

PART 2B OF FORM ADV

VALENS INVESTMENT ADVISERS, L.P.

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This brochure supplement provides information about Eugene Grin, David Grin and Sayan Navaratnam (“Supervised Persons”) that supplements the brochure of Valens Investment Advisers, L.P. (“Valens”). You should have received a copy of that brochure. Please contact Lara S. Hrafnkelsdottir, Senior Vice President, Chief Compliance Officer and Chief Operating Officer if you did not receive Valens’s brochure or if you have any questions about the contents of this supplement.

Eugene Grin, Partner, Principal, Member of Management Committee

Educational Background and Business Experience and Other Business Activities

Eugene Grin, born in 1957, is a principal and co-founder of Valens, Valens Capital Management, LLC (“VCM”), Laurus Capital Management, LLC (“LCM”), and certain affiliates.

Mr. Grin is an executive officer of Global Equities and Realty, Inc. and certain of its related entities (“Global”), a full service asset management firm that specializes in implementing strategic turnarounds.

Mr. Grin received a B.A. in Engineering from The Technical College of Radio, Electronics and Industrial Engineering in the Ukraine in 1977.

Disciplinary Information

This item is not applicable to Mr. Grin.

Other Business Activities

Eugene Grin is a principal at LCM, a related registered investment adviser. The relationship between Valens and LCM is discussed in detail in Valens’ brochure under “Other Financial Industry Activities and Affiliations.”

Mr. Grin is an executive officer of Global, a full service asset management firm that specializes in implementing strategic turnarounds. Currently, Global owns, manages and operates residential real estate in the U.S. and Canada. Mr. Grin is responsible for Global’s long-term growth, financial strategies and investment programs. Global does not currently compete with Valens for investment opportunities.

Additional Compensation

This item is not applicable to Mr. Grin.

Supervision

This item is not applicable to Mr. Grin.

Requirements for State-Registered Advisers

Mr. Grin is not required to make any disclosure in response to this item.

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David Grin, CPA (ISR), Partner, Principal, Member of Management Committee

Educational Background and Business Experience and Other Business Activities

David Grin, born in 1969, is a principal and co-founder of Valens, Valens Capital Management, LLC (“VCM”), Laurus Capital Management, LLC (“LCM”) and certain affiliates. Previously, Mr. Grin had served in different capacities with certain investment entities. Mr. Grin has also served as Investment Manager and Chief Financial Analyst of Union Capital Markets and Union Enterprises, the venture capital arm and underwriting operation of Union Bank of Israel, respectively. Mr. Grin has also held the position of a financial analyst in various financial institutions in Israel.

Mr. Grin is a Certified Public Accountant (ISR), and received an M.B.A. in Finance and Operations Systems from Tel Aviv University, Israel, in 1999 and a B.A. degree in Economics and Accounting from the Hebrew University of Jerusalem in 1995.

Disciplinary Information

This item is not applicable to Mr. Grin.

Other Business Activities

David Grin is a principal at LCM, a related registered investment adviser. The relationship between Valens and LCM is discussed in detail in Valens’ brochure under “Other Financial Industry Activities and Affiliations.”

Additional Compensation

This item is not applicable to Mr. Grin.

Supervision

This item is not applicable to Mr. Grin.

Requirements for State-Registered Advisers

Mr. Grin is not required to make any disclosure in response to this item.

Sayan Navaratnam, Partner, Senior Managing Director, Member of Management Committee

Educational Background and Business Experience and Other Business Activities

Sayan Navaratnam, born in 1974, joined Laurus Capital Management, LLC (“LCM”) as an employee in March 2009. He has an extensive background in technology, finance and operations and has expertise in workout situations.

Mr. Navaratnam is also the chairman of the board of directors and sole shareholder of Nationwide Solutions, Inc. ("Nationwide"), a Canadian corporation that provides general business consulting services including restructuring advice. Mr. Navaratnam owns and serves as a trustee, officer or director for Malar Trust Inc., Malar Consulting Inc., Navaratnam Trust and Aspro Trust, each of which is involved in management restructuring consulting. Mr. Navaratnam is also the majority owner of Malar Investments Group Inc., an entity also involved in management restructuring consulting.

Mr. Navaratnam is currently the chairman of the board of directors of Creative Vistas, Inc., an Arizona corporation which is headquartered in Ontario, Canada, which provides security-related technologies and provisions the deployment of broadband services, as well as a member of the board of directors of Cancable Inc., XL Digital, Iview Holding Corp and Cancable Holding Corp., each a subsidiary of Creative Vistas, Inc.

Mr. Navaratnam has served and/or serves on the board of directors of a number of companies in which the funds managed by LCM and/or Valens Capital Management, LLC (“VCM”) have invested, either as a representative of one or more of such funds or their affiliates or in a separate capacity.

Mr. Navaratnam graduated from the University of Toronto with a Double Specialist degree in Economics and Political Science. He has eight years of experience in technology development and integration specific to the surveillance and networking industry. He also has three years of experience in sales in telecommunications with Bell Canada Inc. From 1997 to 2000, he was the COO of Satellite Communications Inc., and its research arm Satellite Advanced Technologies. From 2000 to 2003, Mr. Navaratnam was the Chief Operating Officer of ASPRO Technologies Ltd., a company in the business of developing digital video management systems for the security industry. After ASPRO Technologies Ltd., Mr. Navaratnam joined A. C. Technical Systems Ltd., a leading Ontario based security systems integrator. In October 2004, Creative Vistas, Inc. acquired A. C. Technical Systems Ltd. and Mr. Navaratnam became the Chairman and Chief Executive Officer of Creative Vistas, Inc. He held that position until May 2008, when he resigned his post as CEO.

Disciplinary Information

This item is not applicable to Mr. Navaratnam.

Other Business Activities

Sayan Navaratnam is a Senior Managing Director of LCM, a related registered investment adviser. The relationship between Valens and LCM is discussed in Valens Brochure under “Other Financial Industry Activities and Affiliations.”

Mr. Navaratnam is currently the chairman of the board of directors of Creative Vistas, Inc., an Arizona corporation which is located in Ontario, Canada, which provides security-related technologies and provisions the deployment of broadband services, and is on the board of directors of several subsidiaries of Creative Vistas, Inc. Nationwide, which is wholly-owned by Mr. Navaratnam, provides consulting services to Creative Vistas, Inc. and its affiliates. Certain of the funds managed by LCM and/or VCM are significant investors in Creative Vistas, Inc., holding notes, warrants and/or other securities.

Mr. Navaratnam also owns and operates several management restructuring consulting businesses. These businesses include Nationwide, which has previously provided consulting services to LCM, VCM, LCM advised funds, the PSource Fund and the Valens Funds, and to several of the companies in which the such funds are or were invested. As of March 1, 2009, after becoming an employee of LCM, all of Nationwide's consulting agreements with companies in which the funds managed by LCM and/or VCM were invested were terminated other than the consulting agreement with Creative Vistas, Inc. Mr. Navaratnam, as owner of Nationwide, indirectly earned fees from, and acquired interests and rights to acquire equity interests in, several of the companies he consulted for prior to the termination of these consulting agreements. Nationwide continues to provide consulting services to LCM and VCM.

Mr. Navaratnam has served on the board of directors of a number of companies in which the funds managed by LCM and/or VCM have invested, either as a representative of one or more of such funds or their affiliates or in a separate capacity. As of February 26, 2009, other than Creative Vistas, Inc. and its affiliates, Mr. Navaratnam informed the boards of all companies in which the funds managed by LCM and/or VCM were investors and in which he served on the board of directors that he would thereafter serve on such boards solely as the designated representative of such funds. Mr. Navaratnam continues to serve on the boards of Creative Vistas, Inc. and certain of its subsidiaries and affiliates in an independent capacity.

Through his consulting businesses, Mr. Navaratnam may from time to time provide consulting services to or serve on the board of directors of other companies unrelated to the business and clients of VCM, LCM and the funds managed by LCM and/or VCM. These businesses may compete with the funds managed by LCM and/or VCM for investment opportunities.

Investors are requested to refer to the governing documents of the Valens Funds for complete information on the requisite time commitments of the Supervised Person to the Valens Funds.

Additional Compensation

This item is not applicable to Mr. Navaratnam.

Supervision

This item is not applicable to Mr. Navaratnam

Requirements for State-Registered Advisers

Mr. Navarantam is not required to make any disclosure in response to this item.