

**Form ADV: Part 2A
Firm Brochure**

METROPOLITAN EQUITY PARTNERS

70 East 55th Street, 15th Floor
New York, NY 10022

(212) 561-1250
compliance@metropolitanequity.com
www.metropolitanequity.com

January 6, 2014

This brochure provides information about the qualifications and business practices of Metropolitan Equity Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (212) 561-1250 or compliance@metropolitanequity.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Item 2: Material Changes

- i) The Firm is transitioning from state to federal investment adviser registration
- ii) Firm Assets under Management have risen to \$94.3 million

Item 3: Table of Contents

Item 2: Material Changes	2
Item 4: Advisory Business	4
Item 5: Fees and Compensation	5
Item 6: <i>Performance-Based Fees</i> and Side-by-Side Management	5
Item 7: Types of Clients.....	6
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9: Disciplinary Information	6
Item 10: Other Financial Industry Activities and Affiliations	6
Item 11: Code of Ethics, Participation or Interest in <i>Client</i> Transactions and Personal Trading ...	6
Item 12: Brokerage Practices	7
Item 13: Review of Accounts	7
Item 14: <i>Client</i> Referrals and Other Compensation.....	7
Item 15: <i>Custody</i>	7
Item 16: Investment Discretion.....	8
Item 17: Voting <i>Client</i> Securities	8
Item 18: Financial Information	8
Item 19: Requirements for State-Registered Advisers.....	8

Item 4: Advisory Business

Metropolitan Equity Partners LLC (“Metropolitan” or “Registrant”) is a New York-based private equity investment manager and an SEC Registered Investment Adviser. Metropolitan is a special situation investor and sector generalist focused on lower middle market US-based companies. Metropolitan’s principles Paul K. Lisiak and Adrian G. Blumfield have been investing together for over 13 years. Metropolitan Venture Partners was founded in 1999 with backing from the Man Group, plc. and a New York-based family office. Re-launched in 2008, as Metropolitan Equity Partners, the Firm’s principals have invested over \$2m of their own capital and reinvested revenue into Metropolitan to establish its successful track record and reputation, investment team and scalable infrastructure, and portfolio of principal investments and equity participations. In early 2013, Metropolitan formed *Partners Fund II* (“PFII” or “Fund”) its first blind pool of capital.

Metropolitan employs a special situation investment strategy to find unique investment opportunities often overlooked by other asset management firms. Metropolitan seeks to fill the void created by overly restrictive investment parameters of traditional private equity firms and lending institutions. Metropolitan seeks fundamentally strong investment opportunities that require a creative, business-focused approach and expertise to execute well-structured financial solutions. Metropolitan often works with companies to devise and implement strategy being welcomed by Company management, shareholders and lenders alike.

In raising investment capital, Metropolitan offers a traditional “Fund” structure as well as the flexibility of deal-by-deal private investments opportunities to high net worth individuals and family offices who desire greater transparency into their private investment allocations than that offered by traditional private equity managers. We offer stand-alone investment opportunities to Investors through special purpose vehicles where each Investor determines whether or not to participate without any obligation. Our current investor base is loyal and we are now selectively expanding the investor group, with a focus on family offices.

Since early 2008, Metropolitan has completed 21 investments, successfully exited seven, had one write-down and has exited two investments with *de minimis* profit or loss. Metropolitan has raised over \$120 million into private special purpose vehicles from over 150 investors, investing into a portfolio of companies often transacting with or alongside notable private equity firms, hedge funds and family offices with dedicated private investment divisions. As of December 31, 2013 Metropolitan had \$94.3 million under management on a discretionary basis.

Metropolitan serves as the investment adviser to private investment funds. It manages private funds that generally make direct investments in privately held companies. From time to time, Metropolitan is engaged to provide general business consulting to these companies prior to, and occasionally subsequent to, forming the private investment funds that will eventually invest in them. As

compensation for these consulting engagements, Metropolitan normally receives a fixed monthly fee and may also receive equity in these companies in the form of warrants.

Newly created private funds ("Funds") are organized as Delaware limited partnerships with investors ("Investor") executing limited partnership agreements with Metropolitan, or an affiliate, serving as the General Partner for the investment vehicle. The Funds are not registered under the Investment Company Act of 1940.

The Funds are structured as long-term investment vehicles with expiration terms provided in the organizational documents for each fund, usually upon termination of the last underlying investment.

Metropolitan may also, from time to time, provide consulting services consisting of investment analysis, strategic planning and general business advice for small or private companies and high net worth individuals. Compensation generally takes the form of a fixed fee, charged in arrears, with the arrangement usually being of a set duration and terminable at will. Equity warrants may also be included in the compensation arrangements.

Item 5: Fees and Compensation

Metropolitan's management fee is typically 2% per annum based on capital under management. This fee may be deducted from clients' initial capital contribution or it may be deducted from the Funds' gross returns prior to making distributions to Investors.

In addition, typically Metropolitan will be compensated under a performance-based arrangement in compliance with Rule 205-3 under the Investment Advisers Act of 1940. In such instances, Metropolitan is generally entitled to receive a carried interest or incentive allocation of 15%-20% of profits on distributions derived from the disposition of investments or securities, subject to a cumulative annual hurdle rate that may vary from 8% to 18%, calculated on the basis on each Investor's contributed capital. Performance arrangements may create an incentive for Registrant to make riskier or more speculative investments than would be made under a different fee arrangement.

As described above in Item 4, Metropolitan may also receive fixed monthly fees for general consulting services rendered to both corporate and high net worth individual clients.

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

As described above in Item 5, in addition to management fees charged as a percentage of assets under management, typically, Metropolitan will also be compensated under a performance-based arrangement in compliance with Rule 205-3 under the Investment Advisers Act of 1940. In such instances, Metropolitan is generally entitled to receive a carried interest or incentive allocation of 15%-20% of profits on distributions derived from the disposition of investments or securities,

subject to a hurdle rate, typically 8%-10%, cumulatively on an annual basis on each investor member's contributed capital. Performance arrangements may create an incentive for Registrant to make riskier or more speculative investments than would be made under a different fee arrangement.

Item 7: Types of Clients

Today, all of Metropolitan's investment advisory clients are special purpose vehicles.

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

Metropolitan's approach to investing is to seek to facilitate business growth through a combination of working closely with company ownership and management, and structuring an investment best suited to the developing needs of the business. The wealth created by such a process is the source of the profits we return to our investors. As such these profits result from unique special situations, and are not correlated with stock or bond markets, nor do they rely on trends or on prevailing macroeconomic conditions.

Metropolitan exclusively uses fundamental analysis to make investment allocations on our clients' behalf. This analysis includes but is not limited to: extensive industry and competitive reviews; analysis based on financial models of projected operational results; examination of target investment companies' managerial capabilities and operational processes; relevant capital markets transactions; comparable sectors and industries; third-party provided background reports; and asset valuations.

Item 9: Disciplinary Information

None

Item 10: Other Financial Industry Activities and Affiliations

None

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

From time to time, Metropolitan may receive an equity interest in a company as part of the compensation associated with general business consulting services provided to such company. Subsequently, a new special purpose vehicle may be formed for the sole purpose of investing in the aforementioned company and become an advisory client. In this way, Metropolitan may buy or sell for itself securities that it also recommends to clients.

When Metropolitan holds an equity position as described above, it is fully disclosed in the confidential offering memoranda provided to outside investors.

Metropolitan has a Code of Ethics that aims to put the interests of its clients before its own and directs all associated parties to act honestly and fairly with all clients, in addition to complying with all federal securities laws and applicable state laws.

Upon request, a copy of the Code of Ethics is available to all clients and prospective clients.

Item 12: Brokerage Practices

Metropolitan Equity Partners does not engage broker-dealers in its transactions.

Item 13: Review of Accounts

Metropolitan has an established investment committee that continuously reviews the investments made by its clients and meets to discuss the performance of these investments at least once per month. The members of the investment committee include both of the managing partners of the firm, Paul Lisiak and Adrian Blumfield, who may, from time to time, invite other principals of the Company to participate in the meetings.

On a quarterly basis, a letter is sent to all of the Investors in our advisory clients. These letters describe the recent performance of the investments made by each advisory client and other business and economic conditions that may affect the on-going performance of these investments.

Item 14: *Client* Referrals and Other Compensation

From time to time, Metropolitan will compensate a third-party for introducing an individual or entity that becomes an investor member of one of our clients. This compensation takes the form of a portion of the carried interest that is received by Metropolitan, as the manager of the investment vehicle, our client, in the event that the investment is successful. No immediate cash compensation is made.

Item 15: *Custody*

Metropolitan retains custody of both cash and the contractual ownership interests of its clients, the individual special purpose vehicles. Account statements are generated for and distributed to the Investors in our clients on a quarterly basis.

Item 16: Investment Discretion

Metropolitan has investment discretion that is defined in the individual operating agreements of each of the special purpose vehicles it manages.

Item 17: Voting *Client* Securities

Metropolitan, as the managing member of the special purpose vehicles, exercises the voting rights associated with the securities held by its clients. In making voting decisions, Metropolitan seeks to protect the value of its clients' assets to the best of its ability, based on the information available at the time of exercise. Metropolitan also may exercise conversion rights associated with debt instruments; and, may exercise rights associated with warrants and/or options granted as part of an investment.

Item 18: Financial Information

Metropolitan is not required to include a balance sheet because it does not require or solicit the payment of fees six months or more in advance. Pine Street also has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients nor has it been the subject of a bankruptcy proceeding