

FORM ADV**Part II - Page 1****Uniform Application for Investment Adviser Registration****OMB APPROVAL**

OMB Number: 3235-0049
Expires: January 31, 2008
Estimated average burden
hours per response: 9.402

Name of Investment Adviser:						
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone number:
					()	

**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.**

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(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.**

Applicant:

SEC File Number:

801-

Date:

- 1. A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | | | |
|--------------------------|---|-------|---|
| <input type="checkbox"/> | (1) Provides investment supervisory services | _____ | % |
| <input type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services | _____ | % |
| <input type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above | _____ | % |
| <input type="checkbox"/> | (4) Issues periodicals about securities by subscription | _____ | % |
| <input type="checkbox"/> | (5) Issues special reports about securities not included in any service described above | _____ | % |
| <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 | _____ | % |
| <input type="checkbox"/> | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities | _____ | % |
| <input type="checkbox"/> | (8) Provides a timing service | _____ | % |
| <input type="checkbox"/> | (9) Furnishes advice about securities in any manner not described above | _____ | % |

(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.)

- B. Does applicant call any of the services it checked above financial planning or some similar term? Yes ☐ No ☐

- C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|---|--|
| <input 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 type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

- D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- 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

- 2. Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- | | |
|--|---|
| <input type="checkbox"/> A. Individuals | <input type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input 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 type="checkbox"/> H. United States government securities |
| <input type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> (1) securities |
| <input type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> F. Municipal securities | <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 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 type="checkbox"/> Cyclical |
| (2) <input type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical | |

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

- | | |
|--|--|
| (1) <input 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 Securities and Exchange Commission |
| (3) <input type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases |
| (4) <input type="checkbox"/> Corporate rating services | (8) <input 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 type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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
- year of birth
- formal education after high school
- 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.)

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.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

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
<input type="checkbox"/>	<input type="checkbox"/>

(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.

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

12. Investment or Brokerage Discretion.

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

- | | | |
|--|------------------------------|-----------------------------|
| (1) securities to be bought or sold? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (3) broker or dealer to be used? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (4) commission rates paid? | Yes <input type="checkbox"/> | No <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 product 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 type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes <input type="checkbox"/> | No <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 (unless applicant is registered or registering only with the Securities and Exchange Commission); 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 ☐ No ☐

Schedule F of Form ADV Continuation Sheet for Form ADV Part II	Applicant:	SEC File Number:	Date:
	First Principles Capital Management, LLC	801-64744	July 26, 2007

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:	IRS Empl. Ident. No.:
First Principles Capital Management, LLC	56-2376795
Item of Form (identify)	Answer
Introduction	<p>This document is being offered to you on behalf of First Principles Capital Management, LLC or (“FPCM”) so as to provide you with information about the services of FPCM and the manner in which those services are made available to its clients. FPCM provides advisory services including investment management, investment banking, structured finance, and risk management for financial institutions, endowments, and pooled investment vehicles (e.g. hedge funds).</p> <p>A copy of this disclosure document shall be provided to each client prior to, or contemporaneously with the execution of any advisory agreement between any client and FPCM. Any client who has not received a copy of FPCM’s written disclosure statement at least forty-eight (48) hours prior to executing any confidential Client Agreement (CA) shall have five (5) business days subsequent to executing the agreement to terminate FPCM’s services and to receive a full refund of all client monies already paid without penalty. Agreements made between the client and FPCM may be identified by a term other than “Client Agreement” and will still reflect the agreement between the client and FPCM.</p> <p>In addition to being provided with the disclosure document, each investor in a Fund will receive the Fund’s Private Placement Memorandum (The “Private Placement Memorandum”). The investment supervisory services provided by FPCM to the Fund is referred to throughout the Private Placement Memorandum. A specific description of the Fund’s Investment Objective, a description of the compensation payable by the Fund to FPCM and the method an investor may use to withdraw from the Fund are all described in the Private Placement Memorandum.</p> <p>Prior to engaging FPCM to provide investment advisory services for an institutional client, the client will be required to enter into a CA with FPCM and a separate custodial agreement if necessary. The CA sets forth the terms and conditions of the engagement, and describes the scope of the services to be provided and the fees for such.</p> <p>Investment and business objectives of the client shall be set and dependent on the judgment and the ability of the principals responsible for making investment decisions on behalf of the client. Managing principals of the client are encouraged to renew FPCM’s investment advisory services on an annual basis for the purpose of reviewing/updating FPCM’s previous services.</p> <p>Neither FPCM, nor the client, may assign the Agreement without the prior written consent of the other party. Transactions or other events that do not result in a change of actual control or management of FPCM shall not be considered an assignment.</p> <p><u>Privacy Policy</u></p> <p>All information given to FPCM and all recommendations and advice furnished by FPCM to the client will be kept confidential and will not be disclosed to anyone, except as FPCM may agree in writing or as may be required to do so by law.</p> <p>FPCM will collect Non-Public Personal Information (NPI) about the client as part of this engagement. This information will be obtained directly from the client and includes details such as the client’s date</p>

<p>Introduction (continued)</p>	<p>of birth, social security number, financial account numbers and balances, tax returns, sources and amounts of income, home addresses, telephone numbers, and other such personal information.</p> <p>As part of FPCM’s policy, FPCM restricts access to confidential personal information about the client to those FPCM employees who need to know that information in order to provide products or services to the client. FPCM maintains physical, electronic, and procedural safeguards to comply with federal standards to guard the client’s confidential personal information.</p> <p>Should a client agree to accept investment advisory services provided by FPCM, FPCM may share the client’s NPI with non-affiliated third parties. FPCM may maintain agreements with various affiliated or non-affiliated entities who may act as the custodian and account holder for the clients of FPCM and securities may be offered through such entities if properly engaged by FPCM. FPCM will share only the appropriate customer NPI necessary to ensure that FPCM is able to provide the highest level of service to the client.</p> <p>Use of NPI of former clients. FPCM will provide NPI about former clients only if required to do so by law or regulation or to those parties who need such information in order for the firm to carry out any continued obligation with respect to the services covered by the former adviser/client relationship.</p> <p>Should the client prefer, FPCM will not disclose confidential personal information about the client to non-affiliated third parties. The client may opt out of those disclosures; that is, the client may direct FPCM not to make those disclosures (other than disclosures required or permitted by law). Should the client wish to opt out of disclosures to non-affiliated third parties, he/she may send an e-mail to the following address: optout@fpcmlc.com.</p> <p><u>Code of Ethics</u></p> <p>At FPCM, we take great pride in our commitment to serving our clients’ needs and the integrity with which we conduct our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients.</p> <p>Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, FPCM has developed a Code of Ethics (“Code”) as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. Our Code addresses issues such as the following:</p> <ul style="list-style-type: none"> • Standards of conduct and compliance with applicable laws, rules, and regulations • Protection of material non-public information • The addressing of conflicts of interest • Employee disclosure and reporting of personal securities holdings and transactions • The firm’s IPO and private placement policy • The reporting of violations of the Code • Educating employees about the Code • Enforcement of the Code <p>Each of FPCM’s representatives has been furnished with a copy of our Code and has signed their names to a written acknowledgement attesting to their understanding of the Code and acceptance of its terms.</p>
<p>Item 1.D. Response to Item 1.A.(1)</p>	<p>First Principles Capital Management, LLC (“FPCM”) is an SEC registered investment advisory firm with notice filings in New York and Georgia. FPCM acts as the sponsor, administrator, and manager of hedge funds. As the manager of the funds, FPCM provides investment supervisory services to the funds with respect to investment assets of the funds. All fund strategies and investment policies are</p>

Item 1.D.
Response to
Item 1.A.(1)
(continued)

included in the Private Placement Memorandum for each fund.

FPCM also provides investment supervisory to banks and thrift organizations that would like advice on the strategies and trading of securities that may also be the same strategies provided to the funds. FPCM will provide both execution and investment supervisory services or only investment supervisory services to such clients if they so choose.

Fees for FPCM's advisory services described in this section may involve the following fee types.

- Percentage of Assets Under Management.
- Performance Fees.
- Fixed/Flat Fees.

Annual Percentage of Assets Under Management:

FPCM may charge a percentage of assets under management fee for its advisory services. Such fee will be paid in advance on a period subject to negotiation with the client (typically monthly or quarterly). This fee is negotiable, but will generally range from 0.25% to 2.50% annually. The fee to a particular client, along with the payment frequency, will be detailed in the operating agreement and/or contract for services with the client. Once fees are paid they are non-refundable.

Performance Based Fees.

FPCM will also charge performance-based fees in its relationships. These fees are not only charged to private investment fund clients, but also to banks and thrift institutions. These charges will be subject to the contract or agreement struck with each client. The typical performance based fee would be 15%-20% of the net profits from the assets under management, but the calculation for such fee and the actual amount will be subject to negotiation as part of each client agreement. Once fees are paid they are non-refundable.

The following are examples of the fees and methodology for some particular client fee structures:

In consideration for providing investment supervisory services to funds, FPCM will charge a monthly fee in advance or in arrears as stipulated in the client service agreement. The management fee will be paid by the clients, subject to the following example schedules:

Catena Capital, LLC

Class A Members: An amount equal to $1/12^{\text{th}}$ of 1.00% per annum of the aggregate Funded Amounts of all Class A Members (calculated as the beginning of each month).

Class B Members: An amount equal to $1/12^{\text{th}}$ of 2.00% per annum of the aggregate Funded Amounts of All Class B Members (calculated as the beginning of each month).

Once fees are paid they are non-refundable.

Performance Fee for Catena Capital, LLC:

FPCM is entitled to receive an incentive allocation, if earned, subject to the covenants of the operating agreement, at the end of each fiscal quarter; 10% of the portion of the net profits, if any, credited to the capital account of each member during the fiscal quarter will be allocated to FPCM and charged against each member's respective capital account.

FPCM may also receive a deferred incentive allocation equaling 10% of the base amount for all accounting periods. This calculation method is included in the Private Placement Memorandum and the Operating Agreement for the fund.

Item 1.D. Response to Item 1.A.(1) (continued)	<p>Once fees are paid they are non-refundable.</p> <p>Fixed Fees:</p> <p>FPCM may charge a fixed fee for its advisory services. FPCM’s fixed fee is negotiable based on the client’s needs but payable in advance. The services that may correspond to the designated fixed fee amount may vary. Advisory services that are anticipated to be more complex will generally warrant a higher fixed-fee amount. Less complex services may generally result in a lower fixed-fee amount. Fees typically range between \$250,000 and \$1,000,000, annually.</p> <p>FPCM’s fixed fee for providing advisory services is determined based on anticipated work to be done. Since FPCM cannot accurately determine the fee amount until learning about the client’s financial circumstances, it is FPCM’s practice to provide an initial, no obligation, no cost meeting in order to become familiar with the client’s circumstances. FPCM will obtain information from the client verbally and on any current information gathering documents approved for use by FPCM. The information gathered during this session will assist FPCM in determining the fee amount for the client’s advisory services.</p>																																	
Item 2	FPCM has been established to offer investment supervisory advice to private partnership or limited liability company investment funds sponsored and administered by it.																																	
Item 3.L.	Asset Backed Commercial Paper Conduit interests, CMOs, interest rate swaps, over the counter derivatives (other than options or futures)																																	
Item 4.A.(5)	Another form of securities analysis is to review for Relative Value between yield curves.																																	
Item 4.B.(8)	FPCM will also use research software. The research software includes: Bloomberg; Dataquery and LB Point. Also, FPCM uses business software provided by Lehman Brothers' Strategic Client Services, which includes a deal capture system called Smart Ticket. Also provided by SCS, FPCM uses a mark-to-market and risk analytics system, in conjunction with excel as a risk management system.																																	
Item 4.C.(7)	FPCM uses a strategy to maximize return and preserve long-term capital.																																	
Item 5	Any associated person of FPCM providing investment advice to the client is required to meet the specific state registration examination requirements in order to provide such advice. This licensing typically involves a state "blue-sky" law examination (Series 63) and/or a Uniform Investment Adviser Law Examination (Series 65 or Series 66), or some combination thereof, administered by NASD.																																	
Item 6	<table><tr><td colspan="3">Investment Adviser Representative: Stephen R. Miller</td></tr><tr><td colspan="3">Year of Birth: 1959</td></tr><tr><td colspan="3">Formal education after high school.</td></tr><tr><td>Institution</td><td>Degree / Major</td><td>Years</td></tr><tr><td>Vassar College</td><td>Bachelor’s degree - Physics</td><td>1977-1981</td></tr><tr><td colspan="3">Business background for the preceding five years.</td></tr><tr><td>Entity</td><td>Title</td><td>Dates</td></tr><tr><td>First Principles Capital Management, LLC</td><td>Chief Risk Officer/Chief Compliance Officer</td><td>06/2004-Present</td></tr><tr><td>FPCM Securities, LLC</td><td>Registered Representative</td><td>01/2006-Present</td></tr><tr><td>JP Morgan Chase & Co.</td><td>Managing Director/Senior Market Risk Manager for Global Rates and Institutional Equities Division.</td><td>06/1999-05/2004</td></tr><tr><td>JP Morgan Chase & Co.</td><td>Managing Director/ Global Head of Derivative Research</td><td>09/1995-06/1999</td></tr></table>	Investment Adviser Representative: Stephen R. Miller			Year of Birth: 1959			Formal education after high school.			Institution	Degree / Major	Years	Vassar College	Bachelor’s degree - Physics	1977-1981	Business background for the preceding five years.			Entity	Title	Dates	First Principles Capital Management, LLC	Chief Risk Officer/Chief Compliance Officer	06/2004-Present	FPCM Securities, LLC	Registered Representative	01/2006-Present	JP Morgan Chase & Co.	Managing Director/Senior Market Risk Manager for Global Rates and Institutional Equities Division.	06/1999-05/2004	JP Morgan Chase & Co.	Managing Director/ Global Head of Derivative Research	09/1995-06/1999
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JP Morgan Chase & Co.	Managing Director/ Global Head of Derivative Research	09/1995-06/1999																																

Item 6
(continued)

Investment Adviser Representative: Douglas A. Dachille Year of Birth: 1964		
Formal education after high school.		
Institution	Degree / Major	Years
Union University	Biomedical Education	1981-1983
Albany Medical College	Bachelor of Science	1983-1986
University of Chicago	Masters of Business Administration	1986-1988
University of Chicago	ABD PhD	1988
Business background for the preceding five years.		
Entity	Title	Dates
First Principles Capital Management, LLC	Co-Founder/CEO	01/2004-Present
Zurich Capital Markets, Inc.	President/COO	06/2002-09/2003
Hancock, Mendoza, Dachille and Merton, Ltd.	Co-Founder	06/2001-05/2002
J.P. Morgan Chase & Co.	Global Head of Proprietary Positioning Business	04/1996-06/2001

Investment Adviser Representative: Richard F. Dolan Year of Birth: 1959		
Formal education after high school.		
Institution	Degree / Major	Years
Franklin & Marshall College	Baccalaureate of Arts in Government	1979-1983
Fordham University	MBA	1983-1985
Business background for the preceding five years.		
Entity	Title	Dates
First Principles Capital Management, LLC	Co-Founder and CFO	10/2003-Present
First Principles Finance, LLC	Founder	03/2002-10/2003
J.P. Morgan Securities, Inc.	Managing Director	09/1985-04/2001

Investment Adviser Representative: James Van Epps Year of Birth: 1954		
Formal education after high school.		
Institution	Degree / Major	Years
Georgia Southern University	Bachelor's Degree – Business Administration & Finance	1973-1977
Business background for the preceding five years.		
Entity	Title	Dates
First Principles Capital Management, LLC	Co-Founder/COO	01/2004-Present
FPCM Securities, LLC	Registered Representative	10/2006-Present
Hartford Equity Sales Company, Inc.	Registered Representative	04/1997-08/2005
Walnut Street Securities, Inc	Registered Representative	08/2001-09/2002
James H. Van Epps & Associates	Sole proprietor	11/1996-Present

Item 6
(continued)

**Investment Adviser
Representative:**

Michael Baek

Year of Birth:

1967

Formal education after high school.

Institution

Degree / Major

Years

Stanford University

Master of Science in Operations
Research

1989-1990

State University of New York at
Buffalo

B.S., Aerospace Engineering

1985-1989

Business background for the preceding five years.

Entity

Title

Dates

First Principles Capital
Management, LLC

Managing Director

05/2004-Present

FPCM Securities, LLC

Registered Representative

01/2006-Present

Zurich Capital Markets

Managing Director, New Products
Group

05/2002-05/2004

Lehman Brothers

Senior Vice President, Structured
Finance Group

08/1996-04/2002

**Investment Adviser
Representative:**

Hong Chen

Year of Birth:

1952

Formal education after high school.

Institution

Degree / Major

Years

University of New Hampshire

Bachelor of Arts

1980-1983

New York University

Masters of Business
Administration

1983-1985

Business background for the preceding five years.

Entity

Title

Dates

First Principles Capital
Management, LLC

Director of Research/Managing
Director

06/2004-Present

Zurich Capital Markets Inc.

Managing Director

07/2002-03/2004

GenRe Securities

Director, Derivatives Trading

07/2001-04/2002

J.P. Morgan Chase & Co

Vice President

08/1985-07/2001

**Investment Adviser
Representative:**

Mark F. Lieberman

Year of Birth:

1963

Formal education after high school.

Institution

Degree / Major

Years

University of Michigan

Bachelor of Arts

1985

Business background for the preceding five years.

Entity

Title

Dates

First Principles Capital
Management, LLC

Managing Director

06/2005-Present

FPCM Securities, LLC

President

10/2005-Present

Nomura Securities International

Managing Director, Nomura
Global Financial Products

06/1987-05/2005

Prudential Global Funding

Associate, Portfolio Manager

06/1985-06/1987

Item 6 (continued)																		
	Investment Adviser Representative: Robert R. Lewis																	
	Year of Birth: 1965																	
	Formal education after high school.																	
	<table><tr><td>Institution</td><td>Degree / Major</td><td>Years</td></tr><tr><td>Lehigh University</td><td>Bachelor of Science</td><td>1983-1987</td></tr></table>	Institution	Degree / Major	Years	Lehigh University	Bachelor of Science	1983-1987											
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The Todd Organization	Principal & Executive Benefits Consultant	06/1999-03/2005																
Northwestern Mutual Life	Financial Representative	07/1987-05/1999																
Investment Adviser Representative: Mark G. Alexandridis																		
Year of Birth: 1958																		
Formal education after high school.																		
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Item 7.A and Item 7.C	<p>FPCM is actively engaged in the business of pooling and sponsoring investment vehicles as private investment funds. Approximately 50% of the firm’s time will be devoted to other business activity.</p> <p>Mr. Van Epps and Mr. Lewis hold active insurance appointments and are engaged in the business of asset administration and policy design advisory related to life insurance for institutional and select individual clients.</p>																	
Item 8.D	<p>FPCM is the manager of private investment funds of which some bank or thrift institutions may be solicited to invest. Typically, FPCM’s client will be such funds.</p> <p>Catena Capital, LLC</p> <p>This fund is organized to pursue opportunities of investing in and managing a portfolio of conduit capital investments in Asset Backed Commercial Paper conduits. These conduit capital investments are intended to provide first loss credit protection to the Asset Backed Commercial Paper conduits, and thereby provide credit enhancement for certain holders of securities issued by Asset Backed Commercial Paper conduits, for Asset Backed Commercial Paper conduit liquidity providers and for</p>																	

	Asset Backed Commercial Paper conduit credit enhancement providers.
Item 9.D and 9.E	See Item 8.D. above for the appropriate disclosure and explanation for Item 9.D. Both FPCM and its principals may be investors in a fund that is a client of FPCM, therefore FPCM or related persons may purchase securities for themselves, as owners of their proportionate share of the funds, that FPCM is also recommending to clients, which may be funds, banks, or other thrift institutions.
Item 10	<p>Generally, FPCM shall impose a minimum account balance for its investment advisor services. FPCM's minimum investment size varies by fund for investment supervisory services provided to the individual funds. All minimum investment amounts can be identified in the fund Private Placement Memorandum.</p> <p>FPCM shall also impose a minimum account size and fee for other clients. These minimums will be instituted on a case-by-case basis and subject to negotiation.</p>
Item 11.A	<p>Reviews:</p> <p>The Firm will review the client's account(s) quarterly. The Designated Principal or his/her designee shall review the client accounts for best execution, suitability, and service.</p> <p>Every quarter, transaction suitability is reviewed. For fund clients, the Designated Principal will review the performance and cost basis for the client's transactions, comparing executed transactions to the offering memorandum and to the client's investment policy statement in the operating agreement. For non-fund clients, the client's investment objectives are used to review for suitability. Quarterly, transactions are reviewed referencing client's objectives for any transaction that may not fit the client's stated objectives, or FPCM's understanding of the client's objectives will be flagged and reviewed. Additional reviews (daily/monthly) will be made by the Chief Risk Officer/Chief Compliance Officer in regards to other metrics like Value at Risk (VaR) and credit events taking place on the underlying investments.</p> <p>Events that may trigger further client account reviews in addition to the standard quarterly review process may include, but would not be limited to, a notable increase in the volume of requests by the client to effect transactions in his/her account(s), where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Other factors may include requests by the client to liquidate certain securities positions/contracts where such transactions may appear to be inconsistent with the client's previously stated investment objectives.</p> <p>Reviewers:</p> <p>Number of reviewers: 1 Name and title of Designated Principal: Stephen R. Miller, Chief Risk Officer/CCO.</p> <p>Mr. Miller will employ the procedures noted above for the client's account(s) subject to FPCM's investment advisory services.</p>
Item 11.B	Quarterly statements will be provided by the custodian (not by FPCM) of the account identifying the account positions by cost basis, current price, and gains/(losses) for all securities transactions. Upon the client's request, a quarterly account appraisal may be created for the client as well as an annual year-end statement.
Item 12.A	<p>FPCM may exercise discretion over the following areas/items.</p> <ol style="list-style-type: none"> 1) 12.A.(1): The specific securities to be bought or sold on the client's behalf; 2) 12.A.(2): The amount of securities to be bought or sold on the client's behalf; and/or

	<p>3) 12.A.(3): The particular broker or dealer to be used for arranging client securities transactions;</p> <p>FPCM will have general authority to exercise its full discretion on the above named factors without restriction. FPCM shall observe any specific limitations that may be imposed by the client in relation to this discretionary authority. The limits on the discretionary authority on securities and amounts to be bought or sold will be identified in the Private Placement Memorandum and the operating agreement for the fund clients. FPCM being the manager of the fund is restricted to the investment policy statement and the investment objectives of the fund. The limits on the types of securities are to those available under the Private Placement Memorandum and the operating agreement specific to each fund, which is a client. There are no limits on the amounts of such securities purchases.</p> <p>FPCM will review brokers, dealers and banks for their financial wherewithal and ongoing operational strength as part of making a decision on the purchase of investments from such firms. FPCM may operate in its full discretion to select such broker or dealers because there are only select firms in which to purchase investments that are described in the investment policy statements for its fund clients. The value of products, research and services given to FPCM are a factor in that FPCM looks to purchase the investment products that best serve the needs of the funds and FPCM's other clients. FPCM does receive research and services from such brokers, dealers, or banks; however, such factors are negligible in the overall discretionary decision to use such broker, dealer or bank. Research is generally used; however, each client typically is restricted to certain investment products therefore certain specific research or services received may only be viable to a singular client.</p>
Item 12.B	<p>From time to time, FPCM may suggest that clients use specific brokers, dealers, or banks for the purposes of the effecting of securities transactions. For details as to what factors FPCM may consider in selecting such institutions, see below.</p> <p>SECURITIES AND BROKERAGE SERVICES</p> <p>FPCM is not a broker-dealer, but as of Q3-2005 is affiliated with FPCM Securities LLC, a registered broker-dealer.</p> <p>FPCM will use either FPCM Securities LLC, or other unaffiliated firms to solicit investors for the purpose of distributing private placement securities managed by FPCM. Such firms shall generally be broker-dealers or banks that may also maintain registrations that allow such firms to engage in other types of businesses outside of their broker-dealer or banking activities.</p> <p>Any such other firm may act in the capacity as the custodian for the client's account(s). In no case shall FPCM act or attempt to act in the capacity of "custodian" of the client's investment accounts.</p> <p>Factors that FPCM considers in recommending certain custodians to clients may include such entity's financial strength, reputation, execution, pricing, and service. In return for effecting securities transactions through certain broker-dealers/custodians, FPCM or certain of its representatives may receive certain support services that may assist FPCM in its investment decision-making process for all of FPCM's clients.</p> <p>In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer or bank services, including factors such as execution capability, commission rates, and responsiveness. Accordingly, although FPCM will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for the client's transactions.</p> <p>FPCM's general policies relative to the execution of the client's securities and brokerage transactions are as follows:</p> <p>Transactions for the client's account generally will be effected independently, unless FPCM can purchase or sell the same securities for several clients at approximately the same time. FPCM may (but is not obligated to) combine or "batch" such orders to obtain best execution,</p>

	<p>to negotiate more favorable transaction rates. To the extent that FPCM elects to aggregate client orders for the purchase or sale of securities, including securities in which FPCM's principal(s) and/or associated person(s) may invest, FPCM shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, <i>SMC Capital, Inc.</i> FPCM shall not receive any additional compensation or remuneration as a result of the aggregation.</p> <p>The client may direct FPCM to use a particular broker, dealer, or bank (subject to FPCM's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such an event, the client will negotiate terms and arrangements for the account with that broker-dealer, and FPCM will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other brokers, dealers, or banks with orders for other accounts managed by FPCM. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.</p>
Item 13.A	<p>Consistent with obtaining best execution, transactions for a client's account may be effected through other brokers, dealers, or banks in return for executions, research products and/or services, which assist the Firm in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by client may be used to pay for research that is not used in managing the client's account. The account may pay to a broker-dealer or bank a commission greater than another qualified broker-dealer or bank might charge to effect the same transaction where the Firm determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.</p> <p>All transactions for clients where such soft dollar transactions will be effected shall be in compliance with Section 28(e) of the Securities Exchange Act of 1934.</p> <p>Certain investment adviser representatives of FPCM, when acting as registered representatives of a broker-dealer, may receive selling compensation from such broker-dealer as a result of the facilitation of certain securities transactions on a client's behalf through such broker-dealer.</p> <p>The above-mentioned arrangements may cause a conflict of interest.</p>
Item 13.B	<p>FPCM may enter into agreements with various independent solicitors or limited partners (collectively "solicitors") that refer investors to private investment funds for which FPCM provides investment supervisory services. FPCM does not charge such investors introduced by solicitors fees or costs greater than the fees or costs such funds charge its other investors who were not introduced by the solicitors. Any such agreements must be handled in accordance with the provisions of Rule 206(4)-3 under the Investment Advisers Act of 1940. For a copy of our solicitor brochure, please send email to: solicitorbrochure@fpcmlc.com</p>