

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

OMB Number: 3235-0049
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Name of Investment Adviser:

Verity Advisors, LLC

Address: (Number and Street)

106 Allen Road

(City)

Basking Ridge

(State)

NJ

(Zip Code)

07920

Area Code: Telephone Number:

(908) 647-1260

**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.**

FORM ADV**Part II - Page 2**

Applicant:

Verity Advisors, LLC

SEC File Number:

801-

Date:

February 7, 2008**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 checked="" type="checkbox"/> | (1) | Provides investment supervisory services | <u>100</u> % |
| <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 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 type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input checked="" 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 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).

FORM ADV**Part II - Page 3**

Applicant:

Verity Advisors, LLC

SEC File Number:

801-

Date:

February 7, 2008**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- | | |
|---|---|
| <input checked="" type="checkbox"/> A. Equity securities | <input type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (3) foreign issues | <input checked="" type="checkbox"/> (1) securities |
| | <input checked="" type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| | <input checked="" type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input checked="" type="checkbox"/> (2) intangibles |
| <input type="checkbox"/> D. Commercial paper | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (2) oil and gas interests |
| | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (1) variable life insurance | |
| <input type="checkbox"/> (2) variable annuities | |
| <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 checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

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

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input checked="" type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the
Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" 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 checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered
options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

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

FORM ADV**Part II - Page 4**

Applicant:

Verity Advisors, LLC

SEC File Number:

801-

Date:

February 7, 2008**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).

Applicant:

Verity Advisors, LLC

SEC File Number:

801-

Date:

February 7, 2008

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
☒ ☐

(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.

All accounts managed by Verity Advisors, LLC ("Verity"), shall be reviewed, at least, on a monthly basis by Mr. John Joseph O'Rourke, Managing Member of Verity, to assure conformity with client objectives and guidelines. In addition, all accounts shall be reviewed in light of emerging trends and developments as well as market volatility.

Clients are responsible to keep Verity informed as to any personal changes in their financial condition. Verity cannot make any material changes to a client's portfolio if it is not informed of a clients' particular developments. Therefore, a client that encounters any sudden material financial developments should immediately inform Verity.

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

Annual financial statements of the Partnership audited by an independent certified public accounting firm. At the discretion of the affiliate of Verity, a periodic letter from the affiliate of Verity discussing the results of the accounts. Copies of such investor's Schedule K-1 to the relative account's tax returns, and other reports as determined by the affiliate of Verity in its sole discretion. The accounts shall bear all fees incurred in providing such tax returns and reports.

The affiliate of Verity may agree to provide certain investors with additional information on the underlying investments of the accounts, as well as access to the Verity, its affiliate and their respective employees for relevant information.

Applicant:

Verity Advisors, LLC

SEC File Number:

801-

Date:

February 7, 2008

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 No

☒ ☐

(2) amount of the securities to be bought or sold ?

Yes No

☒ ☐

(3) broker or dealer to be used ?

Yes No

☒ ☐

(4) commission rates paid?

Yes No

☒ ☐

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 No

☒ ☐

B. directly or indirectly compensates any person for client referrals?

Yes No

☒ ☐

(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:
Verity Advisors, LLC	801-	February 7, 2008

(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: Verity Advisors, LLC		IRS Empl. Ident. No.: 22-3730675
Item of Form (identify)	Answer	
Item 1A, 2 & 8D	<p>SERVICES PROVIDED:</p> <p>Verity Advisors, LLC, a Delaware limited liability company, ("Verity") provides investment advisory services to Verity Investment Partners, LP, a Delaware limited partnership ("Domestic Fund") and Verity Offshore Fund, Ltd., a Cayman Islands exempted company ("Offshore Fund", collectively, the "Funds"), and Circle T Explorer Master, Ltd ("Managed Account") on a discretionary basis. The advisory services include, among other things, providing advice regarding asset allocation and the selection of investments and performance monitoring.</p>	
Item 1D	<p>COMPENSATION PAYABLE:</p> <p>Verity charges each of the Domestic Fund and the Offshore Fund a management fee ("Management Fee") equal to 0.375% per quarter (approximately 1.5% annually) of such Fund's net asset value. The Management Fee shall be payable quarterly in advance and calculated as of the first day of each quarter. A <i>pro rata</i> Management Fee will be charged to investors on any amounts accepted by Verity as investments in the midst of any quarter. No part of the Management Fee will be refunded in the event that an investor withdraws all or any of the value in the investor's capital account during a quarter. Verity, in its sole discretion, may waive or reduce the Management Fee with respect to one or more investors for any period of time, or agree to apply a different Management Fee for such investor.</p> <p>An affiliate of Verity shall receive a performance allocation or fee ("Performance Fee") with respect to the Domestic Fund and the Offshore Fund at the close of each fiscal year equal to twenty percent (20%) of the portion of such Fund's annual net income (including realized and unrealized gains and net of the Management Fee) attributable to each investor. The Performance Fee shall be subject to a high water mark or Loss Carryforward provision (as discussed below). The Performance Fee may be waived at the sole discretion of Verity.</p> <p>The Performance Fee is subject to what is commonly known as a "high water mark" procedure. That is, if an investor's capital account has a net loss in any fiscal year, this loss will be recorded and carried forward as to such investor to future fiscal years (such amount is referred to as the "Loss Carryforward"). Verity will not receive the Performance Fee from such investor in any future fiscal year until the Loss Carryforward amount for such investor has been recovered (i.e., when the Loss Carryforward amount has been exceeded by the cumulative profits allocable to such investor for the fiscal years following the investor). Once the Loss Carryforward has been recovered, the investor shall be based on the excess profits (over the Loss Carryforward amount) as to such investor, rather than on all profits. The "high water mark" procedure prevents Verity from receiving the Performance Fee as to profits that simply restore previous losses and is intended to ensure that the Performance Fee is based on the long-term performance of an investment in the Funds.</p> <p>When an investor withdraws capital, any Loss Carryforward will be adjusted</p>	

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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:	SEC File Number:	Date:
Verity Advisors, LLC	801-	February 7, 2008

(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: Verity Advisors, LLC		IRS Empl. Ident. No.: 22-3730675
Item of Form (identify)	Answer	
	<p>downward in proportion to the withdrawal. Verity may agree with any investor to apply a different Loss Carryforward provision for such investor.</p> <p>The Managed Account affiliated with Verity will have a management fee that shall be equal to, one-quarter of one and one-half percent (0.375%) multiplied by the daily-average Net Asset Value of the Managed Account during the quarter; multiplied by the actual number of days in the quarter; divided by 90. In addition to the management fee, Verity receives a performance fee with regard to the Managed Account. The performance fee is accrued quarterly and paid as of the last business day of each calendar year. The performance fee shall be equal to twenty percent (20.0%) of the excess, if any, of the net capital appreciation of the Managed Account over any accumulated net capital depreciation during a calendar year.</p> <p>Performance Fees are computed on a loss carry forward or "high water mark" basis, meaning that no Performance Fees will be charged unless and until prior losses are recouped and the account becomes positive, adjusted for capital contributions and withdrawals.</p>	
Item 3	<p>Verity will invest and trade in a wide variety of securities and financial instruments, including but not limited to, non-investment grade corporate bonds (generally those rated below BBB- or unrated), publicly traded and privately placed equity securities of issuers of high yield debt, corporate convertible bonds, distressed corporate bonds, bank debt, call and put options and other investments, all as determined by Verity, in its sole and absolute discretion.</p>	
Items 4	<p>INVESTMENT STRATEGY AND STRATEGY:</p> <p>Verity's investment objective is to create a portfolio of risk-adjusted investments that optimizes total return (income + capital appreciation) while retaining an emphasis on the preservation of capital. Verity attempts to realize its objective through investment primarily in securities of non-investment grade issuers that Verity believes have superior risk/return characteristics, satisfactory fundamentals, upside appreciation potential and whose issuers are capable of meeting their obligations to their creditors. No assurance can be given, however, that Verity will achieve its objective.</p> <p>In an attempt to attain the Funds' investment objective, Verity utilizes a credit intensive, bottoms-up, capital structure evaluation of non-investment grade debt issuers. Verity generally seeks the best risk/return investment amongst the securities of a given company. The Funds' core portfolio is expected to consist of securities issued by companies believed by Verity to be upper tier improving credits with proven products, market leadership and solid management. These companies are expected to have significant business and infrastructure and may include debt secured by the assets of the company.</p>	

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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:	SEC File Number:	Date:
Verity Advisors, LLC	801-	February 7, 2008

(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: Verity Advisors, LLC	IRS Empl. Ident. No.: 22-3730675
Item of Form (identify)	Answer	
Item 5	EDUCATION AND BUSINESS STANDARDS: Investment professionals associated with Verity have either a bachelor's degree or significant financial markets experience and must obtain any required state licenses. Notwithstanding the foregoing, these are not rigid rules that would restrict Verity from hiring talent in exceptional situations.	
Item 6	EDUCATION AND BUSINESS BACKGROUND: <i>John J. O'Rourke, Managing Member</i> <i>Birth Date – November 29, 1958</i> John J. O'Rourke, managing member of Verity, founded and manages Verity and the Funds. Prior to starting Verity, Mr. O'Rourke worked for 18 years at Goldman, Sachs & Company where he gained extensive knowledge of the investment business across multiple business cycles and market conditions. While at Goldman, he spent over 12 years specializing in below-investment grade debt and gained substantial experience constructing and managing high yield portfolios for wealthy individuals and institutions. Mr. O'Rourke graduated from the State University of New York at Binghamton in 1982 with an MBA and from the University of Notre Dame in 1980 with a BBA in Finance. <i>Timothy Michael O'Rourke, CCO</i> <i>Birth Date – June 11, 1965</i> Timothy M. O'Rourke is the Chief Compliance Officer of Verity, and also performs operations and administrative duties for the funds. Prior to joining Verity, Mr. O'Rourke worked for 15 years at Wyeth Advertising as a Senior Media Buyer. Prior to Wyeth, Mr. O'Rourke traded short-term municipal securities at E.F. Hutton. Mr. O'Rourke graduated from Siena College in 1987 with a BA in Political Science.	
Item 9D & 9E	A cross trade is a trade in which securities are sold or purchased directly between two of Verity's advisory clients, as opposed to the clients purchasing the securities on the open market. The benefits of a cross trade to the clients are the elimination of brokerage costs. Also, clients may save on market impact costs or adverse movements in the stock due to the trade if it is a large block trade. Custody costs and transfer taxes may also be saved. As of November 30, 2005 Verity has not engaged in any cross-trades. Periodically, Verity may seek to adjust or rebalance investment accounts or portfolios in a manner consistent with investment objectives and strategy by effecting cross trades between or among investment accounts. Rebalancing of a fund is usually necessary as a result of cash inflows or outflows but can be necessitated by other factors. In effecting such cross trades, Verity seeks to reduce the transaction	

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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:	SEC File Number:	Date:
Verity Advisors, LLC	801-	February 7, 2008

(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: Verity Advisors, LLC	IRS Empl. Ident. No.: 22-3730675
Item of Form (identify)	Answer
	<p>costs to its clients of such account adjustments. All such cross trades will be consistent with the investment objectives and policies of each investment account involved in the trades, and will be effected at the closing market price for the security for the day upon which the cross trade is executed. Investment accounts involved in such cross trades will not pay any brokerage commissions or mark ups in connection with the trades, but may pay customary transfer fees (i.e., aggregate ticket charges) that are assessed through any unaffiliated broker dealers through which the trades are affected.</p> <p>Verity does not receive any compensation, other than its advisory fees as a result of engaging in a cross trade. Verity does not sell securities to clients nor does it purchase securities from clients. However, Verity has a capital account in the Funds and John O'Rourke and Timothy Michael O'Rourke are principals of the Funds as well as the principals of the entity that is the general partner of the Domestic Fund.</p> <p>Verity serves as the investment manager to the Funds and may in the future organize other private investment funds. Verity currently provides investment advisory services to a separately managed account- Circle T Explorer Master Limited, an offshore-pooled investment vehicle. Verity does not intend to advise clients as to the appropriateness of investing in such private investment funds, and Verity will not receive any compensation for doing so (except to the extent that Verity receives advisory and other fees from the private investment funds) or for selling interests in such private investment funds. However, because of the relationship between Verity and such private investment funds, Verity could be considered to have recommended the investment should a person who is an investor of Verity investment in such private investment funds.</p> <p>Upon receiving written approval from the Chief Compliance Officer, Personnel of Verity may trade in the same securities traded for advisory clients. Approval for a purchase or a sale shall be conditioned upon the Access Person waiting 24 hours before buying or selling any security that a client is buying or selling, or planning on buying or selling. However, it is the policy of Verity not to give preference to orders for personnel associated with the firm regarding such trading. Verity and its employees (collectively "Verity") may personally invest in the same securities that are purchased for clients and may own securities that are subsequently purchased for clients. If a security is purchased or sold for clients and Verity on the same day, either the clients and Verity will pay or receive the same price, or the clients will receive the more favorable price. Verity may also buy or sell a specific security for its own account based on personal investment considerations, which Verity does not deem appropriate to buy or sell for clients.</p> <p>CODE OF ETHICS</p> <p>The code of ethics of Verity ("Code of Ethics") is based upon the premise that all Verity personnel have a fiduciary responsibility to render professional, continuous, and unbiased investment advisory service. The Code of Ethics requires all personnel</p>

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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:	SEC File Number:	Date:
Verity Advisors, LLC	801-	February 7, 2008

(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: Verity Advisors, LLC		IRS Empl. Ident. No.: 22-3730675
Item of Form (identify)	Answer	
Item 10	<p>to (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put the clients' interests ahead of those of Verity; (3) observe Verity's personal trading policies so as to avoid "front-running" and other conflicts of interests between Verity and its clients; (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by the Chief Compliance Officer and that personnel who violate the Code of Ethics are subject to sanctions by Verity, including termination.</p> <p>A copy of the Code of Ethics is available upon request to Clients and investors in any pooled investment vehicle.</p>	
Item 12A(1)(2)(3)(4)	<p>With respect to the Funds, the minimum investment amount is \$1,000,000, although a management entity of each Fund has discretion to accept lesser amounts on behalf of such Fund.</p>	
Item 12B	<p>There are no restrictions as to the type or amount of securities to be bought or sold on behalf of the Funds. Portfolio securities normally are purchased through brokers on securities' exchanges or directly from the issuer or from an underwriter or market maker for the securities. Securities transactions for the investors are executed through brokers selected by Verity. Verity is responsible for the negotiation of any commissions paid. Verity will consider the following factors, among others, when placing a trade for a client with a particular broker-dealer: (a) Quality of overall execution services provided by the broker-dealer; (b) promptness of execution; (c) Liquidity of the market for the security in question; (d) Provision of dedicated telephone lines; (e) Creditworthiness, business reputation and reliability of the broker-dealer; (f) Research (if any) provided by the broker-dealer; (g) Promptness and accuracy of oral, hard copy or electronic reports of execution and confirmation statements; (h) Ability and willingness to correct trade errors; (i) Ability to access various market centers, including the market where the security trades; (j) The broker-dealer's facilities, including any software or hardware provided to the adviser; (k) Any specialized expertise the broker-dealer may have in executing trades for the particular type of security; (l) Commission rates; (m) Access to a specific IPO's or IPO's generally; (n) Client referrals made by the broker-dealer to Verity; (o) Ability of the broker-dealer to use ECN's to gain liquidity, price improvement; lower commission rates and anonymity; (p) Soft dollar policies of the broker-dealer; (q) The broker-dealer's ability to provide for "step-out" transactions.</p> <p>BROKERAGE ARRANGEMENTS:</p> <p>Verity is responsible for the placement of the portfolio transactions of the Funds and the negotiation of any commissions paid on such transactions. Portfolio securities normally are purchased through brokers on securities' exchanges or directly from the issuer or from an underwriter or market maker for the securities. Purchases of portfolio instruments through brokers involve a commission to the broker. Purchases of portfolio securities from dealers serving as market makers include the spread</p>	

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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:	SEC File Number:	Date:
Verity Advisors, LLC	801-	February 7, 2008

(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: Verity Advisors, LLC	IRS Empl. Ident. No.: 22-3730675
Item of Form (identify)	Answer
	<p>between the bid and the asked price. Verity will not commit to provide any level of brokerage business to any broker. Verity may utilize the services of one or more introducing brokers who will execute the brokerage transactions through the prime broker and custodian who will clear the transactions.</p> <p>Securities transactions for the Funds will be executed through brokers selected by Verity in its sole discretion and without the consent of the Funds. In placing portfolio transactions, Verity will seek to obtain the best execution for the Funds, taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the broker's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying Verity's other selection criteria.</p> <p>SOFT DOLLARS:</p> <p>The term "soft dollars" refers to the receipt by an investment manager of products and services provided by brokers, without any cash payment by the investment manager, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of the investment manager's clients.</p> <p>Verity is authorized to pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokerage firms that provide it with such investment and research information or to pay higher commissions to such firms if Verity determines such prices or commissions are reasonable in relation to the overall services provided. Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants. Verity is not required to weigh any of these factors equally. Information so received is in addition to and not in lieu of services required to be performed by Verity and its affiliates and Verity's Management Fee and Performance Fee is not reduced as a consequence of the receipt of such supplemental research information. Research services provided by broker/dealers used by the Fund may be utilized by the Verity or its affiliates (including other investment funds managed by such persons) in connection with their other investment services for other clients and, likewise, research services provided by broker-dealers used for transactions of other clients may be utilized by Verity in performing its services for the Funds. Since commission rates in the United States are negotiable, Verity's selection of brokers on the basis of considerations which are not limited to applicable commission rates may at times result in the Funds being charged higher transaction costs than it could otherwise obtain. Nonetheless,</p>

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	<p>Verity's decision on which brokers to utilize will be driven by a concerted striving for "best execution."</p> <p>In addition to research services, Verity and its affiliates may be offered other non-monetary soft dollar benefits by broker-dealers that it may engage to execute securities transactions on behalf of the Funds. These benefits may take the form of special execution capabilities, clearance, settlement, online pricing, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, online access to computerized data regarding clients' accounts, performance measurement data, consultations, economic and market information, portfolio strategy advice, industry and company comments, technical data, recommendations, general reports, efficiency of execution and error resolution, the availability of stocks to borrow for short trades, custody, travel, record keeping and similar services, including custodianship of securities. These other services may also include payment of all or a portion of Verity's administrative costs and expenses of operation, such as rent, newswire and quotation equipment and services (e.g., Reuters, Bloomberg, Bridge, First Call, etc.); data processing charges; periodical subscription fees (e.g., The Financial Times, The Wall Street Journal, The New York Times, Investors Business Daily, etc.); computer equipment used for brokerage or research purposes (e.g., computer hardware, software, PDAs, LANs, etc.) and related technical support, repair and maintenance; telephone and facsimile lines and charges and related equipment, installation, repair and maintenance costs; television and cable services; expenses incurred in connection with investigating and researching issuers of securities and attending research conferences (e.g., airfare, car rentals, taxi fares, conference fees and related expenses, hotel accommodations and meals); economic consulting services and other reasonable expenses as determined by the Investment Manager or General Partner. Portfolio transactions for the Partnership will be allocated by the General Partner to brokers on the basis of best execution and in consideration of such brokers' ability to effect transactions, the brokers' facilities, reliability and financial responsibility, and the provision or payment of the costs of research and other services or property.</p> <p>Verity and its affiliates have the option to use "soft dollars" generated by the Funds to pay for the research and non-research related services described above. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment). Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides a "safe harbor" to investment managers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the investment manager in the performance of investment decision-making responsibilities. In the event Verity elects to use its soft dollars for payment of all or a portion of Verity's administrative costs and expenses of operation, as more fully described above, such uses of soft</p>	

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	<p>dollars are not within the safe harbor afforded by Section 28(e) of the Exchange Act.</p> <p>The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of Verity and its affiliates create a conflict of interest between them because the Funds pay for such products and services that are not exclusively for the benefit of the Funds and that may be primarily or exclusively for the benefit of Verity or their affiliates. To the extent that Verity or its affiliates are able to acquire these products and services without expending their own resources (including Management Fees paid by the Funds), Verity's use of soft dollars would tend to increase the Verity's profitability. In addition, the availability of these non-monetary benefits may influence Verity to select one broker rather than another to perform services for the Funds. Verity will not endeavor to allocate, as between the Funds and any other managed entities or accounts, particular items of expenses paid relative to the vehicle or account generating the particular commission revenues utilized for payment, except in limited circumstances when deemed appropriate.</p> <p>ALLOCATION OF TRADES:</p> <p>Verity may at times determine that certain securities will be suitable for acquisition by the Funds and by other accounts managed by Verity, possibly including the Verity's own accounts or accounts of an affiliate. If that occurs, and Verity is not able to acquire the desired aggregate amount of such securities on terms and conditions which Verity deems advisable, Verity will endeavor to allocate in good faith the limited amount of such securities acquired among the various accounts for which Verity considers them to be suitable. Verity may make such allocations among the accounts in any manner which it considers to be fair under the circumstances, including but not limited to allocations based on relative account sizes, the degree of risk involved in the securities acquired, and the extent to which a position in such securities is consistent with the investment policies and strategies of the various accounts involved.</p> <p>AGGREGATION OF ORDERS:</p> <p>Verity may aggregate purchase and sale orders of securities held by the Funds with similar orders being made simultaneously for other accounts or entities if, in Verity's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to the Funds based on an evaluation that the Funds will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In many instances, the purchase or sale of securities for the Funds will be affected simultaneously with the purchase or sale of like securities for other accounts or entities. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such event, the average price of all securities purchased or sold in such transactions may be determined, at Verity's sole discretion, and the Funds may be charged or credited, as the case may be, with the</p>	

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Item 13	<p>average transaction price.</p> <p>REFERRAL OF INVESTORS:</p> <p>Verity may also direct some brokerage business to brokers who refer prospective investors to the Funds' investor, but will not do so where investor referrals are the primary reason for such transaction. Because such referrals, if any, are likely to benefit Verity but will provide an insignificant (if any) benefit to investors, Verity will have a conflict of interest with the Funds when allocating brokerage business to a broker who has referred investors to the Funds. To prevent brokerage commissions from being used to pay investor referral fees, Verity will not allocate brokerage business to a referring broker unless Verity determines in good faith that the commissions payable to such broker are reasonable in relation to those available from non-referring brokers offering services of substantially equal value to the Funds.</p> <p>Verity may sell Interests through broker-dealers, placement agents and other persons and pay a marketing fee or commission in connection with such activities, including ongoing payments, at Verity's own expense (except in circumstances involving directed brokerage). In certain cases, the Funds reserve the right to pay a one-time fee or sales charge, on a fully disclosed basis, to a broker-dealer or placement agent based upon the capital contribution of the investor introduced to the Funds by such broker-dealer or agent. Any such sales charge would be assessed against the referred investor and would reduce the amount actually invested by the investor in the Fund.</p>
Additional Items	<p>PROXY VOTING:</p> <p>Verity uses reasonable judgment to vote proxies in a manner it determines is in the best interest of its investors. Receipt of proxy materials is logged into a proxy control sheet. A record of the proxy votes cast will be made and retained by Verity. Investors can obtain information on how the proxies were voted and a detailed description of Verity's policies and procedures regarding proxy voting by requesting such information from the Chief Compliance Officer, Timothy Michael O'Rourke.</p> <p>PRIVACY POLICY</p> <p>This privacy policy explains the manner in which the Funds, Verity and its affiliates (collectively, the "Fund Entities") collect, utilize and maintain nonpublic personal information about the Fund Entities investors, as required under recently enacted Federal legislation. This privacy policy only applies to nonpublic information of investors who are individuals (not entities).</p> <p>Collection of Investor Information</p> <p>The Fund Entities collect personal information about its investors mainly through the following sources:</p>

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	<ul style="list-style-type: none">Subscription forms, investor questionnaires and other information provided by the investor in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, tax identification number, and financial and investment qualifications; andTransactions within the Fund Entities, including account balances, investments and withdrawals. <p>Disclosure of Nonpublic Personal Information</p> <p>The Fund Entities do not sell or rent investor information. The Fund Entities do not disclose nonpublic personal information about its investors to nonaffiliated third parties or to affiliated entities, except as permitted by law. For example, the Fund Entities may share nonpublic personal information in the following situations:</p> <ul style="list-style-type: none">To service providers in connection with the administration and servicing of the Fund Entities, which may include attorneys, accountants, auditors and other professionals. The Fund Entities may also share information in connection with the servicing or processing of Fund Entities transactions;To affiliated companies in order to provide investors with ongoing personal advice and assistance with respect to the products and services the investors have purchased through the Fund Entities and to introduce the investors to other products and services that may be of value to the investors;To respond to a subpoena or court order, judicial process or regulatory authorities;To protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; andUpon consent of an investor to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the investor. <p>Protection of Investor Information</p> <p>The Fund Entities' policy is to require that all employees, financial professionals and companies providing services on its behalf keep client information confidential.</p> <p>The Fund Entities maintain safeguards that comply with federal standards to protect investor information. The Fund Entities restrict access to the personal and account</p>

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	<p>information of investors to those employees who need to know that information in the course of their job responsibilities. Third parties with whom the Fund Entities share investor information must agree to follow appropriate standards of security and confidentiality.</p> <p>The Fund Entities' privacy policy applies to both current and former investors. The Fund Entities may disclose nonpublic personal information about a former investor to the same extent as for a current investor.</p> <p>Changes to Privacy Policy</p> <p>Any Fund Entity may make changes to its privacy policy in the future. The Fund Entities will not make any change affecting investors without first sending the investors a revised privacy policy describing the change.</p>	

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