

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

CIC PARTNERS

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This brochure provides information about the qualifications and business practices of CIC Partners. It is prepared pursuant to regulatory requirements. If you have any questions about the contents of this brochure, please contact us at the phone number or website listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about CIC Partners is also available on the SEC's website at www.adviserinfo.sec.gov.

Dated: June 6, 2011

Item 2 Material Changes

This brochure is a new document prepared in response to the 2010 amendments to SEC form ADV. It is materially different from previous CIC Partners filings and includes certain new information that our previous filings did not require.

In the future, Item 2 will be used to provide clients with a summary of material changes that are made to this brochure since the last annual update.

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Item 4 Advisory Business

INTRODUCTION

CIC Partners Management LLC is a Registered Investment Advisory firm registered with the U.S. Securities and Exchange Commission (SEC) since June 6, 2011. We are noticed filed in our home state of Texas which means we are registered to do business in this state. We may conduct business in other states by claiming an exemption from registration. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide you, including this Brochure, is information you can use to evaluate us and other advisers, which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship. This Brochure provides information about our qualifications and business practices.

OWNERSHIP

CIC Partners Management LLC is a limited liability company headquartered in Dallas, Texas. CIC Partners Firm LP ("Firm") is the sole member of the company. Fouad Bashour, Drew Johnson, Marshall Payne, Michael Rawlings and James Smith are the partners of CIC Partners Firm LP.

ADVISORY SERVICES OFFERED

FUND MANAGEMENT SERVICES:

We provide discretionary advisory management services for private equity funds ("Funds") that our affiliates sponsor. Typically these Funds will be closed-end limited partnerships in which investors subscribe for interests. The Funds directly or indirectly invest in the securities of privately-held and publicly traded companies. Each Fund may have different investment strategies and may have different investment restrictions.

Investors which subscribe to the Funds will be high net worth individuals, family trusts and foundations, institutions, fund of funds, and will be accredited, sophisticated investors with substantial investment assets who wish to participate in partnerships formed to invest in professionally managed private equity funds. The purchase of the interest offered in each Fund is suitable for person who can afford to hold the interests for an indefinite period and to assume the risks of and bear the possible loss of their entire investment in the interests.

Typically, the Funds will be invested in food, restaurant, energy and healthcare services industries.

ASSETS UNDER MANAGEMENT:

As of December 31, 2010, CIC Partners Management, LLC had approximately \$230,576,500 in discretionary assets under management.

Item 5 Fees and Compensation

FUND MANAGEMENT SERVICE FEE SCHEDULE:

We will receive an advisory management fee based on committed or invested capital in accordance with the terms of the partnership agreement. The fee will be calculated and paid annually in January or semi-annually in January and July. Any fees earned will be collected from invoices/capital calls issued to the Fund's investors.

Fees are negotiated for each Fund and may include multiple and different fees that could include performance based fees and are described in each Funds partnership agreement.

Investors in each Fund are responsible for partnership expenses incurred by such Fund which may include but are not limited to tax, audit, bank line interest, annual meeting, insurance, dead deal costs, etc. and are described in each Funds partnership agreement.

Termination:

Each Fund has a specific term which is detailed in the partnership agreement for that Fund. In general, the partnership will remain in existence until the expiration date, however it may be extended or terminated earlier in certain instances. Such instances of early termination include, but are not limited to, the following: a) election by the general partner and a majority in interest of the limited partners to dissolve the Partnership, and b) the sale, distribution, or other disposition of all or substantially all of the assets of the partnership following the end of the investment period.

Item 6 Performance-Based Fees and Side-By-Side Management

Performance Based Fees/Side by Side Management:

Funds may include performance based fees. These fees, also referred to as a carried interest, are described specifically in each Funds' partnership agreement and provide for affiliates of the Firm to share in a portion of the profits of each Fund. Limited partners in the Funds are charged the same performance fees as a percent of their invested or committed capital to the Fund. In Funds where employees of the Firm are limited partners in the Fund, the employees of the Firm are also charged the same performance fees as a percent of invested or committed capital to the Fund.

Potential conflicts of interest that may arise due to variations in fees are minimized by the following:

- o Performance based fees apply equally to all underlying investments made by each Fund.
- o The allocation of investment opportunities is objective as generally no more than one Fund is open to making new investments. In the instance where two funds may be open to new investments at the same time, investments of a certain minimum size are shared between the two Funds in accordance with the terms set forth in the respective partnership agreements.
- o Employees of the Firm have a material investment participation in investments made by the Funds. Such participation enhances the alignment of incentives between employees of the Firm and the limited partners of our Funds.

Qualified Client

Investors who participate in performance-based portfolios must be "qualified clients." Investors will be a "qualified client" as defined in Rule 205-3d of the Rules and Regulations promulgated under the Investment Advisers Act of 1940. In general, "qualified clients" include:

1. A natural person who or a company that immediately after entering into the contract has at least \$ 750,000 under the management of the investment adviser;
2. A natural person who or a company that the investment adviser entering into the contract (and

any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:

- i. Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$ 1,500,000 at the time the contract is entered into; or
 - ii. Is a qualified purchaser as defined in [section 2\(a\)\(51\)\(A\)](#) of the Investment Company Act of 1940 at the time the contract is entered into; or
3. A natural person who immediately prior to entering into the contract is:
 - i. An executive officer, director, trustee, general partner, or person serving in a similar capacity, of the investment adviser; or
 - ii. An employee of the investment adviser (other than an employee performing solely clerical, secretarial or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.
4. The term *company* has the same meaning as in [section 202\(a\)\(5\)](#) of the Act, but does not include a company that is required to be registered under the Investment Company Act of 1940 but is not registered.

The term *private investment company* means a company that would be defined as an investment company under [section 3\(a\)](#) of the Investment Company Act of 1940 but for the exception provided from that definition by section 3(c)(1) of such Act.

Item 7 Types of Clients

Client Base:

Our customer base consists of private equity funds.

Conditions for Account Management:

The minimum account size is set forth by the Private Placement Memorandum of each respective Fund.

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

Methods of Analysis & Investment Strategies:

We seek to generate superior returns on private equity investments in the U.S. lower and middle market, with a primary focus on the food, restaurant, energy and healthcare services industries. Our overall investment approach will continue substantially unchanged from that of its predecessor funds. We are able to identify proprietary and favorably priced investment opportunities using the relationships of our Investment Team, the experience of our limited partner investors with operations management expertise (“*Operating Partners*”) and our knowledge in industry sectors. We believe our approach of investing our own capital is a key influence that helps us to underwrite carefully and minimize our losses. Once an investment is made, we also believe we are uniquely positioned to grow our investments aided by our Investor and Operator disciplines (“*Investorator*”), which couple the financial and transaction experience of our Investment Team and its Operating Partners, and the operating experience of our Portfolio Company management teams.

We have a seasoned team of professionals that have been investing together and are aligned around the following strategies that reinforce one another and that we believe will generate superior investment results:

- Invest significant personal capital
- Secure proprietary transactions at attractive purchase prices
- Focus on business sectors that we know and understand
- Partner with proven management teams with significant ownership
- Leverage expertise of CIC Operating Partners
- Utilize our Investorator discipline to grow companies and maximize value

Risk of Loss:

The advice offered by our Firm is determined by the areas of expertise of the agents providing the service and the Funds objective. Identifying and participating in attractive investment opportunities and assisting in the building of successful enterprises are difficult tasks. There generally will be little or no publicly available information regarding the status and prospects of companies in which we may invest. Many investment decisions by us will be dependent upon the ability of its members and agents to obtain relevant information from non-public sources, and the general partner and Investment Manager often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify.

The marketability and value of each investment will depend upon many factors beyond the Investment Manager’s and general partner’s control. Portfolio Companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. Portfolio Companies may need substantial additional equity or debt capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms, or may not be available at all. Capital may be limited and may not be adequate to protect from dilution in multiple rounds of financing of Portfolio Companies.

An otherwise successful investment in a business may yield poor investment returns if it is unable to consummate and execute a timely exit strategy. The receptiveness of potential acquirers of Portfolio Companies will vary over time and, even if an investment in a Portfolio Company is disposed of via a merger, consolidation or similar transaction, securities or other interests in the surviving entity may not be marketable. Generally, the investments made may be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. In most cases, investments will be long-term in nature and may require many years from the date of initial investment before disposition. Voluntary withdrawals of limited partners are not permitted without the consent of the general partner.

The Principle Risks of Investing include, but are not limited to:

You will invest in various funds. Each fund carries its own specific risk and terminology. The following outlines general risks that may occur in a fund. For specific risk of your fund, the Private Placement

Memorandum should be reviewed.

RISKS UPON DISPOSITION OF INVESTMENTS AND LOSS OF CAPITAL

In connection with the disposition of an investment in a Portfolio Company, a Fund may be required to make representations about the business, financial condition, results of operations or liabilities of the Portfolio Company typical of those made in connection with the sale of any business, or may be responsible for the accuracy or completeness of disclosure documents under applicable securities laws. A Fund may also be required to indemnify the purchasers of the investment or underwriters to the extent that any representations or disclosure documents prove to be incorrect, inaccurate or misleading. If an investment is sold through a public offering or similar transaction, a Fund may be subject to liability in accordance with applicable securities laws and may be required to indemnify underwriters to the extent that the disclosure documents for the offering prove to be incorrect, inaccurate or misleading. These arrangements may give rise to contingent liabilities that may be unresolved for significant periods of time, and that may ultimately have to be funded by the Partners. The partnership agreement contains provisions to the effect that, Partners may, subject to certain limitations, be required to return distributions to the Partnership in order to satisfy certain liabilities of the Partnership in connection with the disposition of its investments.

NATURE OF INVESTMENTS; USE OF LEVERAGE

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. A Fund's investments may involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of such companies. Moreover, rising interest rates may increase Portfolio Company interest expense. If a Portfolio Company cannot generate adequate cash flow to meet debt service, a Fund may suffer a partial or total loss of capital invested in the Portfolio Company.

FINANCIAL MARKET FLUCTUATIONS

General fluctuations in the market prices of securities may affect the value of the investments held by a Fund. Instability in the securities markets may also increase the risks inherent a Fund's investments. The ability of Portfolio Companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise.

Additionally, the recent unprecedented deterioration of the global credit markets, the sub-prime and global debt markets as well as the unprecedented uncertainty for certain financial services companies and in the global financial system generally, the widening of credit spreads, a significant rise in market perception of counterparty risk and expected increases in interest rates, has and may dramatically reduce investor demand for high yield debt and senior bank debt, which in turn has led and may lead some investment banks and other lenders to be unwilling to finance new investments or to only offer committed financing for those investments on less favorable terms. These conditions have led and may lead to an overall weakening of the global economy. Such weakening has made and may make it significantly more difficult than had been the case in the past for financial sponsors to obtain favorable financing. A Fund's ability to generate attractive investment returns for its limited partners may be adversely affected to the extent a Fund is unable to obtain favorable financing terms for its Portfolio Investments.

In addition to causing severe declines in the prices of financial instruments globally, the recent economic downturn caused a severe impact on the availability of credit to businesses generally and led to an overall weakening of the global economy. The current and any further economic downturn could adversely affect the financial resources of the Portfolio Companies and result in the inability of such companies or businesses to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, a Fund may suffer a partial or total loss of capital invested in such Portfolio Companies, which would, in turn, have an adverse effect on a Fund's returns. Moreover, such marketplace events may also restrict the ability of a Fund to sell or liquidate Portfolio Investments at favorable times or for favorable prices or otherwise have an adverse impact on the business financial condition and operations of a Fund. Any of the foregoing events could result in substantial or total losses to a Fund in respect of certain Portfolio Investments, which losses will likely be exacerbated by the

presence of leverage at a Fund and/or in a Portfolio Investment's capital structure. Moreover, a Fund's investment strategy relies in part on continued improvement in the condition of the financial markets. In the event of market deterioration, the value of a Fund's investments may not appreciate as projected or may suffer a loss. Trends and historical events do not imply, forecast or predict future events and, in any event, past performance is not necessarily indicative of future results. There can be no assurance that the assumptions made or the beliefs and expectations currently held by the general partner or its affiliates (including CIC) will prove correct and actual events and circumstances may vary significantly.

COMPETITION FOR INVESTMENTS

A Fund expects to encounter competition from other entities having similar investment objectives. Potential competitors include other private equity partnerships, business development companies, investment partnerships and corporations, small business investment companies, large industrial and financial companies investing directly or through affiliates and individuals. Some of these competitors may have more relevant experience, greater financial resources and more personnel than the general partner. To the extent that a Fund encounters competition for investments, yields to limited partners may decrease.

FOLLOW-ON INVESTMENTS

A Fund may be called upon to provide follow-on funding for its Portfolio Companies or may otherwise have the opportunity to increase its investment in its Portfolio Companies. There can be no assurance that a Fund will wish to make follow-on investments or that it will have sufficient funds to do so. Any decision by a Fund not to make follow-on investments or its inability to make them may have a substantial negative impact on a Portfolio Company in need of an investment or may diminish a Fund's ability to influence the Portfolio Company's future development.

MANAGEMENT OF A FUND

Limited partners have no right or powers to take part in the management of a Fund and limited partners will not be permitted to evaluate investment opportunities or relevant business, economic, financial or other information that will be used by the investment manager and general partner in making decisions. Except as specifically provided in the partnership agreement, the general partner will have the exclusive right and power to manage a Fund's business and affairs. The general partner will retain the Investment Manager pursuant to an investment management agreement to provide investment advice and other management and administrative services, including investigating, structuring, and negotiating a Fund's potential Portfolio Investments, monitoring the performance of Portfolio Companies, and advising a Fund as to disposition opportunities. Accordingly, no person should purchase a limited partnership interest unless such person is willing to entrust all aspects of the management of a Fund to the general partner and the Investment Manager.

POTENTIAL LOSS OF LIMITED LIABILITY

The liability of each limited partner will be limited assuming compliance with the laws of each jurisdiction where a Fund operates and compliance with the partnership agreement. However, if a limited partner participates in the management of the business of a Fund, it is possible that under applicable law the limited partner could be held liable for Fund obligations to the same extent as the general partner.

CHANGES IN ENVIRONMENT

A Fund's investment program is intended to extend over a period of years during which the business, economic, political, regulatory, and technology environment within which a Fund operates may undergo substantial changes, some of which may be adverse to a Fund. The general partner and the Investment Manager will have the exclusive right and authority (within limitations set forth in the partnership agreement) to determine the manner in which a Fund responds to such changes, and limited partners generally will have no right to withdraw from a Fund or to demand specific modifications to a Fund's operations in consequence thereof.

TERRORISTS ATTACKS OR SIMILAR HOSTILITIES MAY ADVERSELY IMPACT THE RESULTS OF OPERATIONS

Future terrorist attacks or regional hostilities may have adverse effects in general, and on a Fund and its Portfolio Companies, in particular. Uncertainty surrounding these attacks or a sustained military campaign may affect the operations of Portfolio Companies in unpredictable ways, including disruptions of fuel supplies and markets and the possibility that infrastructure facilities, including pipelines, production facilities, processing plants and refineries, could be direct targets of, or indirect casualties of, an act of terror or war. Moreover, Portfolio Companies may be required to incur significant costs in the future to safeguard certain of their assets against these attacks.

INDEMNIFICATION

A Fund will be required to indemnify the general partner and the Investment Manager and their respective members (including, without limitation, the Managers), officers, directors, employees, agents and other affiliates for liabilities incurred in connection with the affairs of a Fund. Such liabilities may be material and have an adverse affect on the returns to the limited partners. For example, in their capacity as directors of Portfolio Companies the members, officers, directors, employees, agents and other affiliates of the general partner may be subject to derivative or other similar claims brought by other owners of such companies. The indemnification obligation of a Fund would be payable from the assets of a Fund, including the unpaid Capital Commitments. If the assets of a Fund are insufficient, the general partner may be entitled to recall capital previously returned to the limited partners.

MANAGEMENT TEAM

Each Portfolio Company's day-to-day operations will be the responsibility of such company's management team. Although the general partner and the Investment Manager will be responsible for monitoring the performance of each investment and intend for a Fund to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the Portfolio Company in accordance with a Fund's plans subject to certain limitations

MINORITY INVESTMENTS

A Fund(s) may invest in minority positions of companies and in companies in which a Fund has no right to appoint a director or otherwise exert significant influence. In such cases, a Fund will be significantly reliant on the management and board of directors of such companies, which may include representation of other financial investors with whom a Fund is not affiliated and whose interests may conflict with the interests of a Fund.

NO MARKET FOR LIMITED PARTNERSHIP INTERESTS

Pursuant to the partnership agreement, a limited partnership interest generally will not be transferable and voluntary withdrawal of a limited partner's limited partnership Interest will not be allowed. In addition, transfer of limited partnership interests may be affected by restrictions on re-sales imposed by federal and state securities laws. Therefore, an investment in a Fund should be considered illiquid.

CONFLICTS OF INTEREST

Instances may arise where the interests of the general partner, Investment Manager, the Managers, and their affiliates may potentially or actually conflict with the interests of a Fund and the limited partners. Because the percentage of profits allocated to the general partner as a result of the Carried Interest Distributions will exceed the capital contribution percentage of the general partner, and because certain net losses otherwise allocable to the general partner will be specially allocated to all the partners (up to the point that the limited partners' capital account balances reach zero), the general partner may have an incentive to make investments that are riskier or more speculative than if the general partner received allocations on a basis identical to that of the limited partners or were compensated on a basis not tied to the performance of a Fund. In addition, because the Firm and its affiliates may allocate investment opportunities to an existing Fund or other Fund, which existing Funds and other Funds have or may have terms that are materially more beneficial to the Firm and its affiliates than those of a Fund, conflicts of

interest may exist or arise. Except as expressly provided in the partnership agreement, the limited partnership advisory committee will be required to approve transactions, if any, in which the general partner, the Investment Manager, or any Principal has a conflict of interest with a Fund.

CAPITAL CALLS

Capital calls (upon giving of a drawdown notice) will be issued by a Fund from time to time at the discretion of the general partner, based upon the general partner's assessment of the needs and opportunities of a Fund. In order to satisfy such calls, limited partners may need to maintain a substantial portion of their capital commitments in assets that can be readily converted to cash. Except as specifically set forth in the partnership agreement, each limited partner's obligation to satisfy capital calls will be unconditional. Without limitation on the preceding sentence, a limited partner's obligation to satisfy capital calls will not in any manner be contingent upon the performance or prospects of a Fund or upon any assessment thereof provided by the general partner or the investment manager. Notwithstanding the foregoing, the general partner will not be obligated to call 100% of the capital commitments during the investment period or the term. Any limited partner that fails to make a capital contribution within the time allotted in a drawdown notice will be subject to severe penalties, including forfeiture of its limited partnership interest, in addition to other remedies set forth in the partnership agreement and provided by law.

FAILURE TO MAKE CAPITAL CONTRIBUTIONS

If a limited partner fails to pay when due installments of its capital commitment to a Fund, and the contributions made by non-defaulting limited partners and borrowings by a Fund are inadequate to cover the defaulted capital contribution, a Fund may be unable to pay its obligations when due. As a result, a Fund may be subjected to significant penalties that could materially adversely affect the returns to the limited partners (including non-defaulting limited partners). If a limited partner defaults, it may be required to sell its interest in a Fund at a significant discount to fair market value.

TAX CONSEQUENCES

There is a risk that the IRS will not concur as to the tax consequences of an investment in a Fund as described under "*Tax, ERISA, and Other Regulatory Considerations*" in each Fund's Private Placement Memorandum. Please refer to the discussion set forth in that section.

SIDE AGREEMENTS

In connection with a particular limited partner's subscription for limited partnership interests, the general partner may enter into a side letter or other similar agreement with such limited partner with respect to the partnership without the approval of any other limited partner, which would have the effect of establishing rights under, altering or supplementing the terms of the partnership agreement with respect to such limited partner in a manner more favorable to such limited partner than those applicable to other limited partners. Such rights or terms in any such side letter or other similar agreement may include, without limitation, (i) excuse rights applicable to particular Portfolio Companies (which may increase the percentage interest of other limited partners in, and contribution obligations of other limited partners with respect to, such Portfolio Companies), (ii) the general partner's agreement to extend certain information rights or additional diligence, valuation or reporting rights to such limited partner, including, without limitation, to accommodate special regulatory or other circumstances of such limited partner, (iii) waiver or modification of certain confidentiality obligations of such limited partner, (iv) consent of the general partner to certain transfers by such limited partner or other exercises by the general partner of its discretionary authority under the partnership agreement in certain respects for the benefit of such limited partner or (v) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such limited partner. The terms of any such side agreement will not be disclosed to other limited partners unless the general partner, in its sole discretion, determines otherwise. Any rights or terms so established in a side letter with a limited partner will govern solely with respect to such limited partner. The limited partners will have no recourse against a Fund, the general partner or their Affiliates in the event certain limited partners receive additional or different rights or terms as a result of such side letters.

NO ASSURANCE OF CONFIDENTIALITY

As part of the subscription process and otherwise in their capacity as limited partners, investors will provide significant amounts of information about themselves to the general partner and a Fund. Under the terms of the partnership agreement as well as applicable laws, such information may be made available to other limited partners, third parties that have dealings with a Fund, and governmental authorities (including by means of public access laws and securities law-required information statements that are open to public inspection). Investors that are highly sensitive to such issues should consider taking steps to mitigate the impact upon them of such disclosures (such as by investing in a Fund through an intermediary entity).

CONCENTRATION OF INVESTMENTS

A Fund's portfolio will be concentrated in a limited number of companies in a limited number of industry sectors, increasing the vulnerability of the portfolio as compared with a portfolio that is more diversified.

INVESTMENTS IN LOWER AND MIDDLE MARKET COMPANIES

Investments in lower and middle market companies such as those that a Fund may invest in, while often presenting greater opportunities for growth, may also entail larger risks than are customarily associated with investments in large companies. Lower and middle market companies may have more limited product lines, markets and financial resources, and may be dependent on a smaller management group. As a result, these companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required.

LITIGATION RISKS

A Fund will be subject to a variety of litigation risks, particularly as a consequence of the likelihood that one or more Portfolio Companies will face financial or other difficulties during the term of a Fund's investment. For example, it is anticipated that individual members of the general partner and the Investment Manager will actively assist Portfolio Companies in differing capacities (including, without limitation, by serving as directors, officers, managers or advisors). In the event of a dispute arising from such activities (or other activities relating to the operation of a Fund, the Investment Manager, or the general partner), it is possible that a Fund, the general partner, the Investment Manager, or the members of the general partner or the Investment Manager may be named as defendants. Under most circumstances, a Fund will indemnify the general partner and the Investment Manager and their respective members for any costs they may incur in connection with such disputes, and under some circumstances limited partners may have to repay distributions received from a Fund to cover such indemnity obligations. Beyond direct costs, such disputes may adversely affect a Fund in a variety of ways, including by distracting the general partner and the Investment Manager and harming relationships between a Fund and the Portfolio Companies as well as active or potential investors, other potential sources of capital, and other entities important to the success of the Portfolio Companies.

REGULATORY CONSTRAINTS

A Fund will be subject to a variety of securities laws and other types of governmental regulation that may limit the scope of its operations or impose material compliance costs and other burdens.

While the general partner believes that a Fund will not be subject to the registration requirements of the Investment Company Act there can be no assurance that this belief is, or will continue to be, correct. If a Fund were subject to such registration requirements, a Fund's performance could be materially adversely affected.

The Investment Manager is not currently registered as an investment adviser under the Advisers Act in reliance upon the exemption in Section 203(b)(3) of the Advisers Act. However, prior to the Initial Closing, the Investment Manager expects to register as an investment adviser in accordance with the requirements of the Advisers Act, as it was amended by the Dodd-Frank Wall Street Reform and Consumer Protection

Act. Consequently, the Investment Manager expects to be subject to the restrictions and requirements imposed on registered investment advisers by the Advisers Act throughout the Term.

In general, the general partner will seek to minimize the degree of governmental regulation and oversight to which the general partner and a Fund are subject. While it is anticipated that this approach will reduce compliance and other costs, this approach will also eliminate a variety of investor protections (including certain protections arising under the Securities Act and the Investment Company Act) that would be available if the general partner, the Investment Manager, and a Fund were subject to greater governmental regulation and oversight. In particular, prospective investors are cautioned against assuming the applicability of investor protections generally associated with public offerings of securities. This Memorandum is not a “prospectus” and does not purport to describe or otherwise address all material considerations relating to an investment in a Fund.

RISK ARISING FROM PROVISION OF MANAGERIAL ASSISTANCE

The general partner will use its commercially reasonable efforts to structure Portfolio Investments and operate a Fund in a manner so as to limit the aggregate investment in a Fund by Benefit Plan Investors to less than 25% of the value of the Interests or so that a Fund will qualify as a VCOC within the meaning of regulations promulgated under ERISA. This requires that a Fund obtain rights to participate substantially in and to influence substantially the conduct of the management of the majority (valued at cost) of the Portfolio Companies. The Partnership typically will designate directors to serve on the boards of directors of Portfolio Companies. The designation of board members and other representatives and the exercise of other management rights could expose the assets of a Fund to claims by a Portfolio Company, its security holders or its creditors, including claims that a Fund is a controlling person and therefore is liable for violations of securities laws by a Portfolio Company. These measures also could (i) result in claims against, or liabilities to, a Fund in the event of bankruptcy or reorganization of a Portfolio Company; (ii) result in claims against a Fund if the designated directors violate their fiduciary or other duties to a Portfolio Company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles; and (iii) expose a Fund to claims that it has interfered in management to the detriment of a Portfolio Company. While the Investment Manager intends to manage a Fund in a way that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

COMPLIANCE WITH ANTI-MONEY LAUNDERING REQUIREMENTS

In response to increased regulatory concerns with respect to the sources of funds used in investments and other activities, the general partner may request limited partners to provide additional documentation verifying, among other things, the limited partners’ identity and source of funds used to purchase limited partnership interests. The general partner may decline to accept a subscription if this information is not provided or on the basis of information that is provided. Requests for documentation and additional information may be made at any time during which a limited partner holds a limited partnership interest. The general partner may be required to provide this information, or report the failure to comply with any requests, to appropriate governmental authorities, in certain circumstances without notifying the limited partners that the information has been provided. The general partner will take any steps that it determines are necessary to comply with applicable law, regulations, orders, directives, or special measures. Governmental authorities are continuing to consider appropriate measures to implement, and at this point it is unclear what additional steps the general partner may be required to take; however, these steps may include prohibiting a limited partner from making future contributions of capital to a Fund, depositing distributions that a limited partner would otherwise be entitled to in an escrow account, or causing the withdrawal of a limited partner from a Fund.

ENHANCED SCRUTINY AND POTENTIAL REGULATION OF THE PRIVATE INVESTMENT FUND INDUSTRY

There has been significant discussion recently regarding enhancing governmental oversight and/or increasing the regulation of the private investment fund industry, including in the U.S. It is uncertain whether and in what form any such legislation may ultimately be implemented, but enactment of this or other similar legislation could have an adverse affect on private investment funds industry generally and

on a Fund specifically, and may impede a Fund's ability to effectively achieve its investment objectives.

LIMITED ACCESS TO INFORMATION

The rights of limited partners to information regarding a Fund and the Portfolio Companies will be specified and strictly limited in the partnership agreement. In particular, it is anticipated that the general partner and Investment Manager will obtain certain types of material information that will not be disclosed to limited partners. For example, the general partner or the Investment Manager may obtain information regarding Portfolio Companies (*e.g.*, via members of the general partner or the Investment Manager serving as advisors to, or officers/directors of, such companies) that is material to determining the value of securities issued by such companies. Such information may be withheld from limited partners in order to comply with duties to such Portfolio Companies or otherwise to protect the interests of such companies or a Fund.

Decisions by the general partner or the Investment Manager to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to sell its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for limited partners to subject to the general partner and investment manager to rigorous oversight.

RISKS RELATED TO JOINT VENTURES AND PARTNERSHIPS

It is expected that some of a Fund's investments will be made through joint ventures or partnerships between a Fund or a subsidiary or affiliate of a Fund and third parties. The investment by a Fund in a joint venture or partnership may under certain circumstances involve risks not otherwise present. For example, there is a possibility that a Fund may not control the operations of the joint venture or partnership. In addition, a Fund's co-venturer or partner in an investment could become bankrupt or insolvent, have economic or business interests or goals that are inconsistent with the business interests of a Fund, or take actions contrary to the instructions or requests of a Fund or contrary to its policies or objectives. In addition, a Fund may be liable for actions of its joint venture partners. While the general partner will review the qualifications and previous experience of joint venture partners, it may not obtain financial information from, or to undertake private investigations with respect to, prospective joint venture partners. In addition, a Fund's ability to successfully enhance an investment, whether through operational improvements, the application of derivative investments or otherwise, could be limited with respect to projects not controlled by a Fund.

Item 9 Disciplinary Information

We do not have any material facts regarding legal or disciplinary events that are material to your evaluation of the integrity of our firm or its advisory agents to disclose. Your confidence and trust placed in our Firm and its advisory agents is something we value and endeavor to protect and we want to ask any questions that you may have on the disclosures presented.

A full report that reflects the professional background, business practices, and conduct of our advisory agents is available through the IARD line at www.adviserinfo.sec.gov. Should you have any technical difficulties with the link you can call 240-386-4848 for further assistance.

The information that appears on these websites is collected from individual investment adviser representatives, investment adviser firm(s), and/or securities regulator(s) as part of the securities industry's registration and licensing process.

Item 10 Other Financial Industry Activities and Affiliations

General partner Relationships:

Our affiliated entities are general partners of various private equity funds that we would provide investment management services to. Each private equity fund is managed by the investment objectives set forth by the Private Placement Memorandum.

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

Code of Ethics:

We have adopted a Code of Ethics Policy to prohibit conflicts of interest from personal trading by our advisory personnel and have established standards of conduct expected of our advisory personnel. We have set forth in the Code of Ethics Policy statements of general principles, required course of conduct, reporting obligations, and review and enforcement of the Code of Ethics Policy. We will provide a copy of the Code of Ethics Policy to our clients or prospective client's upon written request.

Participation or Interest in Client Transactions / Personal Trading:

We anticipate that, from time to time, qualified members of our staff and/or our related persons and family members, may be offered the opportunity to invest in partnerships managed by us or our related persons to invest in securities of public companies [or interests in private companies]. These investments will be invested on the same basis as other investors. Records of all [advisory agents investments???] are reviewed and retained by our firm. We will act in a fiduciary manner, understand the prohibitions against the use of any insider information and will always act in our clients' best interest.

We feel that investing personal capital alongside the other limited partners is deemed an advantage rather than a conflict of interest as it demonstrates that the employees of the Firm believe in the investment merits of a particular investment and have personal capital at risk aligning them with the outside investors.

Item 12 Brokerage Practices

We only provide asset management services to private equity funds that invest in the securities of privately-held and publicly traded companies. At the time securities are purchased for a publically traded company, a brokerage firm will be selected to execute the trade taking into account the brokerage firms trading activity in the stock of the particular company, execution expertise, and expense. Accounts will be opened on a delivery vs. payment basis and the stock certificates are received and held in a safe.

Item 13 Review of Accounts

Fund accounts will be reviewed on a quarterly basis by the Audit Committee consisting of Fouad Bashour and Drew Johnson with participation by Diane Gross. Except for a 2001 Fund which is largely liquidated at the current time, all Funds have an annual audit which will be provided to each investor along with a K-1 for tax reporting purposes. We also provide quarterly reports to the fund and for all assets under management. Additionally, Reviewers may include Marshall Payne, and Michael Rawlings. All reviewers are aware of our firms investment philosophy and strategies.

Limited partners will be provided with (a) annual financial statements of the Partnership, an annual statement of aggregate realized gains, income, expenses and losses for the year, and an annual overview of the Partnership's portfolio; (b) annual tax information necessary for the completion of U.S. Federal, state and local income tax returns; and (c) annual reports summarizing in reasonable detail the fees and expenses the general partner has charged the Partnership and the Portfolio Companies during the period since the last such annual report. For certain Funds, limited partners are also provided quarterly financial reports which include among other things the unaudited financial performance for the Fund during such quarter and the limited partner's capital account balance.

Item 14 Client Referrals and Other Compensation

Client Referrals:

We do not have any arrangements for client referrals.

Other Compensation:

No other compensation is received other than what is already disclosed in this Brochure.

Item 15 Custody

Each Fund has a bank account that requires signature from a qualified employee of the Firm and all stock certificates are kept in a safe. Controls have been put in place to approve disbursements for investments and capital calls but we have the discretion to pay ordinary partnership expenses as incurred. Reports are prepared quarterly of fund financials which are reviewed by the Audit Committee and distributed to the limited partners. Each fund will be audited annually and copies of audit reports will be distributed to each limited partner.

Item 16 Investment Discretion

You have granted our Firm sole and absolute discretion in the management of your portfolio and periodic re-balancing to the asset class target percentages as outlined in each Fund's prospectus. In the exercise of our authority we are fully authorized and empowered with respect to the purchase, sale, exchange, disposition or liquidation of any assets held.

Item 17 Voting Client Securities

We do not vote proxies. We forward any materials we receive that pertain to the Assets in the Account. Should we decide to vote proxies we will do so according to a separate voting policy. Contact our office at 214-871-6825 for any questions about a particular solicitation.

Item 18 Financial Information

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We do not have any financial condition that is reasonably likely to impair the ability to meet contractual commitments to you.

Item 19 Requirements for State Registered Advisers

Not applicable.