

BROCHURE OF:

JCJ Capital Partners LLC

A Delaware Limited Liability Company registered with the Securities and Exchange Commission as an Investment Adviser (CRD # 150473)

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THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF JCJ CAPITAL PARTNERS LLC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT 480-994-8888/JWEISS@WEISSIPLAW.COM/CWEISS@WEISSIPLAW.COM.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”), NOR ANY STATE SECURITIES AUTHORITY HAS PASSED UPON THE ADEQUACY OR ACCURACY OF THIS BROCHURE. REGISTRATION AS AN INVESTMENT ADVISER DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING. ADDITIONAL INFORMATION ABOUT JCJ CAPITAL PARTNERS LLC ALSO IS AVAILABLE ON THE SEC’S WEBSITE AT WWW.ADVISERINFO.SEC.GOV.

The Date of this Brochure is

March 31, 2011

The delivery of the Brochure at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above. This Brochure will supersede all other such documents containing information about our Firm.

Material Changes to Brochure

There are no material changes to report regarding our advisory business.

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I. Part 2A – DISCLOSURE ITEMS ABOUT FIRM

Item 4. **General Information about Firm:**

(A) **Operational and Organizational Information:** JCJ Capital Partners LLC (“Firm”), a Delaware limited liability company, is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). Firm is affiliated with a law firm, Weiss & Moy, PC. As stated on the cover page of this brochure, registration as an investment adviser does not imply a level of skill or training. Firm has been in business since 2007. The principal owners of Firm are Craig R. Weiss and Jeffrey L. Weiss.

(B) **Types of Advisory Services Offered:** Firm provides investment management services to separately managed accounts according to the terms of its advisory agreement with such client. Firm may also provide investment management services relating to pooled investment vehicles (“Partnerships,” and each a “Partnership”), although none is being advised by Firm as of the date of this document. For separately managed accounts, Firm assists the client in determining its investment objectives and needs, and the account is managed in accordance with those objectives and needs. Advisory services include among other things, providing advice regarding asset allocation and the selection of investments. Decisions relating to investment advice are based on an analysis of the merits of the investment involved and on the investment guidelines and restrictions of the client. Note: for purposes of this Brochure, “Client” may include a pooled investment vehicle, investors in such a vehicle, and separate account clients.

Firm specializes in investing in companies that are involved in material patent infringement legal proceedings. Please review Firm’s investment guidelines, specified below under “Client Investment Guidelines and Parameters.”

(C) **Client Investment Guidelines and Parameters:** Advisory services include among other things, providing advice regarding asset allocation and the selection of investments. Decisions relating to investment advice are based on an analysis of the merits of the investment involved and on the investment guidelines and restrictions of the Client. Firm provides discretionary investment advisory services to all fee paying Client accounts. Firm may trade and invest in a wide variety of investments, domestic and foreign, of all kinds and descriptions, whether publicly traded or privately placed, including but not limited to common and preferred stocks, bonds and other debt securities, convertible securities, limited

partnership interests, mutual fund shares, options, warrants, futures, derivatives (including swaps, forward contracts and structured instruments), monetary instruments, other financial instruments, cash and cash equivalents. Firm is eligible to trade a limited amount of commodities or financial futures under a provision in the Commodity Exchange Act, as amended (“CEA”) that provides an exemption from registration as a commodity pool operator.

The following is a general description of the principal types of trades and investments which Firm currently contemplates engaging in, certain trading techniques that it may employ, the investment criteria that it plans to apply, and the guidelines that it has established regarding the composition of its investment portfolio. The following description is merely a summary and you should not assume that any descriptions of specific activities are intended in any way to limit the types of investment activities Firm may undertake: Firm plans to invest the majority of assets in companies that are involved in material patent infringement legal proceedings. Firm anticipates that most of the assets will be invested in publicly traded equity securities of companies with: (1) a micro market capitalization (“micro cap”) and a small market capitalization (“small cap”) ranging from \$20 million to \$2 billion; and (2) a mid market capitalization (“mid cap”) and large market capitalization (“large cap”) ranging from \$2 billion to \$10 billion, and \$10 billion plus, respectively. The investment strategy may also include options and use of leverage.

(D) **Wrap Fee Programs:** Firm does not participate in wrap fee programs.

(E) **Client Assets Under Management:** *(rounded to the nearest \$100,000)*

(i) Discretionary: \$50,000,000 as of March, 2011.

(ii) Non-discretionary: None.

Item 5. Fees and Compensation:

(A) In general, all fees are individually negotiated. Circumstances considered when negotiating fees may include, without limitation, customary market rates, specialized guidelines, and other performance/incentive fee arrangements with the Client.

Management fees for pooled investment accounts or separately managed accounts are calculated based on an annual percentage of the value of the assets under management.

In addition, Firm may collect incentive fees based on the performance of investments. Please refer to Item 6, below, for a more detailed description of performance or incentive fees, and related conflicts of interest.

- (B) **Management Fees:** Management fees for separately managed accounts are billed periodically as specified in the relevant investment services agreement or applicable pooled vehicle transaction document. Firm may receive an annual management fee based on each client's individually negotiated advisory agreement. In general, the management fee shall range between 1% to 3% of assets under management. Fees are typically charged either monthly or quarterly in arrears at the end of each month or quarter based on the account's market value.
- (C) **Additional Fees:** Clients may incur brokerage and other transaction costs, and Clients should review carefully Item 12, which discusses conflicts of interest related to brokerage practices. Brokerage commissions and/or transaction ticket fees charged by the custodian will be billed directly to the Client. Firm will not receive any portion of such commissions or fees from the custodian or Client. In addition, Clients may incur certain charges imposed by third parties other than Firm in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12(b)-1 fees, and surrender charges, and IRA and qualified retirement plan fees. Management and/or Performance fees charged by Firm are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to Clients. A description of these fees and expenses are available in each investment company security's prospectus.
- (D) **Fees Paid in Advance:** To date, all fees are paid in arrears.
- (E) **Additional Compensation of Supervised Persons:** No supervised person accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Termination of Services: Advisory services may be terminated in accordance with a Client's advisory agreement

Item 6. Performance Based Fees and Side-by-Side Management:

In addition to the management fee and pursuant to the advisory agreement, Firm and its clients may negotiate performance-based fees (“Performance Fee”) in their investment advisory agreement based upon a mutually agreed upon benchmark ranging between 10% and 30% of the net profits. Performance fees are payable in arrears. Clients who reside in the United States and who are charged Performance Fees are required to be qualified clients as defined under the Advisers Act.

In order for Firm to receive a Performance Fee, Firm must achieve capital appreciation within the account. Firm will charge Performance Fees in adherence to a high water mark, which means that no Performance Fee will be earned unless the performance exceeds the previously achieved high water mark where Performance Fees were charged. The high water mark will be used in order to prevent a scenario whereby Firm could receive a Performance Fee merely for recouping prior losses. A full description of the entire fee arrangement will be disclosed to the Client in such Client’s investment advisory agreement. Fees generally are deducted directly from the Client’s account, as specified in the relevant asset management agreement. Firm’s receipt of Performance Fees is intended to align Firm’s interests with those of Firm’s Clients, and, to provide Firm with a greater incentive to manage assets well. The nature of the Performance Fee, however, creates a potential conflict of interest between Firm, its associated persons, and Clients.

Such fees will be structured and charged in a manner consistent with the requirements of applicable law, including the Advisers Act and ERISA. An incentive fee arrangement may create an incentive for Firm to make investments that are riskier or more speculative than would be the case in the absence of a Performance Fee. Where any part of Firm’s compensation is based in part on the unrealized appreciation of securities or instruments for which market quotations are not readily available, Firm shall disclose how such securities or instruments will be valued and the extent to which the valuation will be determined independently. To the extent Firm values any such securities or instruments it has a conflict of interest as Firm will receive higher management fees and Performance Fees if it gives such securities and instruments a higher valuation. Firm does not represent that the amount of the Performance Fees or the manner of calculating the Performance Fees is consistent with other performance related fees charged by other investment advisers under the same or similar circumstances. The Performance Fees charged by Firm may be higher or lower than the Performance Fees charged by other investment advisers for the same or similar services.

Firm may receive increased compensation with regard to unrealized appreciation as well as realized gains in the Client's account, depending on the specific time periods and the nature of any preferred returns. Where any part of Firm's compensation is based in part on the unrealized appreciation of securities or instruments for which market quotations are not readily available, Firm shall disclose how such securities or instruments will be valued and the extent to which the valuation will be determined independently.

In addition, in the event that Firm manages an account from which it collects Performance Fees and also manages at the same time an account from which it does not collect fees other than Performance Fees, such as management fees, Firm has an incentive to favor accounts for which it receives the Performance Fee because it will receive a greater profit from the accounts which are charged Performance Fees. Therefore, Firm has an incentive to allocate investments that are expected to be more profitable to accounts from which it collects Performance Fees, on the one hand, and that are riskier on the other hand, since in both scenarios, Firm may receive greater fees if the investment generates a positive return.

Item 7. Types of Clients:

In general, the Firm provides advisory services to individuals, trusts, estates and/or charitable organizations, pension and profit sharing plans and certain corporations or business entities. For a separately managed account, Firm assists a client in determining its investment objectives and needs, and the account is managed in accordance with those objectives and needs. Advisory services include among other things, providing advice regarding asset allocation and the selection of investments. Decisions relating to investment advice are based on an analysis of the merits of the investment involved and on the investment guidelines and restrictions of the Client. Advisory Clients who reside in the United States and who are charged performance fees are required to be qualified clients as defined under the Advisers Act. To invest in a Partnership, Firm requires that investors qualify as accredited investors, as defined in Rule 501(a) of Regulation D, and qualified clients, as defined under Rule 205-3 of the Advisers Act, prior to an investment being made.

Firm requires a minimum initial investment amount of \$100,000 for separately managed accounts. The minimum additional investment amount that will be accepted from an existing investor is \$1,000,000.

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

Firm seeks to invest the majority of the assets in companies that are involved in material patent infringement legal proceedings.

Firm anticipates that most assets will be invested in publicly traded equity securities of companies with: (1) a micro market capitalization (“micro cap”) and a small market capitalization (“small cap”) ranging from \$20 million to \$2 billion; and (2) a mid market capitalization (“mid cap”) and large market capitalization (“large cap”) ranging from \$2 billion to \$10 billion, and \$10 billion plus, respectively. Firm’s investment strategy may also include options and use of leverage. Firm intends to restrict its focus to material events in material patent-related cases. Not every patent case is material, and not every event occurring in a case is important. The focus is on companies that have a reasonable expectation of producing above average returns. Generally, equities are purchased that Firm believes to be undervalued, and equities are sold short that Firm believes to be overvalued. Due to patent-related cases, companies may trade below or above intrinsic value. When the opportunity arises, Firm may invest in companies based upon certain legal situations or events, such as trial verdicts, rulings from summary judgment motions, reversal of court decisions from US appellate courts, licensing agreements or merger and acquisitions. These situations or events may also include investments which are based on market cycles and impact analysis. *Investing in securities involves risk of loss that Clients should be prepared to bear.*

(A) **Methods of Analysis and Investment Strategies:**

Market Volatility: The profitability of the investments chosen by Firm substantially depend upon Firm correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. Firm cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

(B) **Risks Associated with Firm’s Investment Strategies:**

Risks Associated with Investing in Options and Derivatives:

Firm may invest, from time to time, in options and derivative instruments, including buying and writing puts and calls on some of the securities held by Client accounts in an attempt to supplement income derived from those securities. The prices of many derivative instruments, including many options and swaps, are highly volatile. The value of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things,

interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The cost of options is related, in part, to the degree of volatility of the underlying securities, currencies or other assets. Accordingly, options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Put options and call options typically have similar structural characteristics and operational mechanics regardless of the underlying instrument or asset on which they are purchased or sold. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer the obligation to buy, the underlying security, commodity, index, currency or other instrument or asset at the exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument at the exercise price.

If a put or call option purchased on behalf of a Client account by Firm were permitted to expire without being sold or exercised, the Client account would lose the entire premium it paid for the option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying instrument or asset caused by rising interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold to the Firm on behalf of the Client account at a higher price than its current market value. The risk involved in writing a call option is that there could be an increase in the market value of the underlying instrument or asset caused by declining interest rates or other factors. If this occurred, the option could be exercised and the underlying instrument or asset would then be sold by the Firm on behalf of the Client account at a lower price than its current market value.

Purchasing and writing put and call options and, in particular, writing "uncovered" options are highly specialized activities and entail greater than ordinary investment risks. In particular, the writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying instrument or asset above the exercise price of the option. This risk is enhanced if the instrument or asset being sold short is highly volatile and there is a significant outstanding short interest. These conditions exist in the stocks of many companies. The instrument or asset necessary to satisfy the exercise of the call

option may be unavailable for purchase except at much higher prices. Purchasing instruments or assets to satisfy the exercise of the call option can itself cause the price of the instruments or assets to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by the Client account of all or a substantial portion of its assets.

Swaps and certain options and other custom instruments are subject to the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty.

Short Selling: When deemed appropriate by Firm, it will sell securities short on behalf of Client accounts. Short selling involves the sale of a security that the Client account does not own and must borrow in order to make delivery in the hope of purchasing the same security at a later date at a lower price. In order to make delivery to its purchaser, the Client account must borrow securities from a third party lender. The Client account subsequently returns the borrowed securities to the lender by delivering to the lender the securities it receives in the transaction or by purchasing securities in the open market. The Client account must generally pledge cash with the lender equal to the market price of the borrowed securities. This deposit may be increased or decreased in accordance with changes in the market price of the borrowed securities. During the period in which the securities are borrowed, the lender typically retains his right to receive interest and dividends accruing to the securities.

Risks Associated with Leverage: When Firm believes that the use of leverage is appropriate in its investment program, Firm may use borrowed funds and/or investments in certain types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent Firm purchases securities for a Client account with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of an account. If the interest expense on borrowings were to exceed the net return on the investments made with borrowed funds, Firm's use of leverage

would result in a lower rate of return than if an account was not leveraged.

If the amount of borrowings outstanding for a Client account at any one time is large in relation to such account's capital, fluctuations in the market value of the account will have disproportionately large effects in relation to the account's capital and the possibilities for profit and the risk of loss will therefore be increased. Any investment gains made with the additional monies borrowed will generally cause the net asset value of a Client account to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies borrowed fails to cover their cost to a Client account, the net asset value of the account will generally decline faster than would otherwise be the case.

Certain of Firm's trading and investment activities may be subject to U.S. Federal Reserve Board ("FRB") margin requirements, which are computed daily. At present, the FRB's Regulation T permits a broker to lend no more than 50% of the purchase price of "margin stock" bought by a customer. When the market value of a particular open position changes to a point where the margin on deposit does not satisfy maintenance margin requirements, a "margin call" on the customer is made. If the customer does not deposit additional funds with the broker to meet the margin call within a reasonable time, the customer's position may be closed out. In the event of a precipitous drop in the value of the assets managed by Firm, Firm might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices, incurring substantial losses. With respect to Firm's trading activities on behalf of a Client account, the account, and not Firm, will be subject to margin calls.

Overall, the use of leverage, while providing the opportunity for a higher return on investments, also increases the volatility of such investments and the risk of loss. Clients should be aware that an investment program utilizing leverage is inherently more speculative, with a greater potential for losses, than a program that does not utilize leverage.

Risks Associated with Concentration of Investments. Firm is not subject to any formal policies regarding diversification. However, Firm intends to invest a majority of assets in companies that are involved in material patent infringement legal proceedings. Firm may sometimes concentrate holdings in industries,

geographic regions or companies which, in light of investment considerations, market risks and other factors, Firm believes will provide the best opportunity for attractive risk-adjusted returns. The concentration of assets in a small number of issuers, in any one industry or a small number of industries, and the focus on companies that are involved in material patent infringement legal proceedings would subject clients to a greater degree of risk with respect to the failure of one or a few investments or with respect to economic variations in relation to such industry or industries.

Patent Litigation. There can be no assurance that the Firm will be able to accurately predict the outcome of any material patent litigation proceedings. Even if the Firm is able to do so, there can be no assurance that the Firm will choose to invest in the company in question; or even if the Firm does so invest, it is possible that the investment may be unprofitable due to factors affecting the investment other than the patent litigation proceeding.

- (C) **Security-Specific Risks:** Please see the response to Item 8(B), above.

Item 9. Disciplinary Information:

Neither Firm nor any supervised person has been involved in any legal or disciplinary event that is material to a client's or prospective client's evaluation of Firm's advisory business or management as indicated in the responses to Item 9(A) – 9(C), below.

- (A) A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which Firm or a management person:
1. Was convicted of, or pled guilty or nolo contendere (“no contest”) to: (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses. **Not Applicable.**
 2. Is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses. **Not Applicable.**
 3. Was found to have been involved in a violation of an investment-related statute or regulation. **Not Applicable.**

4. Was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order. **Not Applicable.**

(B) An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which Firm or a management person:

1. Was found to have caused an investment-related business to lose its authorization to do business. **Not Applicable.**
2. Was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority:
 - (a) Denying, suspending, or revoking the authorization of Firm or a management person to act in an investment-related business. **Not Applicable.**
 - (b) Barring or suspending Firm's or a management person's association with an investment-related business. **Not Applicable.**
 - (c) Otherwise significantly limiting Firm's or a management person's investment-related activities. **Not Applicable.**
 - (d) Imposing a civil money penalty of more than \$2,500 on Firm or a management person. **Not Applicable.**

(C) A self-regulatory organization (SRO) proceeding in which Firm or a management person:

1. Was found to have caused an investment-related business to lose its authorization to do business. **Not Applicable.**
2. Was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

Not Applicable.

Item 10. Other Financial Industry Activities and Affiliations:

- (B) Neither Firm nor its management persons has existing or pending affiliations with a broker-dealer or registered representative of a broker-dealer.
- (B) Firm has an arrangement that is material to its business with Weiss & Moy, P.C., which is a law firm that provides Firm with attorney reports from the court rooms. Firm relies on the timing of these reports as one source of information on which it bases its investment decisions. Craig Weiss and Jeffrey Weiss, Managing Members of Firm, are both affiliated with Weiss & Moy, P.C. Firm has no other financial industry affiliations, such as with a broker-dealer, Futures Commission Merchant (FCM), Commodity Pool Operator (CPO), Commodity Trading Advisor (CTA) or other investment adviser.
- (C) Firm and/or its management persons have a relationship or arrangement that is material to its advisory business or to its clients with the related persons as discussed below.
 - 1. Broker-dealer, municipal securities dealer, or government securities dealer or broker. **Not Applicable.**
 - 2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund). **Not Applicable except as discussed at Item 4.(A)**
 - 3. Other investment adviser or financial planner. **Not Applicable.**
 - 4. Futures commission merchant, commodity pool operator, or commodity trading advisor. **Not Applicable.**
 - 5. Banking or thrift institution. **Not Applicable.**
 - 6. Accountant or accounting firm. **Not Applicable.**
 - 7. Lawyer or law firm. **Not Applicable.**
 - 8. Insurance company or agency. **Not Applicable.**
 - 9. Pension consultant. **Not Applicable.**
 - 10. Real estate broker or dealer. **Not Applicable.**
 - 11. Sponsor or syndicator of limited Funds. **Not Applicable.**
- (D) Does Firm recommend or select other investment advisers for your clients and receive compensation from those advisers that creates a conflict of interest? Does Firm have other business relationships with such advisers that create a conflict of interest? If so, describe

all conflicts of interest and how Firm will address them. **Not Applicable.**

Item 11. Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading:

A copy of the code of ethics (the “Code of Ethics”) is available upon request to Clients or prospective Clients.

- (A) **Code of Ethics:** The Code of Ethics is based upon the premise that all Firm personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory service. The Code of Ethics requires all personnel to (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of Firm; (3) observe Firm's personal trading policies so as to avoid “front-running” and other conflicts of interests between Firm 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 Firm’s Chief Compliance Officer and that personnel who violate the Code of Ethics are subject to sanctions by Firm, up to and including termination.

Other Policies and Procedures of Firm

1. **Activities of Firm and its Affiliates:** Neither Firm, nor any affiliate or employee, is required to manage client accounts as its sole and exclusive function. Each of them may engage in other business activities, including competing ventures and/or other unrelated employment. In addition to managing client accounts, Firm, and its respective affiliates or employees may provide investment advice to other parties and may manage other accounts in the future.
2. **Trade Error Policy:** Firm has internal controls in place to prevent trade errors from occurring. On those occasions when such an error nonetheless occurs, Firm will use reasonable efforts to correct the error. If the error cannot be corrected, Firm does not intend to make any adjustment, regardless of whether the error works to the benefit or detriment of the Partnership. Firm will endeavor to maintain a record of each trade error, including information about the trade and how such error was corrected or attempted to be corrected.
3. **Privacy Policy:** Firm has adopted a privacy policy that explains the manner in which Firm collects, utilizes and

maintains nonpublic personal information about clients, as required under federal legislation.

Collection of Information and Disclosure of Nonpublic Personal Information: To provide clients with superior service, Firm may collect several types of nonpublic personal information about clients, including:

- Information from forms that clients may fill out, such as subscription forms, questionnaires and other information provided by clients 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;
- Information clients may give orally;
- Information about transactions within Firm, including account balances, investments and withdrawals;
- Information about the amount clients have invested, such as initial investment and any additions to and withdrawals from an investment in the Partnership; and
- Information about any bank accounts clients may use for transfers to or from managed accounts.

Firm does not sell or rent client information. Firm uses this information to conduct business with its clients; to develop or enhance its products and services; to understand the financial needs of its clients so that Firm can provide such clients with quality products and superior service; and to protect and administer its clients' records, accounts and funds. Firm does not disclose nonpublic personal information about its clients to nonaffiliated third parties or to affiliated entities, except as permitted or required by law. For example, Firm may share nonpublic personal information in the following situations:

- To service providers in connection with the administration and servicing of Firm; this may include attorneys, accountants, auditors and other professionals. Firm may also share information in connection with the servicing or processing of Partnership transactions;
- To affiliated companies in order to provide clients with ongoing personal advice and assistance with respect to the

products and services clients have purchased through Firm and to introduce clients to other products and services that may be of value to such clients;

- 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; and
- Upon consent of a client to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the client.

Protection of Information:

Firm's policy is to require that all employees, financial professionals and companies providing services on its behalf keep client information confidential.

Firm maintains safeguards that comply with federal standards to protect client information. Firm restricts access to the personal and account information of clients to those employees who need to know that information in the course of their job responsibilities. Third parties with whom Firm shares client information must agree to follow appropriate standards of security and confidentiality. Firm's privacy policy applies to both current and former clients. Firm may disclose nonpublic personal information about a former client to the same extent as for a current client.

Opt Out Provision: Please be advised that clients have the right to "opt out" of the information sharing as set forth above.

- (B) In investment funds where Firm will serve as general partner and/or investment adviser, Firm may make investments in those funds available to qualified clients whose investment strategies are consistent with those of the investment funds. Firm does not intend to advise clients as to the appropriateness of investing in such private investment funds, and Firm will not receive any compensation for doing so (except to the extent that Firm 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 Firm and such private investment funds, Firm could be considered to have recommended

the investment should a person who is otherwise a client of Firm invest.

Personnel of Firm may trade in the same securities traded for advisory clients. However, it is the policy of Firm not to give preference to orders for personnel associated with the firm regarding such trading. Firm and its employees (collectively for the purposes of this paragraph, "Firm") 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 Firm on the same day, either the clients and Firm will pay or receive the same price, or the clients will receive the more favorable price. Firm may also buy or sell a specific security for their own account based on personal investment considerations, which Firm does not deem appropriate to buy or sell for clients.

Participation or Interest in Client Transactions: Firm recognizes that the personal securities transactions of its employees demand the application of a high code of ethics, and Firm requires that all such transactions be carried out in a way that does not endanger the interest of any Client. At the same time, Firm believes that if investment goals are similar for Clients and for employees of Firm, it is logical and even desirable that there be common ownership of some securities. Therefore, in order to address conflicts of interest, Firm has adopted a set of procedures, included in its Code of Ethics, with respect to transactions effected by its officers, directors and employees (hereafter, "Employees") for their personal accounts. In order to monitor compliance with its personal trading policy, Firm has adopted a quarterly securities transaction reporting system for all of its Employees. For purposes of the policy, an Employee's "personal account" generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls, including Firm's Client accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest.

Associated persons of Firm may recommend to Clients the purchase or sale of investment products in which it or a related person may have some financial interest, including but not limited to, the receipt of compensation. Records will be maintained of all securities bought and sold by associated persons and related persons.

Additionally, the Code of Ethics sets forth Firm's policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary duties that Firm and each of its Employees has to each of its Clients. The Code of Ethics is circulated at least annually to all Employees, and each Employee, at least annually must certify in writing that he or she has received and followed the Code of Ethics and any amendments thereto.

- (C) Firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that Firm or a related person recommends to clients.

See our response to Item 11(B), above.

- (D) Firm or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that Firm or a related person buys or sells the same securities for its own (or the related person's own) account.

See our response to Item 11(B), above.

Item 12. Brokerage Practices:

The factors that Firm considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation are described below:

- (A) **Factors Considered in Selecting or Recommending Broker-Dealers:** Securities transactions for clients are executed through brokers selected by Firm in its sole discretion and without the consent of clients, unless, if specified in the applicable investment management agreement, a particular separately managed account client is authorized to instruct Firm to execute some or all securities transactions for its account with or through one or more brokers designated by such client (please see Item 12.(A)3.(b) below). In placing portfolio transactions, Firm will seek to obtain best execution, 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 and the efficiency of error resolution, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; special execution capabilities; clearance; settlement; reputation; on-line pricing; block trading and block positioning capabilities; willingness to execute related or unrelated

difficult transactions in the future; order of call; on-line access to computerized data regarding clients' accounts; performance measurement data; the quality, comprehensiveness and frequency of available research and related services considered to be of value; the availability of stocks to borrow for short trades; and the competitiveness of commission rates in comparison with other brokers satisfying Firm's other selection criteria.

1. **"Soft Dollar" Policy:** In addition to research services, Firm may be offered other non-monetary benefits by broker-dealers that it may engage to execute securities transactions on behalf of clients. 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, quotation equipment and services, the availability of stocks to borrow for short trades, custody, travel, record keeping and similar services. These other services may also include payment of all or a portion of the clients' or Firm's or its affiliates' administrative costs and expenses of operation, such as: office rent; office equipment and supplies; utilities (e.g., electricity, gas, oil, water); taxes; storage; employee salaries, *including, but not limited to*, bonuses, contingent salaries, and any other form of compensation determined by Firm, and benefits (including medical, dental and worker's compensation insurance); temporary help; recruiting services; newswire and quotation equipment and services (e.g., Reuters, Bloomberg, Bridge, First Call); data processing charges; periodical subscription fees (e.g., The Financial Times, The Wall Street Journal, The New York Times, Investors Business Daily); computer equipment used for brokerage or research purposes (e.g., computers, computer hardware, software, hard drives, monitors, PDAs, LANs) and related technical support, repair and maintenance; television and cable services used for research purposes; telephone and facsimile charges, equipment and installation and maintenance costs (e.g., telephones, telephone leases, telephone and facsimile lines, cellular phones used for business purposes, telephone call recording equipment, headsets, cordless phones, speaker phones, telephone switchboards and monthly and long distance telephone charges); facsimile machines and facsimile rental

and repair costs; account record-keeping and related clerical services; printing services; messenger services; postal and courier expenses; car service; 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; placement fees and other marketing costs; legal and accounting fees; and other reasonable expenses as determined by Firm.

The foregoing benefits may be available for use by Firm in connection with transactions in which clients will not participate. The availability of these benefits may influence Firm to select one broker rather than another to perform services for clients. Nevertheless, Firm will attempt to assure either that the fees and costs for services provided to clients by brokers offering these benefits are not materially greater than they would be if the services were performed by equally capable brokers not offering such services or that clients also will benefit from the services.

Firm has the option to use “soft dollars” generated by clients to pay for the research and non-research related services described above. The term “soft dollars” refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of brokerage commission revenues generated from securities transactions executed through those brokers on behalf of the investment adviser’s clients. 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 adviser in the performance of investment decision-making responsibilities. In the event Firm elects to use its soft dollars for payment of all or a portion of Firm’s or its affiliates’ administrative costs and expenses of operation such as office rent, office equipment and supplies, utilities, employee benefits and salaries, newswire and quotation equipment, data processing charges, periodical subscription fees, computer equipment, telephone and facsimile charges and equipment

costs, record-keeping services, consulting fees, issuer due diligence expenses, placement fees and other marketing costs, and legal and accounting fees, as more fully described above, such uses of soft dollars are not within the safe harbor afforded by Section 28(e) of the Exchange Act.

The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of Firm or its affiliates creates a conflict of interest between Firm and clients because the clients pay for such products and services that are not exclusively for the benefit of clients and that may be primarily or exclusively for the benefit of Firm. To the extent that Firm is able to acquire these products and services without expending its own resources (including management fees paid by clients), Firm's use of soft-dollars would tend to increase Firm's profitability. In addition, the availability of these non-monetary benefits may influence Firm to select one broker rather than another to perform services for clients. Firm has an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on a client's interest in receiving the most favorable execution. Moreover, Firm may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits. In the event that Firm uses soft dollar benefits, Firm will use such benefits to service all client accounts rather than only those accounts that paid for the benefits.

Firm reserves the right to pay a fee or commission, in its sole discretion, to brokers or other persons who introduce clients to Firm, provided that any such fee or commission will be paid solely by Firm or its affiliates and no portion thereof will be paid by clients.

- (a) When Firm uses Client brokerage commissions (or markups or markdowns) to obtain research or other products or services, Firm receives a benefit because Firm does not have to produce or pay for the research, products or services. *Please refer to Item 12.(A)(1).*
- (b) Firm may have an incentive to select or recommend a broker-dealer based on Firm's interest in receiving the research or other products or services, rather

than on Clients' interest in receiving most favorable execution. *Please refer to Item 12.(A)(1).*

- (c) Firm may cause Clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up). *Please refer to Item 12.(A)(1).*
- (d) Firm may use soft dollar benefits to service all Clients or only those Clients that paid for the benefits. Firm may or may not seek to allocate soft dollar benefits to Clients proportionately to the soft dollar credits the accounts generate. *Please refer to Item 12.(A)(1).*
- (e) The types of products and services Firm or any related persons acquired with Client brokerage commissions (or markups or markdowns) within Firm's last fiscal year were: *Please refer to Item 12.(A)(1).*
- (f) The procedures Firm used during its last fiscal year to direct transactions to a particular broker-dealer in return for soft dollar benefits Firm received were: *Please refer to Item 12.(A)(1).*

2. Brokerage for Client Referrals:

- (a) Firm reserves the right to pay a fee or commission, in its sole discretion, to brokers or other persons who introduce clients to Firm, provided that any such fee or commission will be paid solely by Firm or its affiliates and no portion thereof will be paid by clients. As a result, Firm may have an incentive to select or recommend a broker based on Firm's interest in receiving client referrals rather than on clients' interest in receiving most favorable execution. Because such referrals, if any, are likely to benefit Firm but will provide an insignificant (if any) benefit to clients, Firm will have a conflict of interest with clients when allocating client brokerage business to a broker who has referred investors to a client [and/or the Partnership]. To prevent client brokerage commissions from being used to pay referral fees, Firm will not allocate

client brokerage business to a referring broker unless Firm determines in good faith that the commissions payable to such broker are not materially higher than those available from non-referring brokers offering services of substantially equal value to clients.

- (b) The procedures used during the last fiscal year to direct client transactions to a particular broker-dealer in return for Client referrals were: *Please refer to Item 12.(A)(2)a.*

3. **Directed Brokerage:**

Firm may also direct some of brokerage business to brokers who refer prospective investors to Partnership. Because such referrals, if any, are likely to benefit Firm, the General Partner and their affiliates but will provide an insignificant (if any) benefit to Clients, Firm may have a conflict of interest with when allocating brokerage business to a broker who has referred investors to the Firm. To prevent brokerage commissions from being used to pay investor referral fees, Firm will not allocate brokerage business to a referring broker unless Firm 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 Firm. Please also refer to the response to Item 12(A) above:

- (a) Firm does not recommend, request or require a Client to direct Firm to execute transactions through a specified broker-dealer.
- (b) Firm does not permit a Client to direct Firm to execute transactions through a specified broker-dealer.

- (B) **Aggregation of Orders:** Transactions implemented by Firm for accounts may be effected independently or on an aggregated basis. Firm anticipates that frequently it will decide to purchase or sell the same securities for several clients at approximately the same time. Firm will aggregate orders when it believes aggregation may prove advantageous to clients. When Firm aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better

execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and execution cost and will be allocated among Firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. When Firm aggregates client orders for the purchase or sale of securities, including securities in which its associated person(s) may invest, Firm will do so in a fair and equitable manner. It should be noted that Firm does not receive any additional compensation or remuneration as a result of aggregation.

Allocation of Trades: Firm may at times determine that certain securities will be suitable for acquisition by clients and by other accounts managed by Firm, possibly including Firm's own accounts or accounts of an affiliate. If that occurs, and Firm is not able to acquire the desired aggregate amount of such securities on terms and conditions which Firm deems advisable, Firm will endeavor in good faith to allocate the limited amount of such securities acquired among the various accounts for which Firm considers them to be suitable. Firm 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.

Item 13. Review of Accounts:

- (A) All separately managed accounts are reviewed on at least a monthly basis by Craig Weiss to assure conformity with client objectives and guidelines. In addition, all accounts are reviewed in light of emerging trends and developments as well as market volatility. Clients are responsible for keeping Firm informed as to any changes in their personal financial condition. Firm cannot make any material changes to a client's portfolio if it is not informed of a client's particular developments.
- (B) The calendar is the main triggering factor of a review of an account, although more frequent reviews may also be triggered by changes in a client's circumstances, client request, or unusual market activity. Clients may be contacted periodically by Firm to discuss the management and performance of their Account.

- (C) Monthly, quarterly and/or annual reports covering separately managed account holdings and activity will be provided by the Firm and/or qualified custodian brokers selected by the Firm. These reports, including trade confirmations and/or monthly statements, will typically identify the account holdings and a current valuation of such holdings.

Item 14. Client Referrals and Other Compensation:

- (A) Firm does not receive, from any non-Client, any economic benefit associated with advising Clients.
- (B) As indicated above in Item 12(B), Firm currently does not use independent third party solicitors to refer clients. However, in the event that Firm uses such brokers or finders in the future, Firm may pay a portion of its advisory fees to such solicitors, in accordance with the Investment Advisers Act of 1940.

Item 15. Custody:

The Firm maintains client funds and securities at qualified custodians. Clients are urged to compare statements that are received from the qualified custodian to statements received directly from Firm

Item 16. Investment Discretion: Firm has discretionary investment authority over Client assets that are managed by Firm.

Item 17. Voting Client Securities – Proxy Policy:

- (A) Firm does not intend to vote proxies on behalf of clients. Clients for whom Firm votes proxies can request to have a record of how Firm voted proxies on their behalf and request a copy of Firm's proxy voting procedures.
- (B) Firm's general policy is to not vote proxies on behalf of separately managed account clients, unless specifically negotiated and set forth in the individual client agreement. In the absence of such an agreement whereby Firm does vote proxies, it is the responsibility of each such client to vote all proxies for securities held in the separate account. Separate account clients will receive proxies directly via their preferred delivery method, which is established at the time that the client opens the account with Firm. It is the responsibility of each client to vote all proxies for securities held in managed accounts. Clients will receive proxies directly via their

preferred delivery method which is established at the time that they open a client account with Firm.

Item 18. Financial Information:

- (A) Firm does not solicit prepayment of any fees.
- (B) Because Firm has discretionary authority over and/or custody of Client funds or securities, Firm has disclosed, as follows, any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients: None.
- (C) Firm has not been the subject of a bankruptcy petition during the past ten years.

Item 19. Requirements for State-Registered Investment Advisers: Not Applicable.