

Item 1 Cover Page

LC ADVISORS, LLC

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This brochure provides information about the qualifications and business practices of LC Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 650.482.5255 or info@lc-advisors.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.

Additional information about LC Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

Not applicable. This ADV Part 2A is the initial filing for LC Advisors, LLC (the Advisor) and as such there are no material changes at this time.

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Item 4 Advisory Business

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

The Advisor was formed in November 2010 and became a registered SEC investment advisor on November 19, 2010

The Advisor is a wholly-owned subsidiary of LendingClub Corporation which is the issuer of the securities purchased by the Advisor on behalf of its clients.

The Advisor seeks to provide high net worth and institutional clients a more complete investment solution to invest in Lending Club member payment dependent notes than Lending Club's self-directed platform.

The principal owner of the Advisor is LendingClub. The principal owners of Lending Club are:

- Norwest Venture Partners
- Cannan Partners

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

The Advisor will offer and manage separately managed accounts and private funds to make investments through the Lending Club platform. The Advisor believes that its portfolio management services offer its clients an efficient and time effective way to gain direct exposure to consumer loans with fixed income portfolio benefits.

We anticipate that it will take from one to three months to fully invest a client's account dependent upon their risk/return targets and the size of the account. Client assets are invested as inventory becomes available on the Lending Club platform.

The Advisor's portfolio management process begins with the Investment Policy Committee (the IPC). The IPC consists of three members: Joseph L. Toms, Managing Director of the Advisor, Carrie Dolan Chief Financial Officer of Lending Club, and Jason Altieri the General Counsel of Lending Club. The Advisor believes that these three individuals bring distinct and relevant experience to the IPC for the benefit of the Advisors' clients. The Advisor believes that these three individuals provide in-depth investment, operational and compliance expertise that helps ensures clients' assets are properly managed to their stated investment goals.

The IPC meets monthly to review client accounts to insure they are aligned with the client objectives, review cash balances and timing of re-investment if clients have elected to do such, and to review any outstanding investment, operational or compliance related issues. The IPC also reviews performance on a monthly basis.

The Advisor only offers investment advice on member payment dependent notes issued by its parent company, LendingClub Corporation. These notes are special, limited, unsecured obligations of LendingClub. LendingClub is only obligated to make a payment on any note to the extent that the borrower underlying the note makes a payment to LendingClub. Each payment received by LendingClub on a note is subject to a 1% servicing fee which LendingClub takes from the payment. Lending Club has agreed to waive this fee for clients of the Advisor. The notes have limited liquidity and are only sold on a secondary market operated by FOLIO*fn* Investments, Inc. (FOLIO*fn*), an unaffiliated party and registered broker dealer. See the greater discussion of the secondary market and Folio*fn* below.

Currently, the Advisor does not offer advice on any other investment products.

To seek to ensure a fair and equitable allocation of asset inventory to clients and self-directed investors on Lending Club's platform, a weekly calculation is performed that takes the sum of (A) available investable cash for the Advisor and (B) the amount of demand for self-directed investors, which equals the self-directed investment amount in the prior week and divides this total amount by the total anticipated demand of the all potential investors ((A) + (B) above) to determine a percentage allocation available to the Advisor's clients and self directed investors. There is no guarantee that the described calculation will actually be equitable or that all account types actually will be treated fairly. Any loan request that has been listed for more than 7 calendar days will not be subject to the foregoing allocation restrictions.

With respect to the Advisor's clients, all accounts with the same criteria are sought to be treated equally such that any allocation is divided amongst each account based on the percentage they represent of the total the Advisor's client cash available for investment. There is no guarantee that all accounts actually will be treated equally.

At times, the inventory on Lending Club's platform will not be sufficient to invest all of a client's assets, with the result being that investable cash will be held until enough inventory is available to deploy the available cash as directed by the client.

The Advisor will not sell assets for its clients unless expressly directed to by the managed account client. If the Advisor is directed to sell a managed account client's assets, the managed account client, in consultation with the Advisor, will be responsible for setting the price and terms of the transaction and the Advisor will only administer the transaction on behalf of the managed account client.

Given the limited nature of the secondary market for the notes, operated by FOLIO*fn* a registered broker-dealer, there is no guarantee that that the requested notes can be sold or will be sold at the price requested by the client or in a timely manner.

Currently, the only costs payable by the client in respect to selling their notes on the trading platform operated by Foliofn are the fees charged by the registered broker-dealer to sellers of notes. This fee is currently equal to 1.00% of the resale price of the note sold.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

Though discussions with the Advisor, clients select what type return and risk level they are seeking, although there can be no assurances that the desired return and risk level will be achieved. The client executes a client agreement that specifies these risk and return characteristics and directs the Advisor to implement these orders to the best of its ability.

As the notes the clients are purchasing are fully amortizing 3 or 5 year term notes, clients also elect whether to re-invest principal and interest, re-invest principal only or withdraw principal and interest at pre-specified intervals. Clients can impose other limitations on the securities purchased

These guidelines are noted into a client's account for more effective control in the portfolio management process.

D. If you participate in *wrap fee programs* by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

Not Applicable. The Advisor does not offer a wrap fee program.

E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.

All client assets are managed on a limited-discretionary basis. Please see 4C above. As of the date of this ADV Part 2A, the Advisor managed zero assets on a non-discretionary or discretionary basis.

Item 5 Fees & Compensation

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

The following is a summary of how the Advisor is compensated for the advisory services provided to clients. The specific terms related to the compensation are set forth in the client agreement applicable to a particular client. Prospective clients should carefully review those documents prior to making an investment.

The Advisor charges a monthly fee, in arrears, based on the market value of an investor's account measured at month end. The fee is based upon the size of the account and is set forth in the table below.

<u>Account Size</u>	<u>Annual Fee for SMA</u>	<u>Monthly Fee</u>
\$100,000-\$249,999	1.00%	0.083%
\$250,000-\$499,999	0.95%	0.079%
\$500,000-\$749,999	0.90%	0.075%
\$750,000-\$999,999	0.85%	0.071%
\$1,000,000+	0.80%	0.067%

Fees are negotiable at the sole discretion of the Advisor.

It should be noted that, clients do not need to use the services of the Advisor to purchase the notes issued by Lending Club. The Lending Club website provides potential investors with a self-directed option to purchase notes directly, although this activity may require a significant amount of an individual's time to manage a portfolio in order to meet their investment goals.

There are no fees payable to the Advisor if this self-directed option is elected.

B. Describe whether you deduct fees from *clients'* assets or bill *clients* for fees incurred. If *clients* may select either method, disclose this fact. Explain how often you bill *clients* or deduct your fees.

Clients can elect to have the monthly fee deducted from their account or billed.

C. Describe any other types of fees or expenses *clients* may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that *clients* will incur brokerage and other transaction costs, and direct *clients* to the section(s) of your *brochure* that discuss brokerage.

Currently, no other fees are applied to investor accounts by the Advisor. Notwithstanding the foregoing, the Advisor may in future charge custody fees to clients.

Clients will be obligated to pay a 1% fee (based on the final sales price) regarding their sale of a security on the secondary market.

D. If your *clients* either may or must pay your fees in advance, disclose this fact. Explain how a *client* may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

Not Applicable to the Advisor as fees are not paid in advance of services.

E. If you or any of your *supervised persons* 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, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

Currently, our supervised persons do not receive any compensation from the purchase or sale of securities.

E.1 Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

Not applicable. Our supervised persons do not receive any compensation from the sale of securities.

E.2 Explain that *clients* have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

Not applicable. Our supervised persons do not receive any compensation from the sale of securities.

E.3 If more than 50% of your revenue from advisory *clients* results from commissions and other compensation for the sale of investment products you recommend to your *clients*, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

Not applicable. Our supervised persons do not receive any compensation from the sale of securities.

E.4 If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

Not applicable. Our supervised persons do not receive any compensation from the sale of securities as such there are no fee offsets or mark-ups.

Item 6 Performance Fees

If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

Not Applicable. The Advisor does not charge its clients performance fees.

Item 7 Types of Clients

Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

The Advisor manages money for a wide range of clients. These may include high net worth, family offices, hedge funds, fund of funds, insurance companies, and retirement funds. The Advisor believes that it will continue to serve a disparate group of clients as its product can meet a wide range of needs.

Minimum account size for a separately managed account is \$100,000. This requirement can be waived in the sole discretion of the Advisor.

Item 8 Methods of Analysis, Investment Strategy & Risk of Loss

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that *clients* should be prepared to bear.

Though discussions with the Advisor, clients select what type return and risk level they are seeking, although there can be no assurances that the desired return and risk level will be achieved. The client executes a client agreement that specifies these risk and return characteristics and directs the Advisor to implement these orders to the best of its ability.

Methods of Analysis

The Advisor relies upon the quality and strict credit policy guidelines of Lending Club's credit scoring and underwriting to assess the risks and rewards of the underlying borrower and loan, and as a result the note.

The current minimum credit requirements for borrowers on the LendingClub platform are:

- a credit score of 660 or above (as reported by a consumer reporting agency);
- a debt-to-income ratio (excluding mortgage) below 25%, or 30% if the borrower's credit score is 720 or higher;
- a credit profile (as reported by a consumer reporting agency);
 - without any current delinquencies, recent bankruptcy, tax liens or non-medical related collections opened within the last 12 months;
 - reflecting at least three accounts ever opened with at least two accounts currently open;
 - no more than 8 credit inquiries in the past six months, or no more than 3 inquiries if their credit score is below 740;
 - utilization of credit limit not exceeding 100%, revolving credit balance of less than \$150,000; and
 - a minimum credit history of 36 months.

These criteria may change over time and clients will be informed when these changes occur.

Lending Club then takes these elements and combined with the size of the loan arrives at a credit grade which they believe accurately sets “risk based” pricing for the loan.

The Advisor believes that Lending Club’s borrower verification, strict credit policy and underwriting analysis produces a unique inventory of loans. As a result, the notes used to fund these unsecured consumer loans should provide investors with an opportunity to build a diversified portfolio consistent with the client’s requirements, which can provide consistent and predictable returns to the client’s portfolio.

The final grading and interest rate applicable to a borrower is established by Lending Club and it not reviewed or approved by any independent third party. Lending Club has been in business for less than four years and current performance of the loan grades is not indicative of future results. In light of the Advisor’s relationship with LendingClub, this relationship should be viewed as a conflict of interest. If you have any questions or concerns about this conflict of interest please contact the Advisor at 650.482.5255 or info@lc-advisors.com.

8.B For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investment Strategy

The Advisor strategy is to invest only in member payment dependent notes issued by its parent company, LendingClub Corporation. These notes are unsecured obligations of LendingClub and represent an investment in, partial or complete, depending upon the client’s investment criteria, an underlying and unsecured consumer loan issued to an individual.

The Advisor attempts to generate predictable, lower risk annual returns on principal invested in the 5% to 12% range, dependent upon a client’s specific risk tolerances by purchasing notes issued by Lending Club as directed by a client’s investment directive.

In the Advisor’s opinion, a significant investment opportunity exists to produce consistent, predictable returns by investing in high quality borrowers through notes issued by LendingClub and purchased through the LendingClub platform, who are paying higher interest rates relative to their risk profile, as LendingClub offers these borrowers rates more closely aligned with their risk profile and yet high enough to provide investors with a competitive return relative to other fixed income opportunities.

The Advisor believes implementing such a strategy will create a high quality portfolio of consumer backed; unsecured notes that if properly diversified can effectively mitigate the impact of inevitable defaults and loss and produce a consistent predictable return.

Risk of Loss

There is a risk of loss for each client. The notes that are being purchased are supported by unsecured consumer loans. Moreover, LendingClub is the only party that may pursue a delinquent borrower so a client is relying upon LendingClub for its collection and servicing activities on the underlying loan.

The Advisor believes that by employing broad portfolio diversification clients that this strategy may help clients maintain a reasonable level of potential losses on their total account, however, there is no guarantee that this strategy will be successful and you may lose all of your investment.

The Advisor believes that defaults are an integral and expected part of unsecured consumer lending. The Advisor believes that the key to managing this risk is to

- i. emphasize higher quality borrowers who will likely default at a lower rate and
- ii. combine this focus with broad portfolio diversification.

The Advisor believes, based on current LendingClub data, that this combination may effectively minimize the probabilities of substantial principal loss for clients. It should be noted that there can be no assurances that a client will not experience substantial losses by investing in notes and the underlying unsecured loans.

The Advisor, however, does expect that its clients will lose money on individual positions inside of their account. A central feature of consumer lending is defaults whereby the specific loan fails to pay its outstanding principal and interest as required. While it is uncommon for 100% of the original principal amount in note to be lost, losses can constitute up to 95% of the principal provided to a specific borrower. Historically, LendingClub has experienced a 3.49% annualized default rate over its total platform, from inception through December 31, 2010. Dependent upon specific client investment guidelines, the Advisor believes that its clients can experience similar default rates. Moreover as of February 1, 2011, LendingClub has informed the Advisor that no account with at least \$100,000 invested has yet to suffer a total account return of less than zero.

8.C If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

The Advisor will only recommend and purchase notes issued by its parent, Lending Club Corporation. These notes are:

- dependent upon payment from the underlying consumer borrower. To the extent the borrower does not pay on the underlying loan, Lending Club is not obligated to make any payment in the note;
- any payment received by Lending Club is subject to a 1% service charge, which will be waived by Lending Club ; and
- unsecured by any collateral.

Lending Club has been in business for under four (4) years and as such only a small portion of their issued loans have gone through a full payment history, therefore current return and loss rates may not be indicative of future performance.

See above for the discussion on **Risk of Loss**.

Item 9A-C Disciplinary Information

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

There are no material disciplinary events related to the advisory firm or the management of the firm.

Item 10 Other Financial Industry Activities

A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Not applicable. None of the Advisors management persons are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker dealer.

B. If you or any of your *management persons* are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Not applicable. None of the Advisors management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of those listed groups.

C. Describe any relationship or arrangement that is material to your advisory business or to your *clients* that you or any of your *management persons* have with any *related person* listed below. Identify the *related person* and if the relationship or arrangement creates a material conflict of interest with *clients*, describe the nature of the conflict and how you address it.

The Advisor is a wholly-owned subsidiary of LendingClub Corporation. LendingClub is the issuer of member payment dependent notes that the advisor will be acquiring on behalf of its clients. LendingClub receives revenue from two primary sources:

- a. it is paid an origination fee from borrowers and
- b. it receives a 1% servicing fee related to payment transactions (which are waived for the Advisor's clients)

The Advisor and LendingClub Corporation have created and will maintain an ethical wall between the two entities whereby the operations of the Advisor will be separate and distinct from that of LendingClub Corporation. All client facing employees will be employees of the Advisor and not LendingClub Corporation and will not be allowed to trade or purchase notes for their own account. The Advisors General Counsel and Chief Financial Officer hold the same roles within Lending Club.

For allocation calculation of available inventory, see Section 4.B.

The Advisor does not control the credit policy of Lending Club and cannot modify the policy in order to increase the applicable inventory of securities.

D. If you recommend or select other investment advisers for your *clients* and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

The Advisor will not recommend or select other investment advisers for its clients for which the advisor will receive compensation.

Item 11 Code of Ethics

A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any *client* or prospective *client* upon request.

The Advisor's Code of Ethics (the "Code") is designed to meet the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"). The Code applies to the Advisor's "Access Persons." Access Persons include, generally, any partner, officer or director of and any employee or other supervised person of the Advisor who, in relation to the Advisory Clients, (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All employees of the Advisor and certain employees of Lending Club and are deemed to be Access Persons

The Code sets forth a standard of business conduct that takes into account the Advisor's status as a fiduciary and requires Access Persons to place the interests of Advisory Clients and Investors above their own interests and the interests of the Advisor. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of Jason Altieri Chief Compliance Officer (the "Chief Compliance Officer"). All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.

The Code also sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Access Persons must provide the Advisor's Chief Compliance Officer with a list of their personal accounts and an initial holdings report within 10 days of becoming an Access Person. In addition, the Advisor's Access Persons must provide annual holdings reports and quarterly transaction reports in accordance with Advisers Act Rule 204A-1.

In addition, the Code seeks to ensure the protection of nonpublic information about the activities of the Advisory Clients. Investors or prospective Investors may obtain a copy of the Code by contacting the Chief Compliance Officer at jaltieri@lc-advisors.com.

B. If you or a *related person* recommends to *clients*, or buys or sells for *client* accounts, securities in which you or a *related person* has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

See Section 10 describing the relationship between the Advisor and its parent company, LendingClub Corporation, who is the issuer securities being purchased by the Advisor for client accounts and the steps taken by the parties to address the conflict of interest created by this relationship

C. If you or a *related person* invests in the same securities (or related securities, *e.g.*, warrants, options or futures) that you or a *related person* recommends to *clients*, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

To avoid potential conflicts, the Advisor does not allow its employees to invest in notes offered by LendingClub Corporation, other than those employees who work for both Lending Club and the Advisor.

D. To the extent that LendingClub Corporation directly does invests in any notes it only invests in notes to the extent that the self-directed investors on the LendingClub platform and The Advisor, on behalf of its clients, have no further funds to invest in the notes.

See subsection C above.

Item 12 Brokerage Practices

Describe the factors that you consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

Not applicable. The Advisor will not select or recommend any broker-dealers for client transactions.

Item 13 Review of Accounts

A. Indicate whether you periodically review *client* accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the *supervised persons* who conduct the review.

Please see subsection B below.

B. If you review *client* accounts on other than a periodic basis, describe the factors that trigger a review

Client accounts are reviewed by the IPC monthly to insure compliance with their stated investment objectives, review of investable cash and any other material subject.

Performance for each account is also reviewed monthly.

C. Describe the content and indicate the frequency of regular reports you provide to *clients* regarding their accounts. State whether these reports are written.

Monthly statements are delivered to clients by mail. The Advisor anticipates that in the future clients will be able to access their accounts and statements via the internet at any time. All transaction confirmations will be sent via email to a client promptly after they have been received from LendingClub, which is typically immediately after the order is executed.

Quarterly reviews of performance, key trends in consumer loans, discussion of economic conditions and other relevant investment information will be provided to all clients.

Item 14 Client Referrals

A. If someone who is not a *client* provides an economic benefit to you for providing investment advice or other advisory services to your *clients*, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

Not applicable.

B. If you or a *related person* directly or indirectly compensates any *person* who is not your *supervised person* for *client* referrals, describe the arrangement and the compensation.

From time to time, the Advisor may compensate a registered advisor for referring clients to the Advisor. The amount of compensation will be determined at the time of the referral. In order to make the conflict of interest clear to the affected party, the Advisor will provide disclosure statements to a client regarding any fees to be paid to a third-party in connection with the referral of such client.

Item 15 Custody

If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

The custodian for notes held in the Advisor for client accounts currently is LendingClub Corporation, the parent of the Advisor.

As a result, the Advisor will only offer separately managed accounts once it has established satisfactory third-party custody in accordance with the rules established by the Securities and Exchange Commission. For private pooled investment vehicles, in accordance with the rules, these vehicles will receive GAAP audited financials within 120 days of its fiscal year end and as such Lending Club can operate as the custodian of the notes.

Item 16 Investment Discretion

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

The Advisor will possess limited investment discretion in the management of its clients' accounts. It will, through the limited power of attorney granted by its clients, buy notes on the LendingClub platform or on the secondary market hosted by Foliofn that meet the specific investment criteria established by the client.

In regards to selling notes for a client, please see Section 4 above.

The Advisor will have limited access to client accounts and can only authorize any movement of funds that is required to pay for purchases.

Item 17 Voting of Client Securities

If you have, or will accept, authority to vote *client* securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your *clients* can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your *clients* with respect to voting their securities. Describe how *clients* may obtain information from you about how you voted their securities. Explain to *clients* that they may obtain a copy of your proxy voting policies and procedures upon request.

Not applicable to the Advisor.

If you do not have authority to vote *client* securities, disclose this fact. Explain whether *clients* will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) *clients* can contact you with questions about a particular solicitation.

The only securities that the Advisor will be holding in client accounts are member payment dependent notes issued through the Advisor's parent company, LendingClub Corporation, which are non-voting debt instruments. As no voting instruments neither proxies nor ballots are or would be distributed to clients.

Item 18 Financial Information

- A. If you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, include a balance sheet for your most recent fiscal year.**

Not applicable to the Advisor. The Advisor does not require or solicit prepayment of fees.

- B. If you have *discretionary authority* or *custody* of *client* funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per *client*, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to *clients*.**

Currently, Lending Club, the parent of the Advisor, has raised \$55 million dollars and as of December 31, 2010 has a cash position of approximately \$18.0 million. Lending Club makes periodic filings pursuant to the 1934 Exchange Act which include the company's audited and unaudited financial statements (as applicable). There currently is no financial condition that is reasonably likely to impair the Advisor's (including Leading Club for this matter only) ability to meet the contractual commitments of clients.

Separately managed account client funds will be held in a separate "in-trust for" account for the benefit of clients.

- C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.**

Not applicable to the Advisor.

Item 19 State Requirements

Not applicable to the Advisor.