

**FORM ADV**  
**Part II - Page 1**

**Uniform Application for Investment Adviser Registration**

Name of Investment Adviser:					
Proprietary Capital, LLC					
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
	1225 Seventeenth Street, Suite 2500,	Denver	CO	80202	303-575-9084

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

**Table of Contents**

<b><u>Item Number</u></b>	<b><u>Item</u></b>	<b><u>Page</u></b>
1	Advisory Services and Fees.....	2
2	Types of Clients.....	2
3	Types of Investments .....	3
4	Methods of Analysis, Sources of Information and Investment Strategies .....	3
5	Education and Business Standards.....	4
6	Education and Business Background.....	4
7	Other Business Activities .....	4
8	Other Financial Industry Activities or Affiliations .....	4
9	Participation or Interest in Client Transactions .....	5
10	Conditions for Managing Accounts .....	5
11	Review of Accounts .....	5
12	Investment or Brokerage Discretion .....	6
13	Additional Compensation .....	6
14	Balance Sheet .....	6
	Continuation Sheet .....	Schedule F
	Balance Sheet, if required.....	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

**FORM ADV**  
**Part II - Page 2**

Applicant:  
Proprietary Capital, LLC

SEC File Number:  
801-61781

Date:  
03/31/2009

Definitions for Part II

Related person -- Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services -- Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

<p><b>1. A. Advisory Services and Fees. (check the applicable boxes)</b></p> <p>Applicant:</p> <p><input checked="" type="checkbox"/> (1) Provides investment supervisory services .....Est. <u>100</u> %</p> <p><input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services ..... %</p> <p><input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above .....Est. %</p> <p><input type="checkbox"/> (4) Issues periodicals about securities by subscription ..... %</p> <p><input type="checkbox"/> (5) Issues special reports about securities not included in any service described above ..... %</p> <p><input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ..... %</p> <p><input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities ..... %</p> <p><input type="checkbox"/> (8) Provides a timing service ..... %</p> <p><input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above ..... %</p> <p style="text-align: center;">(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)</p>	<p>For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)</p>								
<div style="display: flex; justify-content: flex-end;"><div>Yes    No</div><div><input type="checkbox"/>    <input checked="" type="checkbox"/></div></div>									
<p><b>B. Does applicant call any of the services it checked above financial planning or some similar term?.....</b></p>									
<p><b>C. Applicant offers investment advisory services for: (check all that apply)</b></p> <table style="width: 100%;"><tr><td><input checked="" type="checkbox"/> (1) A percentage of assets under management</td><td><input type="checkbox"/> (4) Subscription fees</td></tr><tr><td><input type="checkbox"/> (2) Hourly charges</td><td><input type="checkbox"/> (5) Commissions</td></tr><tr><td><input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)</td><td><input checked="" type="checkbox"/> (6) Other</td></tr></table>		<input checked="" type="checkbox"/> (1) A percentage of assets under management	<input type="checkbox"/> (4) Subscription fees	<input type="checkbox"/> (2) Hourly charges	<input type="checkbox"/> (5) Commissions	<input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)	<input checked="" type="checkbox"/> (6) Other		
<input checked="" type="checkbox"/> (1) A percentage of assets under management	<input type="checkbox"/> (4) Subscription fees								
<input type="checkbox"/> (2) Hourly charges	<input type="checkbox"/> (5) Commissions								
<input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)	<input checked="" type="checkbox"/> (6) Other								
<p><b>D. For each checked box in A above, describe on Schedule F:</b></p> <ul style="list-style-type: none"><li>the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee</li><li>applicant's basic fee schedule, how fees are charged and whether its fees are negotiable</li><li>when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date</li></ul>									
<p><b>2. Types of Clients – Applicant generally provides investment advice to: (check those that apply)</b></p> <table style="width: 100%;"><tr><td><input type="checkbox"/> A. Individuals</td><td><input type="checkbox"/> E. Trusts, estates, or charitable organizations</td></tr><tr><td><input type="checkbox"/> B. Banks or thrift institutions</td><td><input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above</td></tr><tr><td><input type="checkbox"/> C. Investment companies</td><td><input checked="" type="checkbox"/> G. Other (describe on Schedule F)</td></tr><tr><td><input type="checkbox"/> D. Pension and profit sharing plans</td><td></td></tr></table>		<input type="checkbox"/> A. Individuals	<input type="checkbox"/> E. Trusts, estates, or charitable organizations	<input type="checkbox"/> B. Banks or thrift institutions	<input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above	<input type="checkbox"/> C. Investment companies	<input checked="" type="checkbox"/> G. Other (describe on Schedule F)	<input type="checkbox"/> D. Pension and profit sharing plans	
<input type="checkbox"/> A. Individuals	<input type="checkbox"/> E. Trusts, estates, or charitable organizations								
<input type="checkbox"/> B. Banks or thrift institutions	<input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above								
<input type="checkbox"/> C. Investment companies	<input checked="" type="checkbox"/> G. Other (describe on Schedule F)								
<input type="checkbox"/> D. Pension and profit sharing plans									

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input type="checkbox"/> A. Equity Securities  | <input checked="" type="checkbox"/> H. United States government securities |
| <input type="checkbox"/> (1) exchange-listed securities                                |  |
| <input type="checkbox"/> (2) securities traded over-the-counter                        | <input type="checkbox"/> I. Options contracts on:                          |
| <input type="checkbox"/> (3) foreign issuers   | <input checked="" type="checkbox"/> (1) securities                         |
|  | <input type="checkbox"/> (2) commodities                                   |
| <input type="checkbox"/> B. Warrants   |  |
| <input type="checkbox"/> C. Corporate debt securities<br>(other than commercial paper) | <input type="checkbox"/> J. Futures contracts on:                          |
|  | <input type="checkbox"/> (1) tangibles                                     |
| <input type="checkbox"/> D. Commercial paper   | <input checked="" type="checkbox"/> (2) intangibles                        |
| <input type="checkbox"/> E. Certificates of deposit                                    |  |
| <input type="checkbox"/> F. Municipal securities                                       | <input type="checkbox"/> K. Interests in partnerships investing in:        |
|  | <input type="checkbox"/> (1) real estate                                   |
| <input type="checkbox"/> G. Investment company securities:                             | <input type="checkbox"/> (2) oil and gas interests                         |
| <input type="checkbox"/> (1) variable life insurance                                   | <input type="checkbox"/> (3) other (explain on Schedule F)                 |
| <input type="checkbox"/> (2) variable annuities  | <input checked="" type="checkbox"/> L. Other (explain on Schedule F)       |
| <input type="checkbox"/> (3) mutual fund shares  |  |

**4. Methods of analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |   |
|---|---|
| (1) <input type="checkbox"/> Charting               | (4) <input checked="" type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical              |   |

B. The main sources of information applicant uses include: (check all that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services  |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the<br>Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases   |
| (4) <input type="checkbox"/> Corporate rating services                        | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F)   |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |  |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days)                            | (7) <input checked="" type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input type="checkbox"/> Short sales   |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ..... ☒ Yes ☐ No

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| • name          | • formal education after high school               |
| • year of birth | • business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? ..... ☒ Yes ☐ No

(If yes, describe on Schedule F the partnerships and what they invest in.)

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

**10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?.....

Yes No  
☒ ☐

(If yes, describe on Schedule F.)

**11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Review of client accounts is performed at least daily. More extensive review of particular securities in client accounts is performed on a daily to weekly basis, depending upon the nature of the investment and the status of various factors that are used by the Proprietary Capital to monitor, rebalance and effect transactions in client accounts.

Reviews are performed by one or more of the following:

Craig A. Cohen, Member

Bryan C. Roche, Member

B. Describe below the nature and frequency of regular reports to clients on their accounts.

Clients and/or custodians receive confirmations of all transactions on a daily basis in accordance with normal settlement procedures. On a monthly basis, reports are then sent to clients that reflect transactions for the period and portfolio holdings. Investors in the pooled investment vehicles advised by Proprietary Capital receive unaudited quarterly reports and annual audited reports containing performance reporting, individual account balances, and market commentary. These investors may also be provided with verbal reports in addition to the periodic written reports.

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  | Yes                                 | No                       |
|--|-------------------------------------|--------------------------|
| (1) securities to be bought or sold? .....               | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? .....                   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? .....                         | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients?..... ☐ Yes ☒ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                                     |  |
|---|-------------------------------------|--|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in Connection with giving advice to clients? ..... | Yes <input type="checkbox"/>        | No <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | <input checked="" type="checkbox"/> | <input type="checkbox"/>               |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- |  |                              |  |
|--|------------------------------|--|
| Has applicant provided a Schedule G balance sheet? ..... | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
|--|------------------------------|--|

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant: Proprietary Capital, LLC	SEC File Number: 801-61781	Date: 03/31/2009
--	-------------------------------	---------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or other schedules.)

1. Full Name of applicant exactly as stated in Item 1A of Part I of Form ADV: Proprietary Capital, LLC		IRS Empl. Ident. No.: 84-1404114
Item of Form (identify)	Answer	
1.D	<p>Proprietary Capital, LLC manages pooled investment vehicles (<i>i.e.</i>, private funds), generally with minimum subscription amounts of \$1,000,000. Proprietary Capital may accept one or more private client accounts that are not pooled investment vehicles.</p> <p>In managing client assets, Proprietary Capital generally offers one type of portfolio through which it implements investment strategies. This portfolio focuses on investing primarily in mortgage-related securities, their derivatives and financial instruments linked to mortgage-related securities.</p> <p>Proprietary Capital's basic fee schedule for investors in its pooled investment vehicles is described below. Where these investors pay for services by means of performance-based compensation, as described below, there is an incentive for Proprietary Capital to make investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation. In addition, the performance on which performance-based compensation is calculated will include unrealized appreciation and depreciation of investments, which may not ultimately be realized. Proprietary Capital, in its sole discretion, may assess a higher or lower management fee or rate of performance-based compensation with respect to certain investors in the pooled investment vehicles it advises.</p> <p><u>Private Fund Fees – Domestic Limited Partnerships</u></p> <p>Proprietary Capital serves as the general partner to The Lynx Fund I, L.P., a Delaware limited partnership established for U.S. investors, and The Lynx Fund I (QP), L.P., a Delaware limited partnership established exclusively for U.S. investors meeting the definition of "qualified purchaser" under the Investment Company Act of 1940. Each of these privately offered funds pays Proprietary Capital a management fee of 1% per annum of the fund's net assets. This fee is payable quarterly in advance. In addition, Proprietary Capital receives a performance allocation from each limited partner of each fund. With respect to each limited partner, the performance allocation is equal to 20% of the net profits allocated to the limited partner's capital account, subject to offset by previously allocated net losses (with respect to certain "founding limited partners" in The Lynx Fund I, L.P., prior to calculating the performance allocation, the total return amount is further adjusted to reflect the positive return in excess of a benchmark return). The performance allocation is paid annually in arrears.</p> <p>Proprietary Capital Macro Series Fund, LLC is organized under Delaware law as a "series" limited liability company and is permitted to create multiple series ("Series"). Proprietary Capital, LLC serves as the managing member of the Fund and of each Series. Each Series will have its own assets and liabilities and will issue its own membership interests. The Interests of each Series will represent undivided interests in investments, other assets and liabilities of that Series only, and will not represent any interest in the investments, other assets or liabilities of any other Series. In addition to being offered to Investors, each Series will also serve as the "master" investment portfolio for a corresponding segregated portfolio of Proprietary Capital Macro Offshore Portfolios, SPC, an exempted segregated portfolio company incorporated under the laws of the Cayman Islands. Each Series (or the Investors therein) will pay to or be charged by the manager such management fees, performance allocations and other compensation as may be set forth in the Series Addendum.</p> <p><u>Private Fund Fees –Exempted Company</u></p> <p>Proprietary Capital serves as the investment manager for The Lynx Fund I (Offshore), Ltd., an open-end mutual fund company incorporated as an exempted company under the Companies Law (2002 Revision) of the Cayman Islands. This privately offered fund may be purchased only by non-U.S. persons and U.S. investors that are exempt from U.S. federal income tax. The fund pays Proprietary Capital a management fee of 1% per annum of the fund's net asset value. This fee is payable quarterly in advance. In addition, Proprietary Capital receives a performance incentive fee from each shareholder of the fund. The incentive fee is equal to 20% of the net profits attributable to the investor's shares, subject to offset by previous losses attributable to the investor's shares. The incentive fee is paid annually in arrears.</p> <p>Proprietary Capital Macro Offshore Portfolios SPC (the "Company") is an open-ended mutual fund company incorporated as an exempted limited liability company and registered as a segregated portfolio company under the Companies Law (2007 Revision) of the Cayman Islands. As an exempted segregated portfolio company, the Company may establish and operate any number of "segregated portfolios." Segregated portfolios have the benefit of statutory segregation under Cayman Islands law; thus, the assets and liabilities of each segregated portfolio of the Company are entirely segregated from the assets and liabilities of any other segregated portfolios of the Company and the assets of each segregated portfolio are therefore protected from the liabilities and claimants of other segregated portfolios. The Company's investment manager is Proprietary Capital, LLC. Each segregated portfolio of the Company will be created with its own investment objective consistent with an investment opportunity or strategy identified by the Manager within the residential mortgage-backed securities ("RMBS") market. The Company will employ a modified "master feeder" structure, pursuant to which each segregated portfolio of the Company will invest substantially all of its assets in one or</p>	

2.G	<p>more other private investment companies managed by Proprietary Capital, LLC. Each segregated portfolio of the Company will be charged periodic management fees and performance allocations. Such management fees and performance allocations will be as set forth in the Investment Management Agreement to which the segregated portfolio, the manager and the authorized investors are parties.</p> <p>Proprietary Capital serves as the general partner and investment adviser to The Lynx Fund I, L.P. and The Lynx Fund I (QP), L.P., and also as the investment manager to The Lynx Fund I (Offshore), Ltd. (each discussed under Item 1.D above). The Lynx Fund I, L.P., The Lynx Fund I (QP), L.P., and The Lynx Fund I (Offshore), Ltd. form part of a “master feeder” structure, pursuant to which the funds pool their assets by making investments in The Lynx Fund I (Master Fund), L.P., an exempted company organized in the Cayman Islands, which serves as the master fund. The Lynx Fund I (Master Fund), L.P., in turn, is the entity which makes the direct investments in securities. Proprietary Capital serves as the general partner to The Lynx Fund I (Master Fund), L.P.</p>
-----	--

**Complete amended pages in full, circle amended items and file with execution page (page 1).**



**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:  
Proprietary Capital, LLC

SEC File Number:  
801-61781

Date:  
03/31/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or other schedules.)

1. Full Name of applicant exactly as stated in Item 1A of Part I of Form ADV:

IRS Empl. Ident. No.:  
84-1404114

Item of Form (identify)	Answer
3.L	<p>In pursuing clients' investment strategies, Proprietary Capital commonly utilizes fixed income securities known as mortgage-related securities. These securities directly or indirectly represent interests in mortgage loans secured by real property. These securities may be issued or guaranteed by the United States government or one of its agencies or instrumentalities, such as Government National Mortgage Association, Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, or they may be issued by private issuers that represent an interest in or are collateralized by other mortgage-related securities. Mortgage-related securities include pass-through certificates, collateralized mortgage obligations, and stripped mortgage-backed securities.</p> <p>Many of the mortgage-related securities in which Proprietary Capital invests may not be readily marketable, and may be deemed illiquid. In the absence of an established trading market, Proprietary Capital will value such investments in good faith at each time the net asset value of a client's portfolio is determined. Accordingly, if a client's portfolio includes investments where reasonable prices are not readily available through third party pricing, the net asset value of the portfolio will be based in significant part on the valuations placed on portfolio assets by Proprietary Capital with reference to comparable securities.</p> <p>In addition, Proprietary Capital may use various instruments in seeking to hedge a client's portfolio, including various derivative instruments, such as options, futures, interest rate swaps, interest rate caps, and other derivative securities.</p>
4.A(5)	<p>Among other factors, Proprietary Capital will take into consideration changes in prepayment rates when investing in mortgage-related securities. A prepayment is an unscheduled repayment of principal by the homeowner. In addition to monitoring certain fundamental, cyclical and historical determinants of prepayments, Proprietary Capital relies on various in-house analytical tools to forecast prepayment levels in analyzing mortgage-related securities. Proprietary Capital also utilizes a proprietary model designed to assess the impact of future interest rate changes on securities prices.</p>
4.B(8)	<p>Proprietary Capital has access to various databases of regional price indices, which are used to monitor regional housing trends. In addition, Proprietary Capital maintains an extensive database of historical prepayment statistics. Proprietary Capital uses these databases when constructing and monitoring a portfolio of mortgage-related securities.</p>
4.C(7)	<p>In employing investment strategies, Proprietary Capital may employ certain hedging strategies in an attempt to "hedge" or "neutralize" the market risk associated with positions in a client's portfolio. The instruments that may be used when employing these hedging strategies include various derivative instruments, such as options, futures, interest rate swaps, interest rate caps and other derivative securities. In the event Proprietary Capital does attempt to partially or fully hedge a portfolio, certain hedging techniques may not be successful and may cause the portfolio to incur a loss.</p>
5.	<p>Representatives of Proprietary Capital giving investment advice to clients are required to have a minimum of a four-year college degree and three years of investment experience.</p>
6.	<p>Craig A. Cohen – Born 1961  Education: B.S., Bus. Administration, University of Florida, Gainesville, Florida – 1983  Experience: 5/97 – present: Member, Proprietary Capital, LLC, Denver, Colorado  8/96 – 5/97: Managing Director, Piper Jaffray, Denver, Colorado  Examinations: Series 7, NASD, 1983; Series 8, NASD 1995</p> <p>Bryan C. Roche – Born 1960  Education: B.A., Economics, University of Colorado, Boulder, Colorado – 1982  Experience: 5/97 – present: Member, Proprietary Capital, LLC, Denver, Colorado  6/94 – 8/96: Managing Director, Piper Jaffray, Denver, Colorado  Examinations: Series 7, NASD, 1984; Series 8, NASD, 1991; Series 24, NASD, 1991; Series 28, NASD, 1992;  Series 3, NASD, 1995</p>
8.D	<p>Proprietary Capital serves as the investment manager to a "master fund" in which other private funds for which Proprietary Capital serves as the general partner or investment manager may invest their assets. This master fund, The Lynx Fund I (Master Fund), L.P., is an exempted limited partnership organized in the Cayman Islands. See Item 2.G above. Proprietary Capital also serves as the general partner of one or more series of Proprietary Capital Macro Series Fund, LLC. See Item 2.G above.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant: Proprietary Capital, LLC	SEC File Number: 801-61781	Date: 03/31/2009
--	-------------------------------	---------------------

(Do not use this Schedule as a continuation sheet for Form ADV Part I or other schedules.)

1. Full Name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.: 84-1404114
Item of Form (identify)	Answer	
9.D and E	<p>Proprietary Capital may purchase or sell securities for the accounts of clients in which its members, employees, or affiliates have a position. In addition, Proprietary Capital's members and employees may invest in the pooled investment vehicles with respect to which Proprietary Capital serves as general partner or investment manager. See Item 1.D above.</p> <p>Proprietary Capital has adopted a Code of Ethics, which imposes on each member and employee the duty to place the interests of clients first, to avoid any actual or potential conflict of interest or abuse of his or her position, and to not take inappropriate advantage of such person's position in relationship to clients.</p>	
10.	<p>Each of the private funds with respect to which Proprietary Capital serves as general partner and investment adviser, or investment manager, impose a minimum investment amount of \$1,000,000. Minimum investment amounts may be waived in the sole discretion of Proprietary Capital. See Item 1.D above.</p>	
12.A	<p>Proprietary Capital may give advice or take action with respect to any client, which may differ from advice given, or the timing or nature of action taken, with respect to any other client. Thus, for example, there may be differences in the advice given or action taken with respect to the pooled investment vehicles in which Proprietary Capital's members make investments than the advice given or action taken with respect to other client accounts.</p> <p>Proprietary Capital has no obligation to deal with any particular broker-dealer in the execution of transactions in portfolio securities. In placing orders with broker-dealers for client accounts, Proprietary Capital's primary objective is the ability of the broker-dealer, in the opinion of Proprietary Capital, to secure prompt execution on favorable terms, including the reasonableness of the commission considering the state of the market at the time. While Proprietary Capital generally seeks reasonably competitive commission rates, Proprietary Capital does not necessarily pay the lowest commission or mark-up. The specific factors considered in selecting a broker-dealer to effect client transactions include Proprietary Capital's knowledge of transaction costs, the nature of the security being traded, the size of the transaction, the desired timing of the trade, the activities existing and expected in the market for the particular security, the financial stability of the broker-dealer, and the execution, clearance and settlement capabilities of the broker-dealer.</p> <p>Certain clients of Proprietary Capital and its affiliates may have similar investment objectives and policies. Therefore, Proprietary Capital or its affiliates may, from time to time, make recommendations or place orders that result in the purchase or sale of a particular investment for such clients simultaneously. If transactions on behalf of more than one client during the same period increase the demand for the investments being purchased or the supply of investments being sold, there may be an adverse effect on price or availability. It is the policy of Proprietary Capital and its affiliates to allocate advisory recommendations and the placing of orders in a manner that is deemed equitable by Proprietary Capital and its affiliates to the accounts involved. When two or more of the clients of Proprietary Capital or its affiliates are purchasing or selling the same security on a given day from, to or through the same broker-dealer, such transactions will be averaged as to price, which could be higher or lower than the actual price that would otherwise be paid by a particular client account absent the aggregation of orders. Any transaction costs incurred in the aggregated transaction will be shared pro rata based on each client's participation in the transaction.</p> <p>Although Proprietary Capital does not typically invest client assets in securities that carry voting rights, it has implicit authority to vote client securities by virtue of its discretionary authority and may, under certain circumstances, need to exercise voting authority for its clients. Therefore, as required by Rule 206(4)-6 under the Investment Advisers Act of 1940, Proprietary Capital has adopted "Proxy Voting Policies" pursuant to which Proprietary Capital has undertaken to vote all proxies or other beneficial interest in an equity security prudently and solely in the best long-term economic interest of its advisory clients and their beneficiaries, considering all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote. All proxies received by Proprietary Capital are reviewed by its designated "Proxy Officer." The Proxy Officer votes the proxies according to Proprietary Capital's Proxy Voting Policies and, consults a "Proxy Committee" appointed by Proprietary Capital regarding issues not clearly covered by the Proxy Voting Policies. Clients of Proprietary Capital may obtain a copy of Proprietary Capital's Proxy Voting Policies or a record of Proprietary Capital's proxy votes free of charge by calling (303) 575-9084 or by writing Proprietary Capital at 1225 Seventeenth Street, Suite 2500, Denver, Colorado 80202.</p> <p>See also Item 1.D above.</p>	
13.B	<p>From time to time, Proprietary Capital may enter into solicitation agreements with third parties pursuant to which Proprietary Capital compensates such persons for referrals of prospective investors for private investment funds that Proprietary Capital services as investment adviser. Proprietary Capital anticipates that such persons will be compensated, in whole or in part, based on management fees earned by Proprietary Capital on such investments.</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).