

# **SENECA MANAGEMENT, LLC**

---

**1430 WYNKOOP STREET  
SUITE 200  
DENVER, COLORADO 80202  
CHEYENNEFUND.COM**

---

**CONTACT: MIKE WEST  
303-454-5453  
MWEST@CHEYENNEFUND.COM**

---

**JANUARY, 2012**

This brochure provides information about the qualifications and business practices of Seneca Management, LLC. If you have any questions about the contents of this brochure, please contact us at 303-454-5453 or [mwest@cheyennefund.com](mailto:mwest@cheyennefund.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 Seneca Management, LLC is also available on the SEC's website at [www.adverinfo.sec.gov](http://www.adverinfo.sec.gov).

---

## CONTENTS

---

<u>ITEM</u>	<u>PAGE</u>
➤ ADVISORY BUSINESS .....	1
➤ FEES AND COMPENSATION.....	1
➤ PERFORMANCE –BASED FEES & SIDE-BY-SIDE MANAGEMNT .....	2
➤ TYPES OF CLIENTS .....	2
➤ METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS...2	
➤ DISCIPLINARY INFORMATION .....	11
➤ OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	11
➤ CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	12
➤ BROCKERAGE PRACTICES .....	12
➤ REVIEW OF ACCOUNTS.....	12
➤ CLIENT REFERRALS AND OTHER COMPENSATION .....	13
➤ CUSTODY .....	14
➤ INVESTMENT DECISIONS .....	14
➤ VOTING CLIENT SECURITIES.....	15
➤ FINANCIAL INFORMATION .....	16

---

## **Advisory Business**

- A. Seneca has been in business since January 1, 2011. Its principal owner, through his single member and wholly owned limited liability company, JPF Colorado, LLC, is John P. Fitzgerald.
- B. Seneca only offers and provides investment management services to private equity funds.
- C. Seneca currently has one client, Cheyenne Capital Fund, LP. Investments are limited to private equity investments in portfolio companies; investments in funds licensed as small business investment companies under the Small Business Investment Act of 1958, as amended; investments in other private equity funds, and other investments generally related to private equity. Seneca may in the future have additional clients with a different investment focus.
- D. Seneca does not participate in wrap fee programs.
- E. Seneca manages client assets only on a discretionary basis. As of September 30, 2011, the amount of client assets managed on a discretionary basis was approximately \$390 million.

## **Fees and Compensation**

- A. Seneca receives an operating expense allowance (analogous to a management fee) based upon total assets committed to the private equity fund. In 2013, the operating expense allowance will be based upon the value of assets under management. Seneca is also compensated in the form of an 8% to 20% performance allocation. The current fee schedule is attached as Exhibit [TBD]. Fees and compensation are negotiated at the time the private equity fund is formed.
- B. Seneca bills its client for an operating expense allowance on a quarterly basis, payable in advance. Upon realization of portfolio investments, a portion of any gain is allocated to Seneca as its performance allocation.
- C. Seneca's client pays certain operating expenses, which generally are out-of-pocket expenses incurred from the general maintenance of the partnership, including banking charges, custodial fees, audit and tax accounting expenses, business registrations and licenses, directors and officers liability insurance and indemnification coverage. Partnership expenses also include out-of-pocket investment transaction expenses incurred in evaluating, documenting and consummating investment opportunities. Partnership expenses are billed on a quarterly basis.
- D. The operating expense allowance is paid in advance. If the advisory contract is terminated before the end of a billing period, Seneca would refund any pre-paid fee calculated on a pro-rata basis with the denominator being the total days in the billing period and the numerator being the total days left in the billing period at the time of termination.

- E. Neither Seneca nor its supervised person accepts compensation for the sale of securities or other investment products.

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

Seneca's client is a private equity fund and, thus, a pooled investment vehicle. Seneca is compensated in the form of a performance allocation tied to positive performance, and an operating expense allowance based upon total assets committed to the private equity fund, all as more particularly described in Item 5 above.

### **Types of Clients**

Seneca's only client is a private equity fund. There is no minimum account balance or similar requirement.

### **Methods of Analysis, Investment Strategies and Risks of Loss.**

Seneca seeks to invest with the top performing private equity managers in the United States. These managers typically have:

- A long, consistent track record of top-quartile performance with
- A significant expertise in the industry sectors where they invest, and
- A culture of partnership with their investors.

Seneca also seeks direct private equity investments such as leveraged buyouts, recapitalizations, and expansion or growth equity opportunities. These investments have some or all of the following characteristics:

- History of strong, sustainable, and predictable cash flows
- Proven, industry leading management team
- Sound business fundamentals with a track record of profitability
- Strong and defensible market position in a mature, stable industry
- Tangible growth potential with significant competitive advantage

Seneca generally invests in industries where it or its investment partners have experience and expertise. We focus on the following industries:

- |                      |                                  |
|----------------------|----------------------------------|
| ➤ Manufacturing      | ➤ Consumer Products and Services |
| ➤ Financial Services | ➤ Media                          |
| ➤ Business Services  | ➤ Energy                         |

Seneca will also consider other industries that are (1) poised for growth, (2) generally stable, and (3) have attractive dynamics that reward superior execution with high profitability.

The investments are diversified:

- Funds
- Direct company investments
- Industry
- Size
- Total number
- Geography

Seneca investment professionals perform analysis and due diligence on each of the investments it makes. The due diligence is tailored to each investment. An investment memorandum summarizing the work done, conclusions reached and recommendations made is prepared for each investment, and the information collected preserved. An Investment Committee consisting of Managing Directors Robert Grady and Brian Knitt decides whether or not to make an investment.

### Investment Risks

An investment in the Fund involves a high degree of risk. There can be no assurance that the Fund's investment objective will be achieved, or that a Limited Partner will receive a return of its capital. The performance of Seneca's prior investments is not necessarily indicative of the Fund's future results. Potential investors should consult their own business, legal and tax advisors regarding the suitability of an investment in the Interests. In addition, there will be occasions when the General Partner and each of their respective affiliates may encounter potential conflicts of interest in connection with the Fund. The direct company investments confront all the risks experienced by public and private companies with whom they compete. Investors in funds managed by Seneca must understand that they could lose all of the capital they have invested, and be prepared to bear such a loss. The following considerations should be carefully evaluated before making an investment in the Fund:

#### *Illiquid and Long-Term Investments; Risk of Capital Loss; No Assurance of Profit.*

Investments in the Fund's portfolio typically will be subject to restrictions on resale because they will involve unregistered securities. The General Partner anticipates a significant period of time between the initial capitalization of the Fund and the times when the Partners receive distributions. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in-kind to Partners. In addition, it is expected that many of the Fund's investments will be in the equity securities of private companies. In some cases the Fund may be prohibited by contract from selling certain securities for a period of time. As a result, there generally will be limited or no marketability of the Fund's investments, and such investments may decline in value while the Fund is seeking to dispose of them. Furthermore, the Fund may find it necessary to sell investments at a discount or to sell over extended periods of time when disposing of its portfolio investments. Therefore, it is expected that the Fund's investments generally will be relatively illiquid and difficult to value. The marketability and value of any such investments will depend upon many factors beyond the control of the General Partner.

Therefore, there can be no assurance that the Fund will realize net profits or achieve returns commensurate with the risks associated with its investments, or that the Fund will not experience losses, which may be substantial, in its investments. If the Fund experiences losses, the expenses of operating the Fund may exceed its income, which will further reduce the Fund's capital.

*Risk of Limited Number of Investments.*

The Fund may participate in a limited number of investments and, as a consequence, the aggregate return of the Fund may be substantially adversely affected by the unfavorable performance of even a single investment.

*Leverage; Junior Interests.*

The Fund's investments are expected to include companies the capital structures of which may involve significant leverage. Although the General Partner will seek to use leverage in a manner it believes is prudent, the leveraged capital structure of such investments will increase the exposure of the Portfolio Investments to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the Portfolio Investment or its industry. The securities in which the Fund will invest will be among the most junior in a company's capital structure, and thus subject to the greatest risk of loss.

*General Nature of the Fund's Investments.*

A substantial portion of the Fund's investments will be in equity or equity-related investments which by their nature involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that can result in substantial losses. There can be no assurance that the Managing Directors will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices and market movements of the Fund's investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund's activities and the value of the Fund's investments. As a result, the Fund's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

A portion of the Fund's investments may involve under-performing companies or companies identified by the General Partner as being in need of additional capital. The financial condition of such companies may be weak or their balance sheets highly leveraged, and any investment in them may involve a high degree of risk.

*Difficulty of Locating Suitable Investments.*

Identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. Furthermore, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. Competition for such opportunities is expected to be substantial. There can be no assurance that the Fund will be able to locate and complete a sufficient number of suitable opportunities to enable it to invest all of its commitments in opportunities that satisfy its investment objectives, or that such investment opportunities will lead to completed investments by the Fund.

*Need for Additional Investments.*

The Fund may be called upon to provide follow-on funding for its Portfolio Investments or have the opportunity to increase its investment in Portfolio Investments. There can be no assurance that the Fund will be able to make such additional investments or that the Fund will have sufficient funds to do so. Any decision not to make such additional investments or the inability

to make them may have a substantial negative impact on a Portfolio Investment in need of such an investment or may diminish the Fund's ability to influence the Portfolio Investment's future development.

*Portfolio Concentration.*

Although no more than 25% of the Aggregate Commitments of the Fund will be invested in any one Portfolio Investment, the Fund's portfolio may include a small number of large positions. While this portfolio concentration may enhance total returns to the Partners, if any large position has a material loss, then returns to the Partners may be lower than if they had invested in a well diversified portfolio.

*Relation to Other Investment Results.*

The prior investment results of the Firm, the Managing Directors or any other person described herein are provided for illustrative purposes only and are not indicative of the Fund's future investment results. THERE CAN BE NO ASSURANCE THAT THE FUND'S INVESTMENTS WILL PERFORM AS WELL AS THE PAST INVESTMENTS DESCRIBED IN THIS BROCHURE , OR THAT THE FUND WILL BE ABLE TO AVOID LOSSES.

*Forward-Looking Statements.*

Targeted returns and forward-looking statements reflect the Firm's views with respect to future events. Actual returns and results could differ materially from those in the targeted returns and forward-looking statements as a result of factors beyond the Fund's control. Investors are cautioned not to place undue reliance on such returns and statements.

*Dependence on the General Partner and the Managing Directors.*

The Fund will be dependent upon the expertise and performance of the General Partner and the Managing Directors. The success of the Fund will depend on the ability of the Managing Directors and other personnel of the General Partner to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of portfolio investments. The loss of any Managing Directors could have a significant adverse impact on the business of the Fund. There can be no assurance that each of the Managing Directors will continue to be affiliated with the Fund throughout its anticipated term. The Partnership Agreement does not permit Limited Partners to take part in the management and affairs of the Fund, and they will not receive the level of Portfolio Investment financial information that is available to the Fund. All aspects of management of the Fund are entrusted to the General Partner. The Fund has not commenced operations and therefore has no operating history upon which prospective investors may evaluate its performance.

*Indemnification.*

The General Partner, the Managing Directors and certain related persons will be entitled to indemnification from the Fund except in limited circumstances. The assets of the Fund will be available to satisfy these indemnification obligations, and the Partners may be required to return distributions to satisfy such obligations. Such obligations will survive the dissolution of the Fund.

*No Market for Limited Partnership Interests.*

The Interests have not been registered under the Securities Act, the securities laws of any U.S. state thereof or the securities laws of any other jurisdiction, and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration of the Interests under the Securities Act or other securities laws will ever be effected. There is no public market for the Interests and one is not expected to develop. A Limited Partner will not be permitted to assign its Interests, without the prior written consent of the General Partner. Except in extremely limited circumstances, withdrawals from the Fund will not be permitted. Limited Partners must be prepared to bear the risks of owning Interests for an extended period of time.

*No Right to Control the Fund's Operations.*

Limited Partners will have no opportunity to control the day-to-day operations of the Fund, including investment and disposition decisions. In order to safeguard their limited liability from the liabilities and obligations of the Fund, Limited Partners must rely entirely on the General Partner to conduct and manage the affairs of the Fund.

*Non-Controlling Investments.*

The Fund may hold a non-controlling interest in certain Portfolio Investments and, therefore, may have a limited ability to protect its position in such Portfolio Investments, although as a condition of investment in a Portfolio Investment, it is expected that appropriate shareholder rights generally will be sought to protect the Fund's interests.

The Fund may co-invest with third parties, including through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venture may have financial difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Fund, or may be in a position to take (or block) action in a manner contrary to the Fund's investment objectives. In those circumstances where such third parties involve a management group of the Portfolio Investment, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

*Penalties Upon Default.*

If a Limited Partner fails to pay when due installments of its Commitment to the Fund, and the contributions made by non-defaulting Limited Partners and borrowings by the Fund are inadequate to cover the defaulted contribution, the Fund may be unable to pay its obligations when due. As a result, the Fund may be subjected to significant penalties that could materially and adversely affect the returns to the Limited Partners (including non-defaulting Limited Partners). A Limited Partner's failure to fund its Commitment in accordance with the Partnership Agreement may result in a reduction of such Limited Partner's interest in the Fund, may preclude such Limited Partner from investing further in the Fund and from voting on matters subject to voting by Limited Partners.

*Bridge Financing.*

The Fund may provide Bridge Financing in connection with one or more of the portfolio investments. The Fund will bear the risk of any changes in capital markets, which may adversely affect the ability of a Portfolio Investment to refinance any bridge investments. If the Portfolio



Investment were unable to complete a refinancing, the Fund could have a long-term investment in a junior security or in a security that may be converted to equity.

*Risks Arising from Provision of Managerial Assistance.*

The Fund may be required to structure investments so that it will qualify as a “venture capital operating company” for purposes of ERISA. This requires that the Fund obtain rights to substantially participate in, or influence substantially the conduct of, the management of Portfolio Investments representing a majority of the amount of the Fund’s investments. The Fund typically will designate directors (and non-executive chairmen) to serve on the boards of directors of the Fund’s Portfolio Investments. The designation of directors and other measures contemplated could expose the assets of the Fund to claims by a Portfolio Investment, its security holders and its creditors. The exercise of control over a company could impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability which the limited liability characteristic of business operations usually ignores. If these liabilities were to occur, the Fund could suffer losses in its investments. While the General Partner intends to manage the Fund in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

*Contingent Liabilities on Disposition of Investments.*

In connection with the disposition of an investment in a Portfolio Investment, the Fund may be required to make representations about the business and financial affairs of such company typical of those made in connection with the sale of a business. The Fund also may be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities for which the General Partner may establish reserves or escrows. In that regard, Limited Partners may be required to return amounts distributed to them to fund Fund indemnity obligations. Furthermore, under the Delaware Revised Uniform Limited Partnership Act, each Limited Partner that receives a distribution in violation of such Act will, under certain circumstances, be obligated to contribute such distribution back to the Fund.

*Borrowing and Guarantees.*

The General Partner shall have the right, at its option, to cause the Fund to borrow money from any person, or to guarantee loans or other extensions of credit (i) made to any Portfolio Investment or any vehicle formed to effect the acquisition thereof; (ii) for the purpose of covering Fund expenses; or (iii) to provide interim financing to the extent necessary to consummate a transaction in Portfolio Investments prior to the receipt of drawdowns.

*Distributions in Kind.*

Under certain limited circumstances, distributions in kind of investments for which market quotations are not readily available may be made. If distributions are made of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property. Specifically, upon termination of the Fund, certain portfolio investments of the Fund may be distributed in kind if the General Partner determines that liquidation of any such portfolio investment might cause substantial diminution of the value of such portfolio investment. Widespread holding of portfolio investments, particularly of private illiquid securities, may entail a significant administrative burden. In addition, the direct holding of

certain portfolio investments may subject the holder to suit or taxes in states in which such investments are located.

*Distributions.*

There can be no assurance that the operations of the Fund will be profitable, that the Fund will be able to avoid losses or that cash from its investments will be available for distribution to the Partners. The Fund will have no source of funds from which to pay distributions to the Partners other than income and gain received on its investments and the return of capital.

*Possibility of Audit.*

The Fund's tax returns could be audited by the Internal Revenue Service and adjustments to the Fund's return could occur as a result. A Limited Partner must report each Fund item for federal income tax purposes consistent with its treatment on the Fund's return, unless the Limited Partner files a statement with the Limited Partner's return that identifies the inconsistency. In the event of an audit, the tax treatment of all Fund items may be determined at the Fund level in a single Fund proceeding rather than in separate proceedings with each Limited Partner. The General Partner may take primary responsibility for contesting federal income tax adjustments proposed by the IRS, to extend the statute of limitations as to all Limited Partners and, in certain circumstances, the General Partner may be able to bind the Limited Partners to a settlement with the IRS. The General Partner will inform each Limited Partner of the commencement and disposition of any such administrative proceeding. Nevertheless, a Limited Partner's participation in administrative or judicial proceedings relating to Fund items will be restricted.

*Dilution From Subsequent Closings.*

Limited Partners subscribing for Interests at subsequent closings will participate in existing investments of the Fund, diluting the Interest of existing Limited Partners therein. Although such Limited Partners will contribute their proportionate share of previously made Fund contributions, plus interest thereon, there can be no assurance that this payment will reflect the fair value of the Fund's existing investments at the time such additional Limited Partners subscribe for Interests.

*Conflicts of Interest.*

The General Partner, the Partners and their respective affiliates, employees and agents may be subject to certain conflicts of interest.

*Other Activities of Partners.*

Although the Managing Directors may serve as officers of the General Partner intend to devote a significant portion of their time and attention to the management of the Fund, they are responsible for advising or providing consulting services to current funds and other investments made prior. The General Partner and the Managing Directors may engage in activities of every kind and description independently or with others, in addition to those relating to the Fund, including business activities involving the same industry or sector as any of the Portfolio Investments. No Limited Partner shall, by virtue of its investment in the Fund, be entitled to participate in any income or profits derived from any such other activity. In addition, the Managing Directors may in the future organize and manage one or more entities with objectives similar to or different from those of the Fund.

*Management Fee; Carried Interest.*

The Management Fee payable by the Fund and the carried interest that the General Partner will receive have not been established on the basis of an arm's-length negotiation among the Fund and the General Partner. In addition, the existence of the carried interest that the General Partner will receive under the Partnership Agreement may create an incentive for the General Partner to approve and cause the Fund to make more speculative investments than it would otherwise make in the absence of such performance-based compensation.

*Fees from Portfolio Companies.*

The General Partner, any Managing Director or any of their affiliates, subject to certain limitations, may earn directors' fees, advisory fees, management fees, consulting fees, investment banking fees, monitoring fees, broker's and finder's fees, transaction fees, commitment, topping, break-up fees and litigation payments or equivalent compensation, from Portfolio Investments and from other persons or entities in connection with potential or actual portfolio investments, and such fees shall be for the sole account of the General Partner, such Related Person, any Managing Director or any of their affiliates. Such fees may create a conflict of interest with respect to the role of the General Partner, any Managing Director or any of their affiliates in connection with the Fund. Except for the Management Fee off-set, Limited Partners will receive no benefit from such fees.

*Diverse Membership.*

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

*Tax Considerations.*

An investment in the Fund may involve complex Federal income tax considerations that will differ for each Limited Partner. Under certain circumstances, the Limited Partners could be required to recognize taxable income in a taxable year for Federal income tax purposes, even if the Fund either has no net profits in such year or has an amount of net profits in such year that is less than such amount of taxable income.

Investment Personnel

John Fitzgerald - Managing Director

Thirty years of experience in private equity and law. Mr. Fitzgerald founded Cheyenne Capital in late 2003.

Mr. Fitzgerald has expertise as an investor, director and attorney. He specializes in sourcing, structuring acquisitions and investments – combining tax, business, and financial skills to engage in private equity buyouts, growth transactions, and investments in funds.

Prior to founding Cheyenne Capital, Mr. Fitzgerald was an attorney for 22 years. During that time, he primarily worked as a partner at the law firm of Kirkland & Ellis, where he served as the head of the financial institutions practice. Mr. Fitzgerald has extensive expertise in financial industries, including banking, mortgage banking and consumer lending.

In private equity, Mr. Fitzgerald has direct experience in a full range of matters, including fund formation, acquisitions, mergers, financings, and divestitures (as well as the regulatory issues implicated by these transactions). Other significant private equity expertise covers consolidations, buyouts for private equity fund consortiums, acquisitions of financial services companies, and structuring transactions to minimize adverse tax consequences, and maximize tax and economic benefits.

When he was an attorney, Mr. Fitzgerald's private equity clients included many of the nation's leading firms: Madison Dearborn Partners, Bank of America, CIVC Partners, Bain Capital, Chemical Venture Partners, Chase Capital Partners, PNC Bank and Centre Partners, among others. Projects for these firms have included fund formations, venture capital investments, and private equity buyouts (leveraged and non-leveraged) and divestitures - - ranging from \$20 million to \$1 billion per transaction. Mr. Fitzgerald has worked on more than 100 separate corporate and private equity transactions.

#### Robert Grady - Managing Director

Seventeen years of experience in private equity. Mr. Grady joined Cheyenne Capital in 2009. He is based in Jackson Hole, Wyoming.

Prior to joining Cheyenne Capital, Mr. Grady was a partner and member of the Management Committee at The Carlyle Group for nine years. At Carlyle, he served as the global coordinator of venture and growth capital (which had \$5 billion in assets under management), Chairman and Fund Head of Carlyle Venture Partners I, II, and III, and on the investment committees of Carlyle Venture Partners, Carlyle Asia Growth Partners, and Carlyle Europe Technology Partners.

Mr. Grady also served as a Director and was Chairman in 2006-2007 of the National Venture Capital Association (NVCA).

Mr. Grady was a Managing Director and Member of the Management Committee at Robertson Stephens & Company, the San-Francisco-based technology investment bank for seven years. Mr. Grady served in the White House from 1989-1993 as Deputy Assistant to President George H.W. Bush and as Executive Associate Director of the Office of Management and

---

Budget (OMB). Previously, he was Director of Communications for New Jersey Governor Thomas H. Kean and Chief of Staff for U.S. Representative Millicent Fenwick.

Mr. Grady is a Director of Maxim Integrated Products (Nasdaq: "MXIM"), Thomas Weisel Partners Group (Nasdaq: "TWPG"), AuthenTec, Inc. (Nasdaq: "AUTH") and privately-held companies eScreen (instant drug testing), Viator (online travel), Symbio LLC (China-based software development and testing), and Eleutian Technology (online English training).

#### Brian Knitt - Managing Director

Ten years of experience in private equity. Mr. Knitt has expertise in a full range of matters, including sourcing and selecting investment opportunities, due diligence, negotiating terms, and serving as a director and advisor. Mr. Knitt joined Cheyenne Capital in 2003.

Prior to joining Cheyenne Capital, Mr. Knitt spent three years focused on telecommunications and information technology private equity investments at Meritage Funds. Mr. Knitt was directly involved in investing over \$100 million in 17 transactions. Mr. Knitt was the Director of Operations and Strategic Planning for one of Meritage's portfolio companies for seven months. Mr. Knitt is currently a director of Eleutian Technology.

Mr. Knitt was an officer in the U.S. Air Force for five years. Mr. Knitt held various significant positions supporting the development and sustainment of the Air Force's Global Positioning System. He left the service in 1998 with the rank of Captain, and was awarded the Joint Service Commendation Medal.

#### **Disciplinary Information**

None.

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

- A. None
- B. None
- C. Phillip Parrott is a member of the law firm of Campbell Killin Brittan & Ray, LLC. Campbell Killin occasionally does work for Seneca. This arrangement creates no material conflicts with Seneca's client.
- D. Seneca does not receive direct or indirect compensation from advisers of funds with whom it invests funds on behalf of its client. Other than through such investments, Seneca does not recommend or select other investment advisers for its client.

#### **Code of Ethics**

---

- A. Seneca Management has adopted the Seneca Management Code of Ethics and Securities Trading Policy and Procedures (the “Code”), which sets forth standards of conduct that are expected of Seneca Management principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Seneca Management personnel to report their personal securities transactions, prohibits or requires pre-clearance for Seneca Management personnel from directly or indirectly acquiring beneficial ownership of securities in an initial public offering, and prohibits Seneca Management personnel from directly or indirectly acquiring beneficial ownership of securities in private placements, without first obtaining approval from Seneca Management’s Chief Compliance Officer. A copy of the Code will be provided to any investor or prospective investor upon request to TBD, the Seneca Management Chief Compliance Officer, at (303) 454-5453.
- B. None of Seneca or its related persons recommends to its client, or buys or sells for its client, any security in which Seneca or its related persons has a material financial interest.
- C. *See answer to B above.*
- D. *See answer to B above.*

### **Brokerage Practices**

- A. Seneca has the ability to select brokers for client transactions. In retaining brokers Seneca considers all relevant factors, including commission rates, execution, and other client services.
- B. Seneca does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions.
- C. Seneca does not aggregate the purchase or sale of securities for client accounts.

### **Review of Accounts**

- A. Seneca reviews its client accounts and engages an independent certified public accountant to audit these accounts annually. The Investment Committee, composed primarily of senior officers, monitors and review investments on at least a quarterly basis, in addition the Chief Compliance Officer also periodically checks to confirm that each investment is maintained in accordance with its stated objectives.
- C. Seneca prepares and sends written reports to investors in its client, including the following:
  - Annual financial statements for the client prepared by an independent certified public accountant, using generally accepted accounting principles and including a statement of the investor’s closing capital balance, delivered to investors by March 31 of each calendar year (or as soon as is reasonably practicable thereafter);

- Quarterly status reports on each investment made by the client and delivered to investors within 30 days following the end of each quarter; and
- Quarterly summaries and valuations of the partnership's portfolio.

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

- A. No one, other than private equity fund managed by Seneca, provides Seneca an economic benefit.
- B. Seneca does not compensate any person who is not a supervised person for client referrals.

### **Custody**

Seneca maintains custody of client assets with the following qualified custodians:  
Northern Trust Securities.

### **Investment Decisions**

Seneca only provides services to private equity funds where it has discretionary authority to manage investment decisions. Investments are limited to private equity investments as more particularly described in Item 4C above.

### **Voting Client Securities**

- A. Seneca does not vote securities held in the portfolios of the private equity funds it manages.
- B. *See* answer to A above.

### **Financial Information**

- A. Seneca does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure.
- B. No financial condition exists that will impair Seneca's ability to provide services.
- C. Seneca has not been the subject of any bankruptcy petition at any time during the past ten years.