firm's business and represent the minimum requirements to which the Firm expects employees to adhere:

- Clients' interests come before employees' personal interests and before the Firm's interests.

- The Firm must fully disclose all material facts about conflicts of which it is aware between the Firm and its employees' interests on the one hand and client and the Firm's interests on the other.
- Employees must operate on the Firm's behalf and on their own behalf consistently with the Firm's disclosures and to manage the impacts of those conflicts.
- The Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- The Firm and its employees must always comply with all applicable securities laws.

Misuse of Nonpublic Information

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm. Employees may not convey nonpublic information nor depend upon it in placing personal securities trades.

Personal Securities Trading

Trading in Personal Accounts is subject to review and, in many cases, prior approval by the Chief Compliance Officer ("CCO"). CrossCap's personal trading policy precludes anticipating client trades. Access Persons may trade simultaneously with clients in the same security as long as the same price is obtained, or the next day after the client trade has been executed. CrossCap or individuals associated with CrossCap may buy or sell securities identical to those recommended to customers for their personal accounts. It is the expressed policy of CrossCap that no person employed by CrossCap may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts. CrossCap or any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. Employees are required to submit reports of personal securities trades on a quarterly basis, and securities holdings annually. These are reviewed by the Chief Compliance Officer to ensure compliance with the Firm's policies.

Outside Business Activities

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed.

BROKERAGE PRACTICES

Research and Other Soft-Dollar Benefits

For those individual clients that have granted CrossCap both investment and brokerage discretion, CrossCap will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible.

The reasonableness of commissions are based on the broker's ability to provide professional services, competitive commission rates, research and other services which

will help CrossCap in providing investment management services to clients. In the case of the pooled investments, CrossCap may use a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance.

As disclosed above, in the case of the pooled investments, CrossCap may receive from broker dealers products or services which are used solely for investment research. In the event of CrossCap's receiving soft dollar products it will make a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portion of the costs of such products or services attributable to research usage may be defrayed by CrossCap through directing brokerage commissions generated by transactions, (soft dollars). The portion of the costs attributable to non-research usage of such products or services is paid by CrossCap to the broker dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

BNP Paribas, CrossCap's prime broker for the pooled investment vehicles provides its clients with additional services and products beyond mere custodial services. CrossCap receives additional benefits from its prime broker including invitations to conferences, capital introduction services, etc.

Brokerage for Client Referrals

Brokers or dealers that CrossCap selects to execute transactions may from time to time refer clients to CrossCap. CrossCap will not make commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions for client referrals; however, a potential conflict of interest may arise between the client's interest in obtaining best price and execution and CrossCap's interest in receiving future referrals.

Directed Brokerage

For the majority of Investment Supervisory Service clients that have only granted CrossCap investment discretion over the accounts, CrossCap allows each client to choose his/her own custodian. CrossCap will work with that custodian to get the best commission structure and services possible. CrossCap will also make suggestions on Custodians based on the history of obtaining best execution and competitive prices for current clients. CrossCap reserves the right to decline acceptance of any client account that it believes would adversely affect CrossCap's duty to obtain best execution and commission structure.

In directing the use of a particular broker dealer, it should be understood that while CrossCap will make every effort to ensure that client's are receiving the lowest possible commission rates best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients.

Order Aggregation

CrossCap will “block” trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading allows CrossCap to execute equity trades in a more timely, equitable manner and to reduce overall commission charges to clients. However, no personal trades will ever be included in any client blocks. All participants in a block trade receive the same execution price. If a block is partially filled, CrossCap has procedures for assigning the received shares on as fair and equitable basis as possible.

REVIEW OF ACCOUNTS

In addition to the monthly statements and/or confirmations of transactions that Investment Supervisory Service clients receive from their broker/dealer, CrossCap will provide quarterly reports to individual clients that consist of performance for the quarter, year to date and since inception in both percentage terms and dollar value. The reports also itemize all sales and purchases, realized gains and losses and appraisal of the account, including cost basis and dividends.

Investors in pooled investment vehicles receive monthly updates from CrossCap and monthly statements from the administrator. Annually, investors in the pooled investments receive a K1 tax form and a copy of the annual audit report which includes the financial report on the fund.

Mark Crosswell and Brady Crosswell are responsible for meeting with and providing a written review for advisory clients on an annual basis. As part of the review process CrossCap works to identify any significant changes to the client’s financial situation that may influence their investment risk profile.

CrossCap will initiate a review on a more frequent basis to address factors such as illness, death, loss of property, investment losses, job status changes, etc.

CLIENT REFERRALS AND OTHER COMPENSATION

CrossCap has engaged outside consultants to assist with obtaining investors in any of its pooled investment vehicles. These consultants receive compensation for referring investors to CrossCap. All such fee payments comply with federal and state disclosure requirements.

CUSTODY

In the pooled investments, assets in CrossCap Partners, LP and CrossCap Partners Enhanced, LP are custodied with our Prime Broker, BNP Paribas. The funds will also

maintain a cash balance through our banking relationship with the Royal Bank of Canada. In the case of the CrossCap Opportunity Fund, cash balances are held in a JP Morgan bank account, while invested funds are custodied with the underlying fund investments. In all pooled funds, capital inflows and outflows are monitored and reconciled monthly by an independent administrator. The administrator is responsible for providing investors with capital account statements on a monthly basis. CrossCap also provides investors with a monthly percentage return estimate. Fund investors should compare monthly estimates prepared by CrossCap to the capital account statements received from the administrator.

Advisory client assets are held at a mutually agreed upon custodial relationship and are registered in the name of the client.

CrossCap takes great care to report complete and accurate information to our advisory clients. Statements prepared by CrossCap are created from information in our Portfolio Management and Reporting System and is prepared in the most accurate way possible. In order to create and maintain our clients' portfolio information in our Portfolio Management System, CrossCap receives individual transaction and account level data from the primary custodians on a daily basis. We review this data and reconcile the cash and security quantities using our Portfolio Management System. We use this system and (occasionally) data from other sources to prepare this report package.

Clients should find that quantities and values for stocks, mutual funds, money markets, and cash will match the reported values on the custodial statements. CrossCap encourages clients to compare the account values, security quantities and pricing included in statements which we provide with the information provided in monthly custodial account statements. The individual account values shown on the accompanying reports should generally agree with the account values reported in the monthly statements provided by the account custodian.

INVESTMENT DISCRETION

CrossCap manages advisory accounts on a discretionary basis only.

VOTING CLIENT SECURITIES

Advisory clients may elect to delegate their proxy voting authority to CrossCap. Alternatively, clients may, at their election, choose to receive proxies related to their own accounts, in which case CrossCap may consult with clients as requested. When CrossCap has discretion to vote proxies of its clients, it will vote those proxies in the best interests of its clients and in accordance with CrossCap's established policies and procedures.

Clients may obtain a copy of CrossCap's complete proxy voting policies and procedures by contacting Brady Crosswell at CrossCap's offices directly. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of CrossCap's complete proxy policies and procedures or how CrossCap voted

proxies for his/her account(s), CrossCap will promptly provide such information to the client.

FINANCIAL INFORMATION

There are currently no financial conditions where CrossCap would not be able to meet it's contractual obligations to clients.

Brady Crosswell

CrossCap Management Inc.

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brady@crosscapital.com

03/03/2011

This brochure supplement provides information about Brady Crosswell that supplements the CrossCap Management Inc. brochure. You should have received a copy of that brochure. Please contact Brady Crosswell at 713-781-1000 if you did not receive CrossCap Management Inc's brochure or if you have any questions about the contents of this supplement.

Additional information about Brady Crosswell is available on the SEC's website at www.adviserinfo.sec.gov.

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

BRADY E. CROSWELL Born: 1968

Education:

Graduated from the University of Texas at Austin in 1991 with a B.A. in Economics.

Employment:

Portfolio Manager of Pin Oak Investment Advisors from 09/97 to 01/00.

Partner of General Partner of CrossCap General Partners, L.P. from 1/00 to Present.

Partner of CrossCap Partners Enhanced, G.P., L.P., from 01/05 to Present.

President, Treasurer and Managing Director of CrossCap Management, Inc. from 01/00 to Present.

DISCIPLINARY INFORMATION

N/A

OTHER BUSINESS ACTIVITIES

N/A

ADDITIONAL COMPENSATION

N/A

SUPERVISION

N/A

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

N/A

Mark Crosswell

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Additional information about Mark Crosswell is available on the SEC's website at www.adviserinfo.sec.gov.

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

H. MARKLEY CROSWELL IV Born: 1968

Education:

Graduated from the University of Texas at Austin in 1991 with a B.B.A. in Finance.
Chartered Financial Analyst, 2000

Employment:

Analyst for St. James Capital Corp. from 1997 to 2000.
Partner of General Partner of CrossCap General Partners, L.P. from 2000 to Present.
Partner of CrossCap Partners Enhanced, G.P., L.P., from 2005 to Present.
Vice President, Secretary and Managing Director of CrossCap Management, Inc. from 2000 to Present.

DISCIPLINARY INFORMATION

N/A

OTHER BUSINESS ACTIVITIES

N/A

ADDITIONAL COMPENSATION

N/A

SUPERVISION

N/A

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

N/A

Doug Jegi

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Additional information about Doug Jegi is available on the SEC's website at www.adviserinfo.sec.gov.

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

DOUGLAS J. JEGI Born: 1968

Education:

Graduated from San Francisco State University in 1993 with a BS in International Business.
Received an MBA from the University of San Francisco in 2000 with an emphasis in Finance.

Employment:

Analyst for Veras Investment Partners from 2002 to 2003
Client Services for Episteme Capital Management from 2003 to 2004
Chief Compliance and Chief Operating Officer for CrossCap Management, Inc. from 2004 to Present.

DISCIPLINARY INFORMATION

N/A

OTHER BUSINESS ACTIVITIES

N/A

ADDITIONAL COMPENSATION

N/A

SUPERVISION

N/A

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

N/A