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**2/11/2014**

**FORM ADV PART 2  
BROCHURE**

This brochure provides information about the qualifications and business practices of Webster Capital Management, L.L.C. ("Webster Capital"). If you have any questions about the contents of this brochure, please contact us at (781) 419-1515. 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 Webster Capital is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Webster Capital is 156729.

Webster Capital is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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## II. Material Changes

There have been no material changes to the Brochure since it was last filed on April 23, 2013. We have updated the assets under management and number of portfolio companies we have invested in and currently manage.

Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Mark Greene at 781-419-1515 or [mgreene@webstercapital.com](mailto:mgreene@webstercapital.com). Our Brochure is also available on our web site [[www.webstercapital.com](http://www.webstercapital.com)], also free of charge.

Additional information about Webster Capital Management, LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Webster Capital Management, LLC who are registered, or required to be registered, as investment adviser representatives of Webster Capital Management, LLC.

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#### Advisory Business

Form ADV Part 2A, Item 4

##### A. Overview of Webster Capital

Webster Capital Management, L.L.C. is a Delaware limited liability company organized in Delaware on June 27, 2003, and registered in Massachusetts on July 15, 2003 ("**Webster Capital**" or the "**Company**"). Donald Steiner is the Managing Member, as well as the principal owner of the Company. Three other individuals each own less than 25% of the Company.

##### B. Advisory Services

Webster Capital acts as investment adviser and manager to two private equity funds: Webster Capital II, L.P. ("**Webster II**") and Webster Capital Founders Fund, L.P. ("**Founders Fund**", and together with Webster II, the "**Funds**") pursuant to the terms of management agreements by and between Webster Capital and the respective general partner of each Fund (the "**Management Agreements**"). They also act as investment advisor and manager to three additional small limited partnerships, each of which was formed for the purpose of making one investment alongside either Webster II or the Founders Fund: Webster I, LLC, Webster V, LLC and Webster JP, LLC (collectively the "**Coinvestments**"). The general partner of the Founders Fund is Webster Capital, and the general partner of Webster II is Webster GP, LLC. Webster Capital is the Managing Member of Webster GP LLC. Webster GP, LLC is not, nor does it intend to become, a registered investment adviser under the Investment Advisers Act of 1940, as amended. Pursuant to the terms of the Management Agreements, Webster Capital is not authorized to manage the affairs of, act in the name of or bind Webster Capital II, LP. The management, policies and operations of the Funds shall be the responsibility of Webster GP, LLC or Webster Capital as the case may be, acting pursuant to and in accordance with the applicable Fund partnership agreement and all decisions relating to Fund matters, including the selection and management of the Fund's investments, shall be made by the general partner of the applicable Fund, as the case may be.

The Funds sponsor acquisitions, buyouts, growth financings and recapitalizations of branded companies with enterprise values under \$100 million. The Funds have invested in 17 companies and have 13 still active under management. Webster II has an average investment of approximately \$15 million per company. The Founders Fund has an average investment of \$2 million. The Funds' objectives are to achieve significant long-term capital appreciation on their investments. Webster Capital will assist the Funds with their general investment strategy, using the combined experience of Webster Capital's members to monitor the performance of the Funds' current investments and advise them on any future investments.

##### C. Tailored Advisory Services

Webster Capital provides investment advisory and management services to only Webster II, the Founders Fund, and the Coinvestments limiting such services to the particular types of investments identified for each Fund.

##### D. Wrap Fee Programs

Webster Capital does not participate in any wrap fee program.

##### E. Assets Under Management

As of December 31, 2013 the following assets are managed by Webster Capital:

Discretionary Basis

\$ 314,031,539

Non-Discretionary Basis

\$ - 0 -

Total Assets under Management

\$ 314,031,539

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**Note:** Your method for computing the amount of “client assets you manage” can be different from the method for computing “assets under management” required for Item 5.F in Part 1A. However, if you choose to use a different method to compute “client assets you manage,” you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your “as of” date must not be more than 90 days before the date you last updated your brochure in response to this [Item 4.E](#).

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#### ***Fees and Compensation***

Form ADV Part 2A, Item 5

##### **A. Advisory Fees.**

Webster Capital provides investment advisory services in exchange for Advisory Fees equal to a percentage of the committed capital under its management. With respect to the Funds, the Management Agreement with respect to each such Fund provides that the general partner of such Fund shall pay over to Webster Capital all or a portion of the Management Fee (as defined, calculated and adjusted pursuant to the terms of each Fund's partnership agreement) received by such general partner, with such portion to be determined in the sole discretion of such general partner.

With respect to each Fund, the general partner receives an annual management fee, equal to a specified percentage of aggregate capital commitments to the Fund, payable quarterly in advance. Upon the earlier to occur of a specified number of years from the initial closing of the Fund, or certain other defined events, the management fee rate for each fund will decrease.

Webster Capital also provides advisory services to its portfolio companies under a Management Advisory Services Agreement entered into with each company individually. Fees earned under these Agreements are shared with the Funds under agreed upon terms between each fund and Webster Capital and are used to reduce management fees paid by the Funds.

##### **B. Payment of Fees**

The Company does not deduct fees from clients' assets. Fees are payable quarterly in advance, as described in Item 5(A) above.

##### **C. Additional Fees and Expenses**

In addition to the management fees described above, the Funds are responsible for a number of expenses that are incurred by or on behalf of the Fund. Below is a list of general expenses and fees that could be expected to be incurred by a private equity fund managed by Webster Capital:

- Fees and expenses associated with the organization of the Fund and the offer/sale of interests
- Costs of selecting, acquiring, holding, monitoring and disposing of investments
- All expenses relating to litigation and threatened litigation involving the fund
- Legal, auditing, tax and accounting services, custodian fees, brokerage, travel, marketing and other fees, commissions and expenses incurred by the Fund
- Taxes, insurance, and any costs incurred from dissolving and liquidating the fund

The above list is not all-encompassing and only provides a sampling of the fees and expenses that may be incurred by a private equity fund. For more information, please refer to each Fund's offering documents.

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#### **D. Payment of Fees in Advance**

Fees are payable quarterly in advance, as described in Item 5(A) above.

A client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Upon notification of termination, Webster Capital will determine if any refund of the quarterly fee is due to the Client for any overpayment resulting from the termination. Typically, the overpayment would be determined based on a ratio of numbers of days not lapsed during the quarter over total number of days in that quarter.

#### **E. Compensation for Sale of Securities or Other Investment Products**

The information required by this item is not applicable to Webster Capital.

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#### ***Performance-Based Fees and Side-By-Side Management***

Form ADV Part 2A, Item 6

Webster Capital does not directly receive performance-based fees. The General Partner of Webster Capital II, L.P. receives a carried interest in its Fund, which is indirectly paid by the investors in such Fund. Carried interest distributions are based on the return of the Fund in excess of the investors' original capital contributions plus a specified return. The principal owners of Webster Capital are members of Webster Capital Associates II, LLC, a member of Webster GP LLC, along with the Founders Fund. The general partner of Webster Capital Founders' Fund, LP does not receive a carried interest.

The Founders Fund is fully invested so there do not exist any conflicts of interest between Webster II and Founders Fund for future potential investments. However, conflicts of interest may arise in the future as Webster Capital becomes the advisor to new or additional funds or where an adviser and its affiliates manage more than one private investment fund. Webster Capital or an affiliate may give advice to a Fund which differs from the advice given to another Fund, even though the Funds' investment objectives may be the same or similar. Conflicts of interest also may exist in the allocation of an investment opportunity among the Funds.

Because of differing objectives or other factors that may arise with future funds under management, the members, managers, employees, and related persons of Webster Capital and the Funds they manage may take investment positions in securities that are different from, or opposite to, the positions taken by a Fund. Generally, Webster Capital, its members, managers, employees, or related persons may become aware of, and participate in, business opportunities in which a Fund will not be given an opportunity to participate, even if such opportunity is of a character that, if presented to the Fund could be taken by the Fund.

For a discussion of potential conflicts that may arise in connection with the management of multiple funds, and the steps that the Company takes to minimize and mitigate those conflicts, please refer to Item 11.



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#### ***Types of Clients***

Form ADV Part 2A, Item 7

Webster Capital advises only Webster II, the Founders' Fund, and the Coinvestments described in Item 4(B). The Funds do not have any specified minimum subscription amount. Subscriptions to the Funds are made pursuant to customary subscription documents for private equity funds containing customary representations and warranties of the investor including, without limitation, with respect to the investor's financial and tax status and compliance with applicable law. The general partner of a Fund, in its sole and absolute discretion, can reject all or any part of an investor's subscription at any time prior to the general partner's acceptance of the subscription and execution of the subscription agreement with such investor.

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#### ***Methods of Analysis, Investment Strategies and Risk of Loss***

Form ADV Part 2A, Item 8

#### **A. Methods of Analysis and Investment Strategies**

##### **Webster II & Founders' Fund**

The Funds sponsor acquisitions, buyouts, growth financings and recapitalizations of branded companies with enterprise values under \$100 million. The Funds have invested in 17 companies and have 13 still active under management. Webster II has an average investment of approximately \$15 million per company. The Founders Fund has an average investment of \$2 million. The Coinvestments have invested alongside the Funds for the purpose of investing in the selected transactions, and have done so in order to provide additional equity not provided for by the Funds.

As part of their due diligence and decision process, the Investment Committee looks at several long term business trends of the Company and the overall size and characteristics of its market sector to determine if they are interested in the Company and the space. They also perform an evaluation of the management team, as well as surveying their customers.

The goal of the Funds is to produce outstanding financial returns for investors by identifying, creating, structuring, developing and harvesting attractive opportunities of private U.S.-based companies with enterprise values under \$100 million operating in markets and industries where the managers of the Fund, and the members of Webster Capital, have deep equity investing, operating and transactional experience. Webster Capital will advise the Funds in sponsoring acquisitions, buyouts, growth financings and recapitalizations of branded, profitable companies that meet its investment criteria. Webster Capital will advise the Funds in accordance with the following general criteria for identifying investments:

- Value: Realistic current value for well-positioned companies with proven business models and unrealized potential;
- Growth: Companies with the management resources and clear competitive opportunities and advantage to generate significant growth;
- Control: Investments where a majority equity position is available or the Fund's principals can structure a path to liquidity through earn-outs, call rights, or optional redemption.

#### **B. Risk Factors**

Investment in securities involves significant risks. There can be no assurance that Webster Capital will achieve its investment objectives. The investment is suitable only for investors of substantial means who have no immediate need for liquidity of the amount invested and who can afford a risk of loss of such investment. Each prospective investor should consult with his, her or its personal legal, tax and financial advisers and carefully consider and evaluate the risks before executing any documents with respect to any investment in a Fund. Risks associated with an investment in the Funds include, but are not limited to, the following, and should be carefully evaluated before making an investment in the Funds.

##### **No Assurance of Investment Return.**

The task of identifying investment opportunities in operating companies and managing such investments is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage, and realize such investments successfully. There is no assurance that a Fund will be able to invest its capital on attractive terms or generate returns for its investors. There is no assurance that the investments by a Fund will be profitable and there is a risk that the losses and expenses of the Fund will exceed income and gains. As such, there is no assurance of any distribution to the investors in a Fund prior to or upon liquidation of the Fund.

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#### Economic and Market Risk.

Companies in which a Fund invests may be sensitive to general downward swings in the overall economy. In addition, factors specific to a portfolio company may have an adverse effect on a Fund's investment in such a company. The general partner of a Fund and Webster Capital may rely upon their own or a portfolio company's projections concerning the portfolio company's future performance in making investment decisions. Such projections are inherently subject to uncertainty and may rely upon certain factors beyond the control of the portfolio company, the general partner and Webster Capital. Economic downturns or adverse developments in the securities market might have an impact on a Fund's investments.

#### Reliance on Portfolio Company Management.

Although it is the intent of each Fund to invest in companies with strong and stable management, there can be no assurance that the existing management team of a portfolio company, or any new one, will be able to operate such company successfully. Furthermore, although the general partner and Webster Capital will monitor the performance of each portfolio company, it will be primarily the responsibility of company management to operate the business on a day-to-day basis.

#### Competitiveness of Private Equity Investment Industry.

The private equity investment industry in which each Fund will engage in is highly competitive. There can be no certainty that the general partner of a Fund and Webster Capital will identify a sufficient number of attractive investment opportunities to enable the full amount of capital committed to such Fund to be invested or to achieve targeted returns.

#### Limited Number of Investments.

Each Fund intends to participate in a limited number of portfolio investments and, as a consequence, the aggregate return of the Fund may be adversely affected by the unfavorable performance of even a single portfolio investment. Although the general partner of a Fund and Webster Capital intend to diversify that Fund's portfolio, the ability of the general partner and Webster Capital to achieve this objective could adversely affect the performance of a Fund. Furthermore, to the extent that the capital raised for a Fund is less than the targeted amount for such Fund, that Fund may invest in fewer portfolio companies and thus be less diversified.

#### Illiquidity of Portfolio Investments.

Each Fund's investment portfolio will consist primarily of investments in private companies. There may be no readily available market for a Fund's investments and most of the investments by the Funds will be difficult to value.

#### Leverage.

Each Fund's portfolio companies will typically have a leveraged capital structure. Use of leverage may increase the exposure to adverse economic factors such as significantly rising interest rates, downturns in the economy or deterioration in the condition of any given portfolio company or its industry. In the event a portfolio company is unable to generate sufficient cash flow to meet principal and interest payments on its third-party indebtedness, the value of a Fund's investment in such company could be significantly reduced or even eliminated.

#### Reliance on the General Partner and the Principals.

The investors in the Funds will have no right or power to participate in the management of the Funds. Accordingly, no investor should purchase any interest in a Fund unless it is willing to entrust all aspects of management of such Fund to the general partner of the Fund. The investors will be relying on the management expertise of the Fund's general partner and Webster Capital in identifying, acquiring, administering and disposing of investments by the Fund. The investors in a Fund will not receive detailed financial information issued by portfolio companies in which the Fund invests, which will be available to the Fund's general partner. In addition, if for any reason

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Webster Capital (or its principals) should cease to be involved in the management of a Fund, suitable replacements may be difficult to obtain, with the result that the performance of the Fund may be adversely affected.

#### Illiquidity of LP Interests.

An investment in a Fund is a long-term commitment. Interests are highly illiquid and have no public market value. No secondary market for the Fund interests exists, and no such market will be established or supported by the general partner or Webster Capital. Furthermore, the sale or transfer of an interests in a Fund is subject to approval of the Fund's general partner and other restrictions contained in the Fund's partnership agreement. An investment in the Fund is suitable only for persons and entities which have no need for liquidity with respect to their investment. Voluntary withdrawals of the Fund interests are not permitted except under certain limited circumstances, generally relevant only with respect to ERISA investors. The Fund interests have not been registered under the Securities Act, nor is any such registration contemplated.

#### Consequences of Default.

If an investor fails to pay in full any requested capital contributions, the Fund's general partner may take certain actions against the investor, including pursuing any legal and/or equitable remedies that may be available or taking additional actions as are more fully described in the Fund's partnership agreement.

#### Distributions in Kind.

The general partner of a Fund may distribute the proceeds of certain of the Fund's investments in securities or other non-cash property. Significant sales of securities by investors following such distribution in kind could create downward pressure on the trading price of those securities.

#### Confidentiality

The partnership agreement for each Fund contains confidentiality provisions intended to protect the proprietary and other information relating to the Fund and the Fund's portfolio companies. To the extent that such information is publicly disclosed, competitors of the Fund and/or competitors of its portfolio companies, and others, may benefit from such information, thereby adversely affecting the Fund, its portfolio companies, the general partner of the Fund, and the economic interests of the Fund's investors.

#### Litigation Risks.

Each Fund will be subject to a variety of litigation risks, particularly if one or more of its portfolio companies face financial or other difficulties during the term of the Fund.

#### Limited Recourse and Indemnification.

Each Fund's partnership agreement limits the circumstances under which the Fund's general partner (and certain other related or affiliated parties) and Webster Capital ("**Covered Persons**"), can be held liable to the Fund. As a result, investors may have a more limited right of action in certain cases than they would have in the absence of such a limitation. In addition, each Fund's partnership agreement provides for indemnification of the Covered Persons regarding activities undertaken by them on the Fund's behalf. Any indemnification claim may be paid out of Fund assets, and investors may be required to return distributions in satisfaction of such a claim.

#### Securities Law Matters

The interests in each Fund are not and will not be registered under the Securities Act, or any other securities laws, including state securities or blue-sky laws. The interests in each Fund will only be offered and sold to "accredited investors" as defined in Rule 501 of Regulation D promulgated under the Securities Act. Such interests will be offered without registration in reliance upon the Securities Act exemption for transactions not involving a public offering. Investors in a Fund will be required to make certain representations to the Fund,

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including that they are acquiring interests in the Fund for their own account, for investment purposes only and not with a view to their distribution.

#### Investment Company Act Considerations

The funds are not registered under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). Therefore, investors in the Funds are not afforded the protection provided by the Investment Company Act and the extensive regulations thereunder.

#### **C. Recommending Specific Types of Securities**

As part of its role as management company of the Funds already discussed, Webster Capital does not recommend specific types of securities to clients.

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#### ***Disciplinary Information***

Form ADV Part 2A, Item 9

As a registered investment adviser, Webster Capital is required to disclose all material facts regarding any legal or disciplinary events that would materially affect an evaluation of the Company or the integrity of its management. However, information required by this Item is not applicable to Webster Capital.

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#### ***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

Information required by this Item is not applicable to Webster Capital.

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#### ***Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

Form ADV Part 2A, Item 11

##### **A. Code of Ethics**

Webster Capital has adopted a code of ethics that sets forth standards of ethical conduct and requires compliance with federal securities laws. The code of ethics requires that designated personnel report personal securities holdings and transactions and obtain preapproval of certain investments. Webster Capital has also adopted an insider trading policy that restricts the use and communication of material nonpublic information. Webster Capital will provide a copy of the code of ethics and insider trading policy to clients and prospective clients upon request. Key tenets of Webster Capital's code of ethics include the following:

- Avoid activities that could interfere with obligations Webster Capital owes to its clients;
- Maintain independence in the investment decision-making process;
- Never engage in any act, practice or course of business that could be considered fraudulent, deceptive or manipulative in respect of any current or prospective client or Fund investor; and
- Act in a manner that complies not only with the letter of the law, but also the ideals of openness, integrity, honesty and trust.
- Employees are required to certify their receipt of Webster Capital's code of ethics.
- Employees may not give or accept gifts or entertainment that are inappropriate or could be seen as excessive.
- All supervised persons are required to pre-clear any transactions in privately offered securities and initial public offerings.
- Employees that become aware of any violation of the code of ethics are required to report such violation to the Chief Compliance Officer.

##### **B. Conflicts of Interest**

Due to the nature of its business activities, Webster Capital and its related persons may experience times where a conflict of interest might arise between certain parties. Set forth below are certain possible conflicts of interest and courses of action Webster capital may take to mitigate these conflicts.

##### Other Activities.

The principals of Webster Capital and their affiliates may devote some of their business time to making and monitoring personal investments and to other business ventures, subject to required minimum time commitment and conflict of interest provisions set forth in the applicable partnership agreement.

##### No Arms-Length Negotiation.

The agreements and arrangements among the Fund, its general partner, its members, Webster Capital and their affiliates have been established by the Fund's general partner and are not the result of arm's-length negotiations. In addition, investors in the Founders Fund received a percentage of the carried interest in Webster II, which was negotiated as an inducement to invest in the affiliated fund.



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#### General Partners' Interests.

The capital commitment of each general partner represents only a small portion of the applicable Fund's aggregate capital commitments. Distributions of portfolio profits to investors may be proportionally less than those corresponding to their aggregate capital commitments, and distributions of portfolio profits to the Fund's general partner may be proportionally greater than those corresponding to its capital commitment. The right of the Fund's general partner to its carried interest may create an incentive for the general partner to make investments that may be more risky or speculative than otherwise.

#### Diverse Investors.

The investors in a Fund may have conflicting investment, tax, and other interests with respect to their investments in such Fund. The conflicting interests of individual investors in a Fund may relate to or arise from, among other things, the nature of investments made by such Fund, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with a recommendation made by Webster Capital and decisions made by the general partner of the Fund, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the partnership, Webster Capital and the General Partner will consider the investment and tax objectives of the Fund and their respective partners as a whole, not the investment, tax, or other objectives of any investor individually.

#### Co-Investment by Principals.

The principals of Webster Capital and their affiliates may co-invest in investments by a Fund, provided that such investments are made on terms that are no more favorable than the terms upon which the Fund invests. In addition, such co-investment is permitted only after a Fund has participated in such investment to the extent judged desirable by the general partner of the Fund.

#### Excluded Investment Opportunities.

Certain types of investments that might be suitable for one or both of the Funds are excluded from the general obligation of the respective general partners of the Funds and the principals of Webster Capital to offer to the Funds suitable investment opportunities. Excluded opportunities generally include those related to current portfolio holdings of prior investment funds and activities and investment opportunities related to companies for which the principals of Webster capital have fiduciary duties. This may result in certain investment opportunities that are otherwise suitable for one or both of the Funds not being presented to the Funds.

#### Resolution of Conflicts

Webster Capital will seek to disclose to the advisory board for a Fund any specific conflicts of interest that arise and that are considered material to investors in such Fund. Conflicts of interest will be resolved by considering the relative interests of each party (including the interests of the principals of Webster Capital, the interests of the Fund and its investors, and the interests of any company to which a principal of Webster Capital owes a fiduciary duty, if applicable) involved in the conflict and other appropriate factors, such as the benefits and burdens relating to the interests in conflict, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles.

The following organizational structure has been put in place to mitigate any conflicts of interests between and among Webster Capital and its clients:

- Use of an Investment Committee for each Fund with majority vote requirements to approve investments involving other Funds;

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- Financial compensation for principals of Webster Capital working exclusively on a Fund is based solely on the performance of that Fund
- Veto rights of the Fund Managing Member
- Recusal by interested principals of Webster Capital from investment decisions involving conflicts over investment opportunities for Fund clients
- Third-party co-investors will be brought in to support certain investments made by a Fund in support of another Fund.
- Each Fund will have an investor Advisory Board consisting of more than three investors that will need to approve all Fund investments in portfolio companies of other Webster Capital funds
- Incorporation of dispute resolution often involving requirement for Webster Capital and the applicable Fund to work with investor representatives to determine appropriate action in the event of a dispute or conflict situation.

Webster Capital has also adopted a code of ethics that sets forth standards of ethical conduct and requires compliance with federal securities laws. The code of ethics requires all supervised persons to report personal securities holdings and transactions and obtain preapproval of certain investments. Webster Capital has also adopted an insider trading policy that restricts the use and communication of material nonpublic information, and a Political Contributions Policy to comply with applicable law and to avoid the appearance of impropriety in connection with political contributions.

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#### ***Brokerage Practices***

Form ADV Part 2A, Item 12

Due to the nature of the Funds as private equity funds and their respective stated investment strategies, broker-dealers are generally not involved in any material way in executing transactions on behalf of the Funds. In the event a broker-dealer is required to provide services to a Fund, the selection of such broker-dealer will be directed by the Fund's general partner. Webster Capital has advised the general partner of each Fund that not all advisers require their clients to direct brokerage and that by directing brokerage the adviser is not able to assist the Funds in achieving the most favorable execution of transactions, where applicable, and accordingly this practice may cost the Funds more money. The impact of directed brokerage is expected to be limited because of the limited nature of the use of broker-dealers in the operation of the Funds.

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#### ***Review of Accounts***

Form ADV Part 2A, Item 13

For each investment, a Fund typically will have a board seat or board observation rights and will receive monthly, quarterly and annual financial reporting packages that address operational and financial performance.

Detailed reports on portfolio company progress and financial performance will be presented annually to each Fund's advisory board and/or investment committee, as the case may be. Webster Capital will assist each Fund with monitoring its investments. The metrics to be monitored vary by company based on industry but typically will include: measurements of revenue and profit margins, customer acquisition and growth, cost to acquire, customer stability and satisfaction; operating efficiencies, service measurements, such as cost per transaction and profit per transaction, product capacity, efficiency, output, quality, product mix, product line profitability, return on investment for newer initiatives, capital expenditures, retail store openings (if retail), and new product or services launched, etc.

Each Fund will furnish to its investors: (i) audited financial statements to the investors annually, (ii) unaudited financial statements for the first three quarters of each fiscal year, (iii) annual tax information necessary for each investor's tax returns, and (iv) descriptive investment information for each portfolio company annually.

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#### ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

Neither Webster Capital nor any related person has any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients. Webster Capital's code of ethics generally prohibits employees from accepting gifts, favors, and other inducements from counterparties or service providers. Webster Capital does not compensate any person who is not a supervised person of Webster Capital for client referrals.

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#### ***Custody***

Form ADV Part 2A, Item 15

Funds and securities of the Funds are held by qualified custodians. Investors receive account statements directly from the qualified custodian at least quarterly. Each Fund is audited at least annually by an independent public accountant registered with, and subject to regulation inspection by, the Public Company Accounting Oversight Board and each investor in a Fund receives audited financial statements within 180 days of the end of the Fund's fiscal year.

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#### ***Investment Discretion***

Form ADV Part 2A, Item 16

Under the terms of each Fund's partnership agreement, the general partner of the Fund will exercise final approval with respect to the selection of portfolio companies and investments for the Fund. The general partner of a Fund has, in certain instances, delegated to the Fund's advisory board and/or investment committee certain responsibilities with respect to Fund investments. Webster Capital will provide investment management services through a management agreement with each Fund's general partner. Pursuant to the management agreement, Webster Capital will perform due diligence on investment opportunities, assist with negotiating the terms of each investment, advise the Fund's general partner, advisory board and investment committee, as the case may be, on the selection of portfolio companies and investments for the Fund, as well as perform such other duties as are delegated to it by the general partner.

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#### ***Voting Client Securities***

Form ADV Part 2A, Item 17

Webster Capital is not authorized to vote, and will not be responsible for voting, proxies with respect to any of the Funds' portfolio companies or securities. The general partner of each Fund is solely authorized to vote, and will be solely responsible for voting, any such proxies or securities with respect to a Fund.

All of the investments under Webster Capital are in private securities and none of Webster Capital's Clients hold any mutual funds as an investment.



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#### ***Financial Information***

Form ADV Part 2A, Item 18

Information required by this Item is not applicable to Webster Capital.