

# *PARK SHORE PARTNERS LLC*

Disclosure Brochure Dated : 10/28/2011

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Naples, FL 34103

This brochure provides information about the qualifications and business practices of Park Shore Partners LLC, it's client relationships, management services, fees, business operations, and structure. The disclosures are designed to provide clients with sufficient information to decide whether to begin or continue a business relationship with the Park Shore Partners LLC.

If you have any question about Park Shore Partners LLC or the information contained in this document, please contact Dan Baer, President, *via* the following phone numbers or email.

239-649-1188  
877-547-1188  
dbaer@parkshorepartners.com

Additional information is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by conducting a search using the Park Shore Partners LLC CRD number of 145265.

**THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES AUTHORITIES. REGISTRATION WITH THE SECURITIES EXCHANGE COMMISSION OR ANY STATE SECURITIES AUTHORITY DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING.**

## **2. MATERIAL CHANGES**

Since the last posting of Park Shore Partners LLC's ("Park Shore") ADV Schedule F, the following material changes have been made to our disclosure brochure:

- a) Park Shore is providing a "Plain English" brochure to clients and prospects as mandated by SEC amendments to Rules 203-1, 204-1, 204-1 and 204-3 of the Investment Advisors Act of 1940, and Form ADV under the Investment Advisors Act of 1940.
- b) Park Shore has updated its Code of Ethics for Registered Investment Advisers in compliance with SEC Rule amendments and has updated disclosures in this Brochure.
- c) There are no longer Series A and Series B shareholders. The General Partner will be paid a quarterly Management Fee of 0.25% (i.e. 1% per annum) based on the value of each limited partner's capital account as of the first day of each calendar quarter (adjusted for contributions made during the quarter).
- d) The Incentive Fee is now 10% of Net Profits, a reduction from the previous stated amount of 20% of Net Profits.
- e) Park Shore is deemed to have custody of client assets because it has the ability to withdraw and move money, and has check writing ability on the banking accounts set up for the Funds. Because of the rule invocation, Park Shore is subject to an annual surprise audit by an independent public accountant to verify account assets, unless it has audited financial statements that are provided to fund investors annually. At this time, Park Shore provides annual audited financial statements to its fund investors.
- f) Park Shore's trade error policy ensures that clients are put in the position they would have been had the error not occurred when a Park Shore or one of its IARs makes a trading error.
- g) The Proxy Voting policy has been changed so that Park Shore does not vote proxies for the Funds.

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#### 4. ADVISORY BUSINESS

Park Shore Partners LLC (“Park Shore” or the “Firm”) was formed in November 2007 as a limited liability company under the laws of Delaware. Park Shore is registered with the Securities and Exchange Commission as an investment adviser. Park Shore is majority owned by HBK Sorce Financial LLC. In turn, HBK Sorce Financial LLC is wholly owned by HBK Sorce Holdings LLC, which is majority owned by Hill, Barth & King Financial Holdings LLC, a public accounting firm. Dan Baer, president and a principal of Park Shore, is also a principal of Hill, Barth & King LLC.

As of August 31, 2011, the Firm managed \$25,524,905.03 in assets on a discretionary basis, and \$0 in assets on a non-discretionary basis.

Park Shore is engaged in the business of providing portfolio management and discretionary investment advice. Park Shore provides its investment advisory services through private investment funds (“Funds”), which are offered for sale to a limited number of investors who meet the criteria for “accredited investors” and “qualified clients” under the relevant laws and regulations. *See* Section 7 below. Park Shore advises three Funds in a master-feeder fund structure:

- a. Park Shore Opportunity US Fund LP (the “US Fund”). The US Fund is a limited partnership formed under Delaware law which privately and continuously offers interests to a limited number of qualified investors. Park Shore is the “General Partner” of the US Fund. The offering of interests in the US Fund is not registered under the Securities Act of 1933.
- b. Park Shore Opportunity Offshore Fund Ltd (the “Offshore Fund”). The Offshore Fund was formed under the laws of the Cayman Islands. The Firm serves as “Investment Manager” for the Offshore Fund. The Offshore Fund is offered to a limited number of qualified non-U.S. and U.S. tax-exempt investors.
- c. Park Shore Opportunity Fund Ltd (the “Master Fund”). The Master Fund was formed under the laws of the Cayman Islands. The Firm serves as Investment Manager for the Master Fund. The US Fund and the Offshore Fund are feeder funds to the Master Fund. Substantially all of the assets of the Funds are invested through the Master Fund.

None of the Funds are registered under the Investment Company Act of 1940, as amended (the “1940 Act”). Park Shore may become the general partner or investment manager of additional private funds in the future.

Park Shore follows a long term strategy that seeks capital appreciation primarily through investments in dividend paying stocks. Park Shore employs a fundamental, bottoms-up research driven approach by generally investing in companies that pay dividends at high yields. The Firm will typically place approximately 80% of its investments in dividend paying stocks, particularly in mid cap and large cap companies, as well as electronically traded funds (“ETF”) and mutual funds. Park Shore may also make investments in companies that are not expected to pay dividends. Such investments will typically be no more than 20% of the investments. From time-to-time, the Firm may hold significant cash positions. For a more detailed description of the investment strategies of the Funds, *see* section 8 below.

As set forth in the organizational documents of the Funds, Park Shore generally cannot be terminated as investment adviser to the Funds. This limitation is subject to the laws of the jurisdiction in which it is

incorporated for the Offshore Fund and Master Fund. However, Fund investors that no longer wish to have their assets managed by Park Shore can redeem their interests in such Fund in accordance with its redemption procedures.

For a complete description of the relevant terms and conditions of the Funds, please review the relevant Private Offering Memorandum.

The Firm **does not** provide investment supervisory services to individual investors. Rather, the Registrant's investment supervisory services are limited to its management of the Funds. The Firm **does not** provide financial planning, estate planning, insurance planning or any other related or unrelated financial planning or consulting services. Other than checking the responses set forth on the Fund's subscription documents to see if the prospective investor qualifies for either of the Funds, the Firm **does not** determine suitability of the Funds for the investor, or otherwise advise the investor as to the suitability of the Funds or any of their underlying investment strategies. In addition, the Firm **is not** required to verify or confirm any responses contained in the subscription documents, and is expressly authorized to rely thereon.

### **Advisory Related Services Through An Affiliated Investment Adviser**

The Firm **does not** provide individual client financial planning, investment supervisory, investment management, investment reporting, or investment implementation services. Rather, in the event that individuals and/or institutions desire to obtain such services on a *fee* basis, the Firm may recommend HBK Sorce Advisory LLC, an affiliated SEC registered investment adviser firm, to provide investment advisory services and/or financial planning services (*See* Item 10 below).

### **Investment Implementation/Management**

The Firm **does not** provide investment implementation services. Rather, in the event that individuals and/or institutions desire to implement investment advisory services on a *commission* basis, the Firm may recommend HBK Sorce Advisory LLC, an affiliated SEC registered investment adviser firm, which has certain investment advisor representatives that can act as a registered representative of Purshe Kaplan Sterling Investments, Inc. ("Purshe"), a FINRA member broker-dealer. (*See* Item 5.E below)

### **Miscellaneous**

**Affiliated Private Funds.** As discussed above, Park Shore serves as the General Partner of, and provides discretionary investment management services to the Funds. The terms and conditions for participation in each of the Funds, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the Fund's offering documents.

**Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each Fund's offering documents, which are provided to each investor for review and consideration. Unlike other liquid investments that an investor may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective investor will be required to complete a Subscription Agreement, pursuant to which the investor shall establish that he/she/it is qualified for investment in the Fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note: Conflict Of Interest.** Because the Firm earns compensation from the Funds the recommendation that an individual or institution become an investor in either of the Funds presents a **conflict of interest**. **The Registrant's Chief Compliance Officer, Michael**

**Wassmann, also remains available to address any questions regarding this conflict of interest at [mwassmann@hbksorce.com](mailto:mwassmann@hbksorce.com) or (814) 536-5776; (866) 536-5776.**

**Please Also Note: Valuation.** In the event that the Firm references private investment funds owned by the investor on any supplemental account reports prepared by the Fund, the value(s) for all such private investment funds shall reflect either the initial purchase and/or the most recent valuation provided by the Fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be **significantly more or less** than the original purchase price.

**Investor Obligations.** In performing its services, Park Shore shall not be required to verify any information received from an investor or from the investor's other professionals, and is expressly authorized to rely thereon. Moreover, each investor is advised that it remains his/her/its responsibility to promptly notify Park Shore if there is ever any change in his/her/its financial situation precluding the investor from continuing to invest in the Funds.

## **5. FEES AND COMMISSIONS**

As part of its fiduciary duties, Park Shore endeavors at all times to put the interests of clients first. Clients should be aware, however, that the receipt of any fees or benefits by Park Shore, in and of itself, creates a potential conflict of interest.

Park Shore's investment advisory fees for clients of the Funds consist of an asset-based management fee and a performance fee or allocation. With respect to a Fund organized as a limited partnership, Park Shore will be paid a quarterly Management Fee of 0.25 (i.e., 1.0% per annum). The management fee will be paid in advance based on the value of each limited partner's capital account as of the first day of each calendar quarter (adjusted for contributions or subscriptions made during the quarter). The fee will be prorated for any period that is less than a full fiscal quarter. These fees will be deducted from the Master Fund.

With respect to a Fund organized as an exempted company under the laws of the Cayman Islands, Park Shore will be paid quarterly management fee of 0.25% (i.e., 1.0% per annum). The management fee will be paid in advance based on the value of each shareholder's shares as of the first day of each calendar quarter (adjusted for purchases of shares made during the quarter), and it will be prorated for any period that is less than a full fiscal quarter. These fees will be deducted from the Master Fund.

For each fiscal year, Park Shore will also be entitled to receive an incentive fee equal to 10% of the net increase, if any, of the net asset value per share, subject to the offset of any prior period losses attributable to a share. For more details *see* section 6 below.

Withdrawals from investments in the Funds are permitted at the end of each calendar quarter. The person wishing to withdraw shall give at least 90 days prior written notice of the desire to withdraw. Since an ordinary withdrawal is done at the end of a financial quarter, fees will have been fully earned and no return of fees will be necessary. The General Partner has discretion to permit withdrawals at times other than the end of a quarter, but may charge a 4% withdrawal fee in such cases.

The US Fund, will be responsible for paying operating expenses which include commissions, custodial fees, bank fees, and other expenses related to the purchase, sale or transmittal of US Fund assets. The investment advisory fee is not reduced to offset any commissions or fees incurred by the clients.

Conflicts of interest that arise between clients and Park Shore are disclosed in this section and elsewhere in the Brochure. Park Shore has in place a compliance program and has appointed a Chief Compliance Officer to monitor all activity and protect client interests. Part of the responsibilities of the compliance department is to make sure that client interests come first when potential conflicts of interest exist.

## **6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Rule 205-3 of the Investment Advisers Act of 1940 permits a registered investment adviser to enter into a performance fee agreement with certain sophisticated clients who have the capacity to bear the potential additional risks of such a fee arrangement. An adviser can rely on Rule 205-3 only if the performance fee agreement is with "eligible" clients. Eligible clients are defined in the Rule as natural persons and companies that have *either* at least \$1 Million under management with the Registrant immediately after entering into a performance fee agreement *or* a net worth at the time the agreement is entered into in excess of \$2 Million (i.e. a natural person's net worth may include assets held jointly with a spouse).

Consistent with the parameters of Rule 205-3 of the Investment Advisers Act of 1940 (to the extent Rule 205-3 is applicable), the Firm (and/or Firm's affiliated entities) may also receive, from its Funds, incentive or performance fee compensation on a fully disclosed written basis. Because Registrant and its representatives manage client accounts that charge both an asset-based fee and/or a performance based fee, this arrangement creates a **conflict of interest**, as Registrant and its representatives have an incentive to favor investments where Park Shore receives both an asset-based fee and a performance fee.

Park Shore is eligible to receive an incentive allocation for the Funds at the end of each fiscal year at an amount equal to 10% of the limited partners' net profits (taking into account unrealized gains and losses). Such allocation will be deducted from each limited partner's capital account, and the total amount deducted from the capital accounts of the limited partners will be reallocated to the capital account of Park Shore as the incentive allocation, subject to a loss-carry forward provision.

**The Registrant's Chief Compliance Officer, Michael Wassmann, remains available to address any questions regarding this conflict of interest at [mwassmann@hbksorce.com](mailto:mwassmann@hbksorce.com) or (814) 536-5776; (866) 536-5776.**

## **7. TYPES OF CLIENTS**

The US Fund is not open to the general public. It is limited to "accredited investors" as set forth in Rule 501 of Regulation D of the Securities Act of 1933, as amended (the "Securities Act"), who are also "qualified clients" as provided in the Investment Advisers Act of 1940, as amended (the "Advisors Act").

The Offshore Fund is not open to the general public. It is limited to investors who are: (a) non-US persons or US tax-exempt investors that are "accredited investors" under the Securities Act, and (b) "qualified clients" under Advisors Act.

The minimum investment in the Funds is \$500,000, subject to change or exception in the sole discretion of the General Partner of the US Fund or Investment Manager of the Offshore Fund.

## **8. METHODS OF ANALYSIS, SOURCES OF INFORMATION AND INVESTMENT STRATEGIES**

Park Shore does not represent, warrant, or imply that the services, methods of analysis, or strategies used by the Firm can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses. Different types of investments involve varying degrees of risk. It should not be assumed that future performance of any specific investment or strategy will be profitable or equal any specific performance levels. Clients investing in the Funds should be prepared to bear the risk of loss of assets that is inherent in each of the

investment methods and strategies used.

Park Shore seeks capital growth over the long term, mainly through investments in dividend paying stocks. In order to achieve this goal, the firm uses a fundamental, bottoms-up research driven approach. This method invests in companies that generally pay high dividend yields. The Firm will typically invest about 80% of the Funds' assets in these dividend paying stocks, focusing on mid and large cap companies. Park Shore may invest in companies not expected to pay dividends. Such investments will typically represent no more than 20% of the assets under management.

Park Shore has broad and flexible authority to invest in different economic sectors and geographical markets. However, the Firm will maintain a bias towards those that usually pay higher dividends, such as:

- a. Financials;
- b. Utilities;
- c. Real estate companies, including real estate investment trusts ("REITS");
- d. Oil and gas producing companies;
- e. Mining and mineral companies, including master limited partnerships ("MLPs");
- f. Pharmaceuticals;
- g. Consumer products; and
- h. Tobacco.

In order to stay flexible and take advantage of options, Park Shore is not limited to holding specific percentages in any type of investment, sector, or region. The Firm may invest in:

- a. Long or short positions;
- b. U.S. or non-U.S. common stocks;
- c. Preferred stocks;
- d. Stock warrants and rights;
- e. Bonds, notes or other debentures or debt participations;
- f. Partnership interests;
- g. Swaps;
- h. Futures;
- i. Forwards;
- j. Commodities;
- k. Options (including options on stock market indices);
- l. Exchange traded funds ("ETFs");
- m. Investment companies; and
- n. Other securities or financial instruments

Park Shore may also use a dividend capture strategy where positions are only held long enough to qualify for a dividend payment. These dividend captures and opportunistic trades will be based on Park Shore's general perception of market opportunities.

For a more detailed discussion of specific potential investments and the risks involved, please read the offering documents for the Funds.

## **9. DISCIPLINARY INFORMATION**

There are no material disciplinary proceedings.



## 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Park Shore is majority owned by HBK Sorce Financial LLC. Other affiliated entities which are wholly owned by HBK Sorce Financial LLC include HBK Sorce Insurance LLC (an insurance company), HBK Sorce Advisory LLC (a SEC registered investment advisor), and HBK Sorce Brokerage LLC (a FINRA registered limited use broker dealer). In turn, HBK Sorce Financial LLC is wholly owned by HBK Sorce Holdings LLC, which is majority owned by Hill, Barth & King Financial Holdings LLC, a firm engaged in the practice of public accounting. Dan Baer, part owner of Park Shore, is also part owner of Hill, Barth & King LLC and HBK Sorce Holdings, LLC, and is a Certified Public Accountant.

**Other Investment Adviser Firm** The Firm is affiliated with HBK Sorce Advisory LLC (“HBK Sorce”), an SEC registered investment advisor. Park Shore may refer individuals/institutions to HBK Sorce for implementation on a *fee* basis. There is no obligation to engage the services of HBK Sorce. **The Registrant’s Chief Compliance Officer, Michael Wassmann, remains available to address any questions regarding the above conflict of interest at [mwassmann@hbksorce.com](mailto:mwassmann@hbksorce.com) or (814) 536-5776; (866) 536-5776 .**

**Limited Use Broker/Dealer:** The Firm is affiliated with HBK Sorce Brokerage LLC, a limited use broker/dealer registered with FINRA and the State of Ohio. HBK Sorce Brokerage LLC is currently approved for limited activity related to the purchase and sale of mutual funds in Ohio. Only a limited number of existing accounts have been established and are currently serviced through this broker/dealer. HBK Sorce Brokerage LLC may expand its activities to other investment related areas in the future as permitted under federal and state law.

**Conflict of Interest:** The recommendation by Park Shore’s representatives that a client engage the services of HBK Sorce Brokerage LLC, in its capacity as a limited use/broker dealer, presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend commission products based on commissions to be received by HBK Sorce Brokerage LLC, rather than on a particular client’s need. No client is under any obligation to purchase any commission products from HBK Sorce Insurance LLC or any of its registered representatives. Clients are reminded that they may purchase commission products recommended by HBK Sorce Brokerage LLC through other, non-affiliated broker-dealers. No client is under any obligation to engage HBK Sorce Brokerage LLC in its capacity as a limited use/broker dealer. **The Firm’s Chief Compliance Officer, Michael Wassmann, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest at [mwassmann@hbksorce.com](mailto:mwassmann@hbksorce.com) or (814) 536-5776; (866) 536-5776.**

**Accounting Activity:** The Firm is affiliated with Hill, Barth & King LLC, a firm engaged in the practice of public accounting. Some of the clients of Hill, Barth & King LLC may, in part, be referred to Park Shore for investment services. No direct solicitor/referral fees are paid as a result of this relationship. Clients are under no obligation to use Hill, Barth & King LLC for accounting services.

**Conflict of Interest:** The recommendation by affiliated representatives that a client engage the services of Hill, Barth & King LLC, in its capacity as a CPA firm, presents a *conflict of interest*. No client is under any obligation to engage Hill, Barth & King LLC, in its capacity as a CPA firm. **The Firm’s Chief Compliance Officer, Michael Wassmann, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest at [mwassmann@hbksorce.com](mailto:mwassmann@hbksorce.com) or (814) 536-5776; (866) 536-5776.**

**Insurance Activity:** The Firm is affiliated with HBK Sorce Insurance LLC. The Firm may recommend insurance products offered by these companies. If clients purchase insurance products through HBK Sorce Insurance LLC, the agents and HBK Sorce Insurance LLC will receive compensation. Thus, a potential conflict exists. Clients are under no obligation to purchase insurance products through HBK Sorce Insurance LLC.

**Conflict of Interest:** The recommendation by the Firm's representatives that a client purchase an insurance commission product presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from HBK Sorce Insurance LLC or any of its licensed insurance agents. Clients are reminded that they may purchase insurance products recommended by HBK Sorce through other, non-affiliated insurance agents. **The Firm's Chief Compliance Officer, Michael Wassmann, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest at [mwassmann@hbksorce.com](mailto:mwassmann@hbksorce.com) or (814) 536-5776; (866) 536-5776.**

## **11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

Park Shore has adopted a Code of Ethics containing guidelines for professional standards under which all IARs are to conduct themselves. Through this Code of Ethics the Firm is committed to complying with all applicable laws and regulations governing its business. The Firm pledges to protect the Funds' interests at all times consistent with its fiduciary duties owed of honesty, good faith, and fair dealing. All IARs are expected to adhere strictly to the guidelines, procedures, and high standards of practice established in the Code of Ethics.

These obligations under the Code of Ethics include reporting and avoiding conflicts of interest in connection with personal securities transactions as described below. Park Shore also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Firm and all employees.

It is the policy that the Funds' investments shall have priority over Park Shore employees' personal accounts in connection with the purchase or sale of investments. Firm employees also cannot use knowledge of actual or potential Fund trades to benefit their accounts. This policy is to prevent actions by Firm employees that could adversely affect, or gain advantage from, Fund investment activity. Only in limited circumstances (set forth below) can Park Shore employees buy or sell investments for their personal accounts that are identical to recommendations to or trades by clients.

This limit on employee activity has a few exceptions where the risk of harm to the Funds or opportunity for improper benefit to employees is alleviated. One exception is for securities that trade in sufficiently broad markets to permit transactions by the Funds to be completed without an appreciable impact on the markets of the securities. Another exception is for obligations of the U.S. Government. Employees may also purchase shares in open-end mutual funds, which are purchased or redeemed at a fixed net asset value price specific to the date of purchase or redemption. As such, transactions in mutual funds are not likely to have an impact on the prices of the securities in which the Funds invest. Firm personnel may also trade if the timing is distant enough from the Funds' trades that the employees' activity cannot benefit from or cause harm to the Funds' trades.

Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades,

including the reasons for the exceptions, will be maintained with Park Shore's records.

The Funds' purchase of an investment in which a Park Shore affiliate has a financial interest and/or will receive compensation presents a conflict of interest. Such transactions are not permitted unless given prior approval.

Protecting Fund investors' private information is a top priority for Park Shore. Pursuant to the requirements of the Gramm-Leach-Bliley Act, the Firm has instituted policies and procedures to ensure that customer information is kept private and secure. It is also Park Shore's policy not to share information unless required to process a transaction, at the request of Fund investors, or as required by law. In the course of managing Fund assets, Park Shore may share some information with its service providers, such as transfer agents, Custodians, broker-dealers, technology solution providers, accountants, and lawyers.

Park Shore restricts internal access to nonpublic personal information about clients to those employees who need to know that information to provide products or services to the Funds and their investors. It has always been and will always be Park Shore's policy never to sell information about current or former investors in the Funds to anyone.

A copy of Park Shore's privacy policy notice will be provided to all investors prior to, or contemporaneously with, the execution of the subscription documents. Thereafter, Park Shore will deliver a copy of the current privacy policy notice to investors on an annual basis. The full text of the Code of Ethics is available to investors upon request.

## **12. BROKERAGE PRACTICES**

In order to execute the purchase or sale of certain assets, custodians of the Funds' assets use a registered broker and/or dealer (hereafter "broker/dealer"). Park Shore uses brokers/dealers that provide best execution, adhere to fiduciary duty standards, and comply with the law. To determine whether a broker/dealer is likely to provide best execution, the Firm considers all factors deemed relevant to the broker/dealer's execution capability. These factors include price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction in light of market prices and trends, reputation, experience, financial stability, and quality of service rendered in other transactions.

Best execution is not measured solely by commission rates. Commissions charged by some broker/dealers may be greater than others who did not provide the same level or quality of services or products. Paying a broker/dealer higher commissions than another charges is permissible if the higher cost is reasonably justified by the quality of the brokerage services offered that permit the Firm to effect securities transactions and perform functions incidental to transaction execution. Park Shore may use a higher commission broker/dealer due to the value of services offered. This may create a conflict of interest because Park Shore would not have to pay for these services, and creates an incentive to use broker/dealers who offer soft dollar benefits.

Consistent with Section 28(e) of the Securities Exchange Act of 1934, as amended, such products and services may consist of: economic surveys, data, and analyses; financial publications; recommendations or other information about particular companies and industries (through research reports and otherwise); and other products or services such as computer services and equipment, hardware, software, and data bases that provide lawful and appropriate assistance to the Firm in the performance of its management services. These additional products or services are known as "soft dollars."

Currently, Park Shore does not have any soft dollar arrangements. Park Shore does receive a single free workstation in connection with the trading software it uses to place trades. This qualifies as additional benefits or

compensation, but is not soft dollars.

If Park Shore uses soft dollars in the future, it will be done in a manner that satisfies the requirements of the safe harbor under Section 28(e) of the Securities Exchange Act of 1934. That is, before placing orders with a particular broker, the Firm will use the factors described above to determine that the commissions to be paid are reasonable in relation to the value of the products and services provided by that broker/dealer.

If the Firm receives these products and services in the future they will be used generally for all Funds, not just for those Funds which paid commissions to the broker/dealer who provided the products or services. Other products and services received do not directly provide services to the Funds, but rather assist Park Shore to manage and further develop its business enterprise. If Park Shore utilizes commissions to obtain research and related items that would otherwise be an expense of Park Shore, such use of commissions would in effect constitute additional compensation to Park Shore.

Park Shore does not exclude a broker/dealer from receiving business simply because it does not provide soft dollar research products and services. Although the Firm may not be willing to pay the same commission to such broker/dealer as it would had it provided valued products and services.

### **13. REVIEW OF ACCOUNTS**

The Portfolio Manager of the Firm will monitor the Funds' investments and client accounts on a continuous basis to ensure the advisory services are consistent with the Funds' objectives. Investors in the Funds receive a monthly performance report from the third party administrator. Park Shore will offer a formal account review upon request from investors in the Funds. Triggering factors that may stimulate a review include, but are not limited to, significant market corrections, large deposits or withdrawals from an account, and the investor's request for an additional review.

### **14. CLIENT REFERRALS AND OTHER COMPENSATION**

Park Shore has no arrangements with anyone where they are compensated for client referrals, and no agreements with anyone other than the investors that provide economic benefit for providing advisory services.

### **15. CUSTODY**

Park Shore is considered to have custody of Funds assets, which are held at an outside custodian. The reason the Firm is determined to have custody is that, as General Manager of the Funds, it has the ability to withdraw and move money, and has check writing ability on the banking accounts set up for the Funds.

Each year, an independent public accountant, Acquavella, Chiarelli, Shuster, Berkower & Co. LLP, located at 517 Route One, Suite 4103, Iselin, NJ, performs an audit of the pooled investment vehicle. This independent public accountant is registered with the Public Company Accounting Oversight Board and is subject to regular inspection by the Public Company Account Oversight Board in accordance with its rules. A copy of the audited financial statements is provided to all fund investors within 120 days of the end of the fiscal year.

Clients will receive standard account statements on holdings (monthly or quarterly) from their Custodians, as well as confirmations of transactions. Park Shore may provide clients with an additional report of positions, activity, and performance. Clients should carefully review all statements and confirmations received, and compare statements received from Custodians with any statements received from Park Shore.

### **16. INVESTMENT DISCRETION**

Discretionary authority is granted by the investors and the Funds which give the Firm the authority to execute transactions without having to ask for specific approval. Discretion is defined as the authority to decide:

- a. What security
- b. The number of shares or units
- c. Whether to buy or sell

Park Shore will manage all assets on a discretionary basis, and is granted such authority through the investment management agreement entered into between Park Shore and the Funds. Park Shore has the responsibility to formulate investment strategies on behalf of its clients. This includes deciding which securities to buy and sell, when to buy and sell, and in what amounts. This discretion is subject to the investment program and investment restrictions set forth from time to time in the confidential offering memoranda of the Funds, as amended or supplemented. In addition, Park Shore has the authority to perform various other functions, including: issuing custodial instructions; selecting broker dealers; executing securities transactions; administering the Funds; retaining third parties to administer the Funds; and valuing the Funds and their securities.

## **17. VOTING CLIENT SECURITIES**

The Firm does not vote proxies for the Funds.

## **18. FINANCIAL INFORMATION**

The Firm does not solicit fees of more than \$1,200, per client, six months or more in advance.

Park Shore has no financial conditions that are reasonably likely to impair its ability to meet its contractual obligations to clients.

The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The Registrant's President, Dan Baer, remains available to address any questions regarding the above disclosures and arrangements at the address, email address or phone numbers listed on the cover of this brochure.**