



Lazarus Management Company LLC

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March 21, 2012

Firm Brochure

(Form ADV, Part 2A)

This brochure provides information about the qualifications and business practices of Lazarus Management Company LLC. If you have any questions about the contents of this brochure, please contact us at (303) 500-8821 or email Justin B. Borus at jborus@lazarusip.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state security authority.

Additional information about Lazarus Management Company LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

This brochure, dated March 21, 2012, updates the last annual update to our brochure dated August 5, 2011 by (i) adding information relating to a new fund, the Lazarus Israel Opportunities Fund LLP, which was recently formed and for which we serve as the General Partner and investment advisor; (ii) adding information as to Brian T. Abrams, a new employee who will be rendering advisory services and who is our president of Israel operations; and (iii) providing for our switch from being registered with the Securities and Exchange Commission to being registered with the State of Colorado. This is only a summary of the material changes and there are numerous additional changes.

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Note: **Firm Brochure Supplement (ADV Part 2B)** is provided along with this document.

Item 4. Advisory Business

Lazarus Management Company LLC (referred to herein as “we,” “us,” and “our”) is a Colorado limited liability company that was formed on February 3, 2003 and began providing investment advisory services in May 2003. We provide investment supervisory services exclusively to two privately offered (i.e. unregistered) pooled investment vehicles, Lazarus Investment Partners LLLP (the “Microcap Fund” and Lazarus Israel Opportunities Fund LLLP (the “Israel Fund”) (collectively, the “Funds”).

The Funds are available only to persons who are “accredited investors” under the Securities Act of 1933, as amended, and “qualified clients” under the Investment Advisers Act of 1940, as amended. Investors who invest in the Funds become limited partners in the Funds. The Funds are not made available to the general public and are not registered investment companies. We manage and invest the Funds’ capital totaling \$49.7 million (as of 12/31/11) on a discretionary basis as the Funds’ investment adviser and serve as the Funds’ general partner. We do not provide investment advisory services to any other entities or individuals.

Our managing member, chief investment officer, chief compliance officer and sole owner is Justin B. Borus. We serve as the portfolio manager for the Funds, and Mr. Borus, as the chief investment officer, is responsible for all investment decisions regarding the Funds. Brian T. Abrams is our president of Israel operations and consults with Mr. Borus in connection with investment decisions regarding the Israel Fund.

The Microcap Fund principally makes investments in ultra-small microcap public companies with market capitalizations of \$250 million or less and seeks total returns in excess of the market averages with relatively low risk. The Israel Fund focuses on Israeli companies with a dual mandate to invest in publicly listed shares and privately held growth companies, although it places an emphasis on our historic expertise in public microcap companies. The objective of both Funds is to identify attractively priced companies that have begun to demonstrate strong business fundamentals, including top and bottom line growth, a solid cash position, little to no debt, and low burn rates, and have not yet been recognized by the investment community.

The Funds have a stated minimum initial investment requirement from any one investor limited partner of \$1,000,000. However, we may in our sole discretion accept initial investments in the Funds below the stated minimum. These situations are evaluated on a case-by-case basis.

Item 5. Fees and Compensation

We receive a management fee from the Funds payable monthly, at the end of each calendar month. The management fee is equal to 0.166 percent per month (i.e. two percent annually) of the net assets comprising each limited partner's capital account, as of the last day of each month (with a proration for any period of less than a month). In addition, we are entitled to receive certain performance based fees as more fully set forth in Item 6 of this brochure in the section titled “Performance-Based Fees and Side-



by-Side Management.” These fees are deducted from each limited partner’s capital account and paid to us directly by the Funds.

Other fees the Funds pay directly or reimburse us for include:

- fees to custodians which hold the Fund's assets
- third party administrative fees
- audit and tax fees (accrued monthly)
- fees for certain legal services
- fees and other expenses for data processing and research services
- any other fee directly associated with the purchase or sale of a security

Please see section titled "Brokerage Practices" for more information.

All fees are accrued or paid when incurred and therefore there are no substantial prepaid expenses. Neither our firm nor our employees receive any compensation for the purchase or sale of any securities which could create a conflict of interest with the limited partners of the Funds.

In our sole discretion we may waive or reduce the management fee and the performance based profit allocation to be allocated to qualifying limited partners, including early investors and our member or affiliates. Fees are not negotiable and are not paid before the investment advisory services are provided.

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

As set forth above, in addition to the management fee, we are entitled to receive a performance based profit allocation in the Funds equal to twenty percent of the excess of net profits over net losses comprising each limited partner's capital account in each year or upon withdrawals or distributions provided that no such allocation shall be made until all net losses in such limited partner's capital account for prior years have been offset by net profits. Performance based fees are calculated and accrued monthly but are generally paid annually after year-end.

We do not manage any accounts other than the accounts of the Funds and receive a similar performance-based fee from each Fund. Therefore there are no conflicts of interests with respect to side-by-side management.

Item 7. Type of Clients

We only offer our investment advisory services to our clients, the Funds, and do not hold ourselves out generally to the public as an investment adviser. Limited partnership interests in the Funds are available for private purchase by high net worth individuals, trusts, partnerships, entities and retirement plans which are "accredited investors" and "qualified clients" under applicable rules and regulations. The Funds have a stated minimum initial investment requirement from any one limited partner of \$1,000,000. However, we may in our sole discretion accept initial investments in the Funds below the stated minimum. These situations are evaluated on a case-by-case basis.

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

The investment objective of both Funds is to maximize long-term capital appreciation while minimizing the inherent risk within the investment portfolio.

In an effort to achieve this goal on behalf of the Microcap Fund, we make open market purchases of select ultra-small microcap companies that have stock prices that we believe fail to reflect the value inherent in the companies. We may also participate on behalf of the Funds in private placements of public equity and pre-IPO companies; however, we will not invest in initial public offerings of equity securities. We pursue on behalf of the Funds an investment strategy and process that we believe (1) focuses on ultra-small microcap companies with market capitalizations of \$250 million or less; (2) benefits from pricing inefficiencies in the market segment caused by lack of information and apathy within the financial community; (3) capitalizes on the selectivity afforded to a small fund relative to other larger public equity funds; and (4) follows a disciplined approach to selecting attractive ultra-small companies at appealing prices.

In an effort to achieve this goal on behalf of the Israel Fund, we take a similar approach as that of the Microcap Fund with a few notable differences. First, the Israel Fund focuses on Israeli companies. Second, its investments include both private companies and public companies listed on NASDAQ, the Tel Aviv Stock Exchange, and other global exchanges. Third, with regard to its investments in public equities, the Israel Fund does not place any restrictions on the market capitalization of the securities in which it makes investments although it intends to emphasize microcaps.

Methods of Analysis

We use charting, fundamental, technical, and cyclical analysis to evaluate prospective investments and locate opportunities that meet the Funds' investment goals. In this regard, we use standard news periodicals, annual reports, press statements, filings with the SEC, and research provided by outside sources to evaluate current and prospective positions. We also communicate with research analysts of brokerage and advisory firms, attend presentations given to securities analysts, review industry publications, attend industry specific conferences, and if appropriate, interview customers, suppliers and competitors of a particular company. We may also inspect the corporate activities of a particular company including touring the company's facilities and meeting with management to decide if investment in the security fits the Funds' investment strategy.

Investment Strategies

On behalf of the Microcap Fund, we primarily make open market purchases of select ultra-small microcap companies, but may invest from time to time in larger companies at our discretion. In addition, on occasion, the Microcap Fund may participate in private placements of public equity and pre-IPO companies, but will not invest in initial public offerings of equity securities.

On behalf of the Israel Fund, we make both open market purchases of Israeli companies as well as private equity investments in Israeli companies, without restriction as to the size of the company. The Israel Fund does not participate in initial public offerings of equity securities.

The Funds take only long positions in companies and thus avoid any unnecessary risk created by short selling, buying on margin, purchasing put or call options or other speculative hedging techniques. The Israel Fund, however, may hedge selectively from time to time when it deems it necessary to effectively manage risk including, for example, the purchase of index put options or inverse exchange traded funds.

Both Funds attempt to invest in companies that have begun to demonstrate strong business fundamentals, including top and bottom line growth, a solid cash position, little to no debt, and low burn rates, and have not yet been recognized by the investment community.

The Microcap Fund focuses primarily in US and Canadian securities. The Israel Fund focuses primarily on Israeli securities, although these may be traded on exchanges located in the U.S., Israel, the U.K., Germany, Switzerland, and Canada among others.

Risk of Loss

Investment in securities in which the Funds invests involve significant risks and, accordingly, investment in the Funds is suitable only for persons who can bear the economic risk of the loss of their entire investment, who have limited need for liquidity in their investment and who otherwise meet the suitability requirements for investment in the Funds. We do not represent or guarantee that our advisory services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate the Funds from losses due to market corrections or declines. Past performance is in no way an indication of future performance. There are no assurances that the Funds will achieve their investment objectives as set forth in this brochure and prospective limited partners should carefully review the Funds' confidential private placement memorandum before deciding to invest in the Funds. Among others, we believe the type of securities and companies in which the Funds invest have the following risks:

- *Market Risks:* The profitability of a significant portion of each Fund's investment program depends to a great extent upon correctly assessing the future course of price movements of specific securities. There can be no assurance that we will be able to predict these price movements accurately. With respect to the investment strategy utilized by the Funds, there is a significant degree of market risk.
- *Instability in the Microcap Sector:* Although the microcap sector has generally performed well in comparison to other sectors, many companies in this sector have been subject to extreme volatility in their stock price and unstable business conditions. They frequently rely on limited products or services, have limited financial resources, are saddled with onerous debt obligations and lack depth in the executive team. Many of them are also subject to competition from larger companies with greater financial and managerial resources. While we try and limit these risks, some or all of these risks may be applicable to the Funds' investments.
- *Illiquid Securities.* The Funds may invest in unregistered securities of publicly held companies. On occasion, the Microcap fund may invest in privately held companies expected to go public in a short period of time and the Israel Fund will invest significantly in private companies as part of its investment strategy. Such investments will be illiquid and may be difficult to value. Such investments may therefore require a significant amount of time from the date of initial investment until disposition. Sales of unregistered securities may not be possible and, if possible, may be made at substantial discounts from costs. Some of our portfolio companies

may have the need for additional capital to support expansion or to achieve or maintain a competitive position, and there is no assurance that such capital will be available.

- *Speculative Nature of Certain Investments.* Certain potential investments of the Funds may be regarded as speculative in nature and involving increased levels of investment risk. Since an inherent part of our strategy is identifying securities that are undervalued by the marketplace, success of such strategy depends upon the market eventually recognizing such value in the price of the security, which may not necessarily occur. Equity positions may involve highly speculative securities.
- *Non-U.S. Securities.* Investments in non-U.S. securities involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of U.S. companies. These considerations include changes in exchange rates and exchange control regulations, political and social issues, expropriation, imposition of foreign taxes, less liquid markets and less available information, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.
- *Country Risk for Israel:* The Israel Fund and its portfolio companies may be materially adversely affected by political, military and economic conditions in the Middle East and in Israel. Specifically, the Israel Fund and its portfolio companies could be materially adversely affected by the following circumstances, among others: major hostilities involving Israel; a full or partial mobilization of the reserve forces of the Israeli army; the interruption or curtailment of trade between Israel and its present trading partners; a significant downturn in the economic or financial condition in Israel; a significant increase in inflation; labor disputes and strike actions; and political instability. The Israel Fund will also be exposed to certain financial risks inherent to investing in Israel. The securities markets in Israel are substantially smaller, less sophisticated, less liquid and more volatile than those in the United States. Financial statements of the Israel Fund's portfolio companies may be prepared in accordance with Israeli generally accepted accounting principles or international financial reporting standards, which differ in certain important respects from U.S. generally accepted accounting principles. The Israel Fund could also be susceptible to regulatory changes applicable to Israeli markets that could potentially inhibit the Fund's ability to invest in public or private Israeli companies.

Item 9. Disciplinary Information

We are required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. We do not have any legal or disciplinary information to disclose.

Item 10. Other Financial Industry Activities and Affiliations

Neither our firm, Mr. Borus nor Mr. Abrams is registered as a securities broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor.

Neither our firm, Mr. Borus nor Mr. Abrams has any arrangements that are material to our advisory business or the Funds with a related person who is a (1) broker-dealer, municipal securities dealer, or

government securities dealer or broker; (2) investment company or other pooled investment vehicle; (3) other investment adviser or financial planner; (4) futures commission merchant, commodity pool operator, or commodity trading advisor; (5) banking or thrift institution; (6) accountant or accounting firm; (7) lawyer or law firm; (8) insurance company or agency; (9) pension consultant; (10) real estate broker or dealer; or (11) sponsor or syndicator of limited partnerships.

As disclosed elsewhere, we serve as the general partner to the Funds, which are private investment partnerships that we organized and manage. Mr. Borus is our managing member, chief investment officer and chief compliance officer and is also an investor as a limited partner in both Funds.

Item 11. Code of Ethics, Participation or Interests in Client Transaction and Personal Trading

We may purchase or sell securities for the accounts of the Funds in which our members, officers and employees also have a position. Subject to compliance with the code of ethics summarized below, our members, officers and employees may, under certain limited circumstances, also buy or sell securities for their personal accounts that are also recommended for or held by the Funds, however, personal participation by such individuals contemporaneously with the Funds is generally not permitted. In addition, our members, officers and employees may invest in the Funds according to the same terms as other limited partners.

Generally, our members, officers and employees are not permitted to purchase and sell for their own account securities which are also being considered for purchase or sale by the Funds, or are being purchased or sold by the Funds. When we are purchasing securities on behalf of the Funds, which a member, officer or employee also desires to purchase, such individual must refrain from making any individual purchase until the Funds have accumulated the entire position it will be taking at such time. Similarly, if a member, officer or employee desires to sell the same securities as are held by either one of the Funds and that Fund also anticipates the sale of such securities, such individual must refrain from effecting any individual sale until the Fund has sold the entire position which it desires to sell at such time. In no event will a member, officer or employee for his or her individual account purchase a security directly from the Funds and in no event will such person for his or her individual account sell a security to the Funds. Policies and procedures have been designed to ensure that any employee personal securities transactions do not disadvantage the Funds. These procedures are set forth in our code of ethics. The code is based upon the principle that our personnel owe a fiduciary duty to the Funds to conduct their affairs, including personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of the Funds; (ii) taking inappropriate advantage of their position; and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

All our access persons, defined as all our members, officers and employees, must receive written approval from our chief compliance officer, or other officer designated by us, before purchasing or selling securities in an account that such access person has beneficial ownership. The access person must request pre-clearance by completing, signing and submitting a personal securities transaction pre-clearance form to the chief compliance officer. Our controller, or other designated officer, will pre-clear the chief compliance officer's transactions. Prior to pre-clearance approval, the chief compliance officer,

or the controller or other designated officer in the case of a request by the chief compliance officer, will review the list of securities that we are analyzing or considering for the Funds and will prohibit access persons from personal trading in those securities. All approved personal securities transactions must be completed within one trading day following the date of approval except as otherwise provided. If the trade is not executed within this one day time period, a new pre-clearance form must be submitted.

A new pre-clearance authorization will not be required if a trade is not completed within one trading day in certain circumstances including, but not limited to, the following: (1) delays in execution related to a transfer of securities; (2) delays in execution related to gifts or donations of securities made in-kind; and (iii) delays in the completion of a trade involving low liquidity stocks. Access persons are responsible for communicating such delays to the chief compliance officer. In addition, if an access person becomes aware of any additional information with respect to a transaction that was pre-cleared, such person is obligated to disclose such information to the chief compliance officer, or the controller as applicable, prior to executing the pre-cleared transaction.

Neither our firm nor our employees may enter trades on behalf of our or their own account or any account over which we or they have control or in which we or they have a beneficial interest if, in our judgment, such trade would cause our firm or them or any such account to benefit from any trade entered into or being contemplated on behalf of the Funds or cause the accounts of the Funds to be harmed.

We will provide a copy of our code of ethics to any limited partner of the Funds or any prospective limited partner upon request. Written requests should be sent to Lazarus Management Company LLC, Attention: Justin B. Borus, 3200 Cherry Creek South Drive, Suite 670, Denver, Colorado 80209. Additionally, we provide prospective investors in the Fund with offering materials that disclose the potential conflicts of interest and restrictions involved with the securities transactions practices generally discussed in this section of the brochure.

Item 12. Brokerage Practices

We have full discretion with respect to securities transactions affected for the Funds and exercise our investment discretion consistent with the Funds' investment strategy. We have full authority to determine broker-dealers to be utilized and commissions to be paid with respect to securities transactions for the Funds. In placing orders with broker-dealers for the Funds, our primary objective is the ability of the broker-dealer, in our opinion, to secure prompt execution on favorable terms, including the reasonableness of the commission considering the state of the market at the time. While we generally seek reasonably competitive commission rates, we do not necessarily pay the lowest commission or mark-up. The specific factors considered in selecting a broker-dealer to effect a transaction include our 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, the quality of the overall brokerage and research services provided by the broker-dealer, and the execution, clearance and settlement capabilities of the broker-dealer.

Research services that may be received from a broker-dealer include economic forecasts, investment strategy advice, fundamental and technical advice, market analysis, statistical services and analysis of particular securities and investment situations. Where these services are provided by the executing broker-dealer, we may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction if we determine in good faith that the amount of commission is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer, viewed in terms of either the particular transaction or our overall responsibilities with respect to the Funds. Despite the fact that we may, from time to time, receive research products and services in connection with executing transactions through broker-dealers, we do not have any soft-dollar arrangements, formal or informal, with any broker-dealer pursuant to which we direct transactions to specific broker-dealers in return for research products or services.

We are aware of our fiduciary obligation to seek the “best execution” on securities transactions. Best execution entails efficient placement of orders, clearance settlement and overall execution quality as well as the price obtained in the transaction.

Item 13. Review of Accounts

The accounts of the Funds, which are our only clients, are reviewed on a continuous basis by Mr. Justin B. Borus, our managing member, chief investment officer and chief compliance officer. Brian T. Abrams, our president of Israel operations, also reviews the accounts of the Israel Fund on a continuous basis. More extensive review of particular securities in the account 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 us to monitor, rebalance and effect transactions in the accounts.

We provide investors in the Funds with unaudited quarterly reports and annual audited reports containing performance reporting, individual account balances and market commentary. Limited partners may also be provided with verbal reports in addition to the periodic written reports.

Item 14. Client Referrals and Other Compensation

We do not have any arrangements, either formal or informal, whereby we compensate any person for client or limited partner referrals. Our only clients are the Funds, mentioned in Item 4 in this brochure.

Item 15. Custody

A qualified custodian serves as the custodian of the securities and uninvested cash of each of the Funds, which securities and cash are held directly by the custodian in a segregated account in the name of such Fund. In addition, each of the Funds utilizes a third party, unaffiliated administrator to provide certain financial, accounting, administrative and other services on behalf of such Fund, including disbursing payment of the Fund’s expenses, maintaining a registry for the ownership and transfer of limited partnership interests, maintaining the books and records of the Fund, coordinating with the Fund’s auditors for the audit of the Fund’s books and preparing and distributing reports to each limited partner.

The books and records of each of the Funds are audited at the end of each fiscal year by a firm of independent certified public accountants registered with the Public Company Accounting Oversight Board. Limited partners in the Funds are furnished with audited year-end financial statements prepared in accordance with generally accepted accounting principles within 120 days of the end of the Fund's fiscal year. Limited partners in a Fund are also furnished with unaudited reports concerning the Fund's performance at least quarterly, as well as monthly reports regarding the net asset value of each limited partner's interest in the Fund, together with information regarding the Fund's investment portfolio. In the event of a liquidation of a Fund, each limited partner will receive a final liquidation audit report prepared in accordance with generally accepted accounting principles.

Item 16. Investment Discretion

As general partner and investment adviser to the Funds, we have full discretion with respect to securities transactions affected for the Funds and exercise our investment discretion consistent with each of the Funds' investment strategy. Please refer to the sections in this brochure titled "Advisory Business" and "Brokerage Practices" for more information on our discretionary management services.

Item 17. Voting Client Securities

As investment adviser to the Funds, we are delegated the right to vote, on behalf of the Funds, proxies received from companies in relation to the securities which are owned by the Funds.

We have adopted and implemented written policies and procedures that are reasonably designed to ensure that we vote proxies in the best interests of the Funds. The policy establishes a mechanism to address any conflicts of interests between us and the Funds. Further, the policy establishes procedures to enable the Funds to obtain information on the manner in which the proxies have been voted.

We determine our proxy voting after studying the proxy materials and any other materials that may be necessary or beneficial in determining the appropriate vote. We vote in a manner that we believe reasonably furthers the best interests of the Funds, and is consistent with the investment strategy as set forth in the relevant investment management documents.

We will cast votes for each proxy vote on a case-by-case basis. We will generally vote in favor of matters which follow an agreeable corporate strategic direction, support an ownership structure that enhances shareholder value without diluting management's accountability to shareholders and/or in support of compensation plans that are commensurate with enhanced manager performance and market practices.

If a proxy vote creates a material conflict between the interests of our firm and either of the Funds, we will work to resolve the conflict before voting the proxies. We will either disclose the conflict to the Fund and obtain consent to continue to handle the voting responsibility, or relinquish our delegated right to vote and instead seek an outside independent proxy voting firm or other qualified independent group to make a determination of the appropriate vote that would be in the Fund's best interest, or take other



steps designed to ensure that a decision to vote the proxy is based on our determination of the Fund's best interest and does not deviate from this objective as a result of any material conflict.

We maintain records of (i) all proxy statements and materials we receive on behalf of the Funds; (ii) all proxy votes that are made on behalf of the Funds; (iii) all documents that were material to a proxy vote; (iv) all written requests from the Funds regarding voting history; and (v) all responses (written and oral) to the Funds' request. Such records are available upon request.

We will provide information with respect to our voting of securities to the Funds or any limited partner of the Funds upon request. Written requests should be sent to Lazarus Management Company LLC, Attention: Justin B. Borus, 3200 Cherry Creek South, Suite 670, Denver, Colorado 80209.

Item 18. Financial Information

We are not required to provide any financial information pursuant to this section of the brochure because we do not require or solicit prepayment of more than \$1,200 in fees, six months or more in advance. We are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to the Funds.

Item 19. Requirements for State-Registered Advisers

Our principal executive officers and management persons are Justin B. Borus, our managing member, chief investment officer and compliance officer, and Brian T. Abrams, our president of Israel operations. Their formal education and business background is set forth in Part 2B of this Form. Neither of them is actively engaged in any other business. Although Mr. Borus and Mr. Abrams may receive bonus compensation based on the performance of the Funds, there is no formula tying their bonuses to performance. Since there is a correlation between their bonuses and the performance of the Funds, this may create an incentive to recommend an investment that may carry a higher degree of risk to the Funds.

Additional Information

Privacy Policy

Notice Concerning Privacy

We are committed to preserving the trust of each limited partner in the Funds by respecting the privacy of all limited partners to the best of our ability. We will not disclose a limited partner's nonpublic personal information to anyone unless it is required by law, at the limited partner's direction or consent, or is necessary to manage the limited partner's partnership account. We have not and will not sell a limited partner's personal information to anyone, even if our formal relationship ends.

The Information We Collect and Maintain



The only information we collect and maintain about a limited partner is information we receive from such limited partner related to establishing and maintaining the limited partner's partnership account (such as the limited partner's home address, telephone number and financial information).

The Disclosure of Information

We will not disclose any nonpublic personal information about the limited partner or its account(s) to anyone unless one of the following conditions is met: we receive the limited partner's prior written consent; we believe the recipient is the limited partner's authorized representative; we disclose the limited partner's nonpublic personal information as necessary to effect or process a transaction in the limited partner's account, or to maintain or service the limited partner's account(s); we are required by law to disclose information to the recipient.

The Protection of Information

We have instituted Fund-wide policies and procedures to protect each limited partner's nonpublic personal information which include: restricting access to nonpublic personal information to those persons who need to know that information to manage the partnership account; and maintaining physical, electronic and procedural safeguards to keep nonpublic personal information safe.



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Brian T. Abrams: President Israel Operations

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March 21, 2011

Firm Brochure Supplement

(Form ADV, Part 2B)

This brochure supplement provides information about Justin B. Borus and Brian T. Abrams that supplements the Lazarus Management Company LLC brochure. You should have received a copy of that brochure. Please contact Justin B. Borus if you did not receive the Lazarus Management Company LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Justin B. Borus and Brian T. Abrams is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2. Education and Business Background

Justin B. Borus

Year of Birth: 1976

Education: Williams College - B.A. Economics, 1998

Business Background:	2/2003 - present	Managing Member and Chief Compliance Officer, Lazarus Management Company LLC
	6/2009 - present	Chief Investment Officer, Lazarus Management Company LLC
	1/2001 – 5/2002	Associate, Bear, Stearns & Co., Inc
	7/1998 – 1/2001	Analyst, Bear, Stearns & Co., Inc.
	1/1997 – present	Member, Girls & Sports, LLC.

Brian T. Abrams

Year of Birth: 1977

Education: Harvard University, A.B. in Government - 2000

Business Background:	7/2011 - present	President, Israel Operations Lazarus Management Company LLC
	7/2006 – 7/2011	Managing Partner & CEO Row Capital
		Independent Advisor GVC Capital
	10/2003–2/2007	Founder & CEO G2 Analytics, Inc.
	2/2002-10/2003	Assistant to the Chairman Bard Capital
	8/2000 – 2/ 2002	Associate Level 3 Communications

Item 3. Disciplinary Information

Neither Mr. Borus nor Mr. Abrams has any disciplinary history to disclose.

Item 4. Other Business Activities

Neither Mr. Borus nor Mr. Abrams is engaged in any other business activity that provides a substantial source of his income or involves a substantial amount of his time.

Item 5. Additional Compensation

Mr. Borus does not receive any additional compensation beyond that received as a result of his capacity as managing member, chief investment officer and chief compliance officer of Lazarus Management Company LLC. Mr. Abrams does not receive any additional compensation beyond that received as a result of his capacity as president, Israel operations of Lazarus Management Company LLC.

Item 6. Supervision

Mr. Borus is the managing member, chief investment officer and chief compliance officer for Lazarus Management Company LLC, and as such, he supervises Mr. Abrams' advisory activities.

Item 7. Requirements for State-Registered Advisers

Neither Mr. Borus nor Mr. Abrams has been involved in any of the events required to be disclosed.