

**ITEM 1  
COVER PAGE**

**Part 2A OF FORM ADV: THE BROCHURE**

**VETERI PLACE CORPORATION**

100 Misty Lane, First Floor  
Parsippany, NJ 07054  
Phone: (973) 952-0405

March 16, 2016

This brochure provides information about the qualifications and business practices of Veteri Place Corporation (together with its relying adviser(s), “Veteri” or the “Company”). If you have any questions about the contents of this brochure, please contact Veteri’s Chief Compliance Officer, Michael Hammer, at (973) 952-0405.

Veteri is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Veteri also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2**

### **MATERIAL CHANGES**

This brochure is Veteri's third brochure. The first brochure was dated and filed on June 24, 2014. The second brochure was dated March 25, 2015 and filed on March 26, 2015. There have not been any material changes since the first brochure that Veteri filed as Part 2A of Form ADV.

Veteri's brochure may be requested, free of charge, by contacting Veteri's Chief Compliance Officer, Michael Hammer, at (973) 952-0405.

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## **ITEM 4**

### **ADVISORY BUSINESS**

Veteri is a New Jersey Corporation formed on January 6, 1995 by President and Portfolio Manager Lawrence B. Seidman. Veteri commenced trading and investing operations in January, 1995. The Company is a privately held investment firm that is currently owned by Mr. Seidman, Allison Hammer, and Erica Fishman; however, Mr. Seidman owns 100% of the voting stock. The Company's main operations are located in Parsippany, New Jersey.

Veteri provides investment advisory services to one or more private funds which pursue the same investment objective and strategy and are generally managed on a side-by-side basis (each a "Client"). These services are offered, indirectly through the Clients, to high net worth individuals, trusts, individual retirement accounts, and institutional investors including foundations. The private funds include Seidman and Associates LLC ("S&A"), Seidman Investment Partnership, LP ("SIP"), Seidman Investment Partnership II, LP ("SIP II") and Seidman Investment Partnership III, LP ("SIP III") (each a "Private Fund" and collectively, the "Private Funds"). The Private Funds are sponsored by Veteri. Veteri may also provide investment advisory services to one or more managed accounts that are not private funds in the future. Both Mr. Seidman and JBRC I, LLC are relying advisers of Veteri as Mr. Seidman provides investment advisory services either directly or indirectly to one or more Clients. JBRC I, LLC is an investment adviser managed by Mr. Seidman and currently owned by two irrevocable trusts each in the name of Allison Hammer and Erica Fishman.

Interests or shares in the Private Funds are not registered under the Securities Act of 1933, as amended, and the Private Funds themselves are not registered under the Investment Company Act of 1940, as amended. Accordingly, interests or shares in the Private Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements in private transactions within the United States. Any such offer or solicitation of interests will be made pursuant to the confidential private placement memoranda for the Private Funds (each a "PPM" and collectively, the "PPMs"), which should be read carefully prior to investing for a description of the merits and risks of such an investment.

The Clients are managed according to the terms set forth in their respective offering and organizational documents and/or investment management agreement. Generally, the investment objective of all the Clients is to maximize capital appreciation by long and short term investments in, and the short sale of, securities. Veteri seeks to achieve this goal through investment in what are deemed to be inefficiently priced stocks based on estimates of their future growth rates in earnings or assets and cash flow with a principal focus on the purchase of shares of publicly traded thrifts and banks.

As of December 31, 2015, Veteri managed approximately \$192,737,042 of regulatory assets under management on a discretionary basis. Veteri does not manage any assets on a non-discretionary basis.

## **ITEM 5**

### **FEES AND COMPENSATION**

Veteri generally charges a quarterly management fee plus a performance based fee in accordance with each Client's offering and organizational documents and/or investment management agreement. Veteri may waive or modify fees for investors in the Private Funds that are members, employees or affiliates of the Company, relatives of such persons, and for certain large or strategic investors. Fees for Clients not sponsored by Veteri are negotiated on a case by case basis.

Veteri has adopted valuation policies and procedures to govern the valuation of securities held in Client portfolios. Veteri relies on asset prices obtained from prime brokers and/or custodians when valuing Client portfolios.

With regards to the Private Funds, fee and expense information provided in this brochure regarding is not intended to be complete or final and is qualified in its entirety by the PPM and/or the organizational documents for the applicable Private Fund. Investors in the Private Funds should read and review the relevant offering and organizational documents for each Private Fund in which they are invested to fully understand the types of fees and expenses that are paid for by each Private Fund.

The fees Veteri charges for its advisory services may be negotiable depending on the circumstances of the Client's (or an investor in a Client's) account and the service levels provided to the Client (or investor therein).

#### Management Fees

Generally, the Clients pay a quarterly management fee calculated at an annual rate ranging from 1% to 3%. The management fee is paid quarterly in arrears, based on the value of the assets of each Client's or underlying investor's account as of the last business day of each calendar quarter. In most cases the management fee is directly debited from the respective Client's account. The management fee will be adjusted for contributions, withdrawals and terminations made during the quarter.

With regards to SIP III, the management fee paid by the Fund is shared between the two general partners of the Fund which are JBRC I, LLC, a relying adviser of Veteri, and SeySeid, LLC, an unaffiliated entity.

#### Performance Based Fees

Generally, the Clients pay an annual performance based fee calculated at an annual rate of 20% of the net profits allocated to a Client or an underlying investor's capital account subject to a high water mark, and this fee is typically directly debited from the Client's account. The performance based fee includes unrealized gains and losses, if any. When calculating the performance based fee, net profits will be reduced by the management fee.

In the event that an investor redeems from a Private Fund or a Client terminates an investment management agreement with the Company and the date of termination or redemption is not the end of a fiscal year, the performance based fee shall be computed and allocated as though the termination or redemption date were the last day of the fiscal quarter.

With regards to SIP III, the performance fee paid by the Fund is shared between the two general partners of the Fund which are JBRC I, LLC, a relying adviser of Veteri, and SeySeid, LLC, an unaffiliated entity.

### Expenses

In addition to the fees noted above, investors in the Private Funds will also indirectly bear the fees and expenses charged to the Private Funds. Such fees and expenses will vary but generally include the following: legal expenses; administrative expenses; audit and accounting expenses including third party accounting services; organizational expenses; brokerage expenses (discussed further in **Brokerage Practices (Item 12)** below); investment expenses such as commissions, interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees; and any other expenses reasonably related to the purchase, sale or transmittal of Private Fund assets.

With regards to proxy expenses, each Client will pay its pro-rata share based on the number of shares owned by the Client to the total number of shares owned across all of the Clients.

For Clients that are not sponsored by the Company, any fees paid to Veteri are exclusive of custodial and transaction costs paid to custodians, brokers or any other third parties. Clients should review all fees charged and fully understand the total amount of fees to be paid.

## **ITEM 6**

### **PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The Company is entitled to be paid performance based compensation by its Clients. Veteri has designed a compensation structure that seeks to align the interests of its employees with those of its Clients. Performance based compensation may create an incentive for Veteri to make more speculative investments and make decisions with regard to the timing or manner of the realization of such investments, than would be made in the absence of such performance based compensation. In the allocation of investment opportunities, performance-based fee/allocation arrangements may create an incentive to favor Clients that have greater performance fee/allocation arrangements over other Clients that have lesser or no performance fee/allocation arrangements. In addition, performance based compensation received by the Company is primarily based on realized and unrealized gains and losses. As a result, performance based compensation earned could be based on unrealized gains that the Clients may never realize.

## ITEM 7 TYPES OF CLIENTS

Veteri provides investment advisory services to Clients, including the Private Funds. Veteri's investment advisory services are offered, indirectly through the Clients, to high net worth individuals, trusts, individual retirement accounts, and institutional investors including foundations. Although Veteri has the authority to accept subscriptions for any lesser amount, the minimum investment size in a Private Fund is generally \$100,000.

Depending on the Private Fund, investors must be "qualified purchasers" within the meaning of the Investment Company Act of 1940, as amended, or "accredited investors" within the meaning of Regulation D under the Securities Act of 1933, as amended. In addition, each U.S. Investor in any of the Private Funds that is charged the performance based fee described in **Performance Based Fees and Side-by-Side Management (Item 6)** above, must also satisfy the eligibility requirements of a "qualified client" as set forth in Rule 205-3 under the Advisers Act except for any existing account at the time of Veteri's registration.



## **ITEM 8**

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Investing in any security or investment strategy involves the risk of loss and each Client (and underlying investor therein) should be prepared to bear that loss. There can be no assurance that the investment objective of a Client managed by Veteri will be achieved or that Veteri's strategies will be successful. Clients and/or investors therein must be prepared to lose all or substantially all of their investment.

#### Methods of Analysis and Investment Strategy

The Company's overall investment objective is to maximize capital appreciation by long and short term investments in, and the short sale of, securities. To date, the Company has made mostly long-term investments and very limited short-term investments. Veteri seeks to meet its objective through investment in what are deemed to be inefficiently priced stocks based on estimates of their future growth rates in earnings or assets and cash flow. The Company primarily focuses upon the purchase of shares of publicly traded thrifts and banks, but may expand this investment approach depending upon market factors. The Company may affect short sales of securities which it considers to be overpriced or subject to adverse business conditions not currently reflected in their price. The Company may attempt to enhance performance by engaging in short-term trading and by using leverage and certain hedging techniques.

Veteri attempts to maximize capital appreciation through analysis of individual securities, not markets, and believes that over extended periods of time stock selection, not market timing, is the key ingredient of investment success. The Company concentrates its efforts in a "bottoms-up" stock selection process as opposed to a "top-down" macro-economic approach. Securities are selected primarily on the basis of what Veteri deems to be inefficiencies in the pricing of the stock at any given time. These inefficiencies can occur when the market is overlooking the potential of a company's assets, cash flow, brand names or market niche, and securities with these characteristics are often referred to as "value" stocks. Undervaluation can also occur when a company's current or future growth in earnings is not attracting a price/earnings ratio in line with that growth or its assets are not being properly allocated to maximize the return on said assets.

Generally, Veteri avoids investing in companies which are widely followed by Wall Street analysts as the opportunities for pricing inefficiencies in those companies are rare. The Company may take concentrated positions in companies where it believes extraordinary capital gain potential exists. When the Company owns more than 5% of a company's stock it may be required to make public filings under the federal securities laws disclosing its position and other data. In addition, Veteri may attempt to seek board representation either through a consensual agreement with such companies or through a proxy contest or other take-over litigation.

Generally, the investment team creates and develops a proprietary financial model for each company to determine the earnings potential and underlying intrinsic value. Furthermore, the investment process is iterative, relying on the experience of the entire team. However, Mr.

Seidman, as the Portfolio Manager, will be the ultimate decision maker with regards to the Company's investments on behalf of its Clients.

### Certain Material Risks Regarding Investment Strategies

As part of its investment process, Veteri has developed risk management systems that allow investment personnel to monitor security concentration, Client or underlying investor-imposed investment restrictions, and leverage. Investment personnel review such reports at least weekly. Every investment decision is evaluated with pre-trade consideration of the idea's impact on portfolio risk, and Veteri conducts ongoing analysis of the current portfolio investments.

Below is a non-exhaustive summary of risks relevant to Veteri's investment strategies, which are the same for all Clients. However, there are risks that are specific to the Private Funds so prospective investors in the Private Funds should carefully read the disclosures pertaining to these risks and others in the applicable PPM. The information provided in this brochure is not intended to be complete or final and is qualified in its entirety by the PPM or other governing documents of each Private Fund.

### **Securities of Banks and Thrifts**

Investing in securities of banks and thrifts (e.g., savings banks and savings and loan associations) presents special risks. Banks and thrifts are subject to extensive governmental regulation which may limit both the types and amounts of loans and other financial commitments that they may make, and the interest rates and fees that they may charge. Changes in state and federal regulations and governmental policies, and the monetary and fiscal policies of various regulatory authorities, can have a significant effect on the operating results of banks and thrifts. The banking and thrift industries are highly competitive, and the profitability of these industries is largely dependent upon the availability and cost of funds for the purpose of financing lending operations under prevailing money market conditions. Also, general economic conditions play an important part in the operation of these industries, and exposure to credit losses arising from possible financial difficulties of borrowers, which may be heightened in the case of banks with international operations, might affect a bank's or thrift's ability to meet its obligations.

### **Small Cap Stocks**

At any given time, Clients may have significant investments in smaller-to-medium sized companies of a less seasoned nature whose securities are traded in the over-the-counter market. These "secondary" securities often involve significantly greater risks than the securities of larger, better-known companies.

### **Derivative Instruments**

Swaps, derivatives and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. From time to time, Clients may have limited exposure to such transactions.

## **High Risk Investments**

Clients may invest in companies involved in (or the target of) acquisition attempts or tender offers or companies involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions. In any investment opportunity involving any such type of business enterprise, there exists the risk that the transaction in which such business enterprise is involved either will be unsuccessful, take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, a Client may be required to sell its investment at a loss. Because there is a substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which a Client may invest, there is a potential risk of loss by the Client of its entire investment in such companies.

## **Dependence on Key Management Personnel**

The success of the Clients' investment strategies will depend, in large part, upon the skill and expertise of the management of Veteri. All decisions with respect to investments are made exclusively by or under the supervision of Mr. Seidman as the controlling shareholder and President of Veteri. As a result, the success of the Company's investment strategies for the foreseeable future depends largely upon his ability. In the event of the death, disability or departure of Mr. Seidman, the business and the performance of the Clients may be adversely affected.

## **Short-Term Trading**

While not a large part of Veteri's investment strategy on behalf of the Clients, short-term trading may result in significant turnover and transaction costs.

## **Short Sales**

The possible losses from a short sale of a security differ from losses that could be incurred from a cash investment in the security; the former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short-selling activities are subject to restrictions imposed by the federal securities laws and the various securities exchanges. From time to time, Clients may have limited exposure to such transactions.

## **Options**

Purchasing and selling of call and put options entail risks. Although an option buyer's risk is limited to the amount of the purchase price of the option, an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. In theory, an uncovered call writer's loss is potentially unlimited, but in practice the loss is limited by the duration of the call. The risk for a writer of a put option is that the price of the underlying security may fall below the exercise price.

The effectiveness of purchasing or selling stock index options as a hedging technique depends upon the extent to which price movements in the portion of the Client's hedged portfolio correlate with price movements of the stock index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular stock, whether the Client realizes a gain or loss from the purchase or writing of options on an index depends upon movements in the level of stock prices in the stock market generally, rather than movements in the price of a particular stock. Successful use of options on stock indexes depends upon the ability of the adviser to predict correctly movements in the direction of the stock market generally. This ability requires skills and techniques different from those used in predicting changes in the price of individual stocks.

From time to time, Clients may have limited exposure to such transactions.

### **Leverage**

Borrowing money to purchase securities provides a Private Fund with the opportunity for greater capital appreciation but, at the same time, may increase the Private Fund's exposure to capital risk and higher current expenses. Moreover, if the Private Fund's revenues were not sufficient to pay the principal of and interest on the Private Fund's debt when due, investors therein could sustain a total loss of their investment.

## **ITEM 9**

### **DISCIPLINARY INFORMATION**

Veteri and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a Client's or underlying investor's evaluation of the Company or its personnel.

## ITEM 10

### OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As noted in **Advisory Business (Item 4)** above, Veteri provides investment advisory services to the Private Funds which themselves may be considered related entities of Veteri.

Mr. Seidman is a Board Member for ASB Bancorp, Inc. and its banking subsidiary, Asheville Savings Bank, and Stonegate Bank. Mr. Seidman is a consultant to ConnectOne Bancorp, Inc. Mr. Seidman also receives compensation for providing investment advisory services as a relying adviser of Veteri. Veteri does not believe that these relationships create a material conflict of interest with its Clients.

Michael Hammer, Veteri's Chief Compliance Officer of the Company, is a registered representative for Northeast Securities, an unaffiliated broker-dealer. As a registered representative for Northeast Securities, Mr. Hammer receives commission based compensation for effecting purchases and sales of equities and bonds. Mr. Hammer's activities as a registered representative for Northeast Securities are largely separate from his activities with respect to the Clients and the investors therein, and Mr. Hammer's compensation as a registered representative for Northeast Securities is not material relative to his compensation as an employee of Veteri. While Northeast Securities is the prime broker for the Clients, Veteri does not believe that this relationship creates a material conflict of interest with its Clients or the investors therein.

## **ITEM 11**

### **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Pursuant to Rule 204A-1 under the Advisers Act, Veteri has adopted a written Code of Ethics (the “Code”) that requires the Company to put the interests of its Clients before its own interests and to use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, trading, and engaging in other professional activities. The Code requires that Veteri and its supervised persons comply with the spirit and the letter of the federal securities laws, and rules that govern capital markets, at all times. Clients, investors therein and prospective Clients and/or investors therein may obtain a copy of the Code by contacting Veteri at the address or telephone number listed on the first page of this brochure.

The Code requires Access Persons (as defined in the Code, consistent with Advisers Act) to (i) pre-clear certain personal securities transactions, (ii) report most personal securities transactions on at least a quarterly basis, and (iii) provide Veteri with a detailed summary of certain holdings, both initially upon commencement of employment and at least annually thereafter, over which such employees have control and beneficial interest. Veteri’s reporting requirements and restrictions on personal securities trading apply to Access Persons, as well as Access Persons’ immediate family members living in the same household.

Veteri generally prohibits employees from trading in securities that are being considered for its Clients, as well as securities already held by the Clients. Any proposed Access Person transaction involving such securities requires preclearance from Veteri’s Chief Compliance Officer or Mr. Seidman if the transaction involves the Chief Compliance Officer. Veteri’s Chief Compliance Officer does not grant preclearance where it would appear that an Access Person’s trading could disadvantage a Client.

Still, from time to time, the Company or its Access Persons in their individual capacity may invest in securities in which Clients invest. The Company or its Access Persons do not, however, purchase or sell any securities on terms more favorable than those received by the Clients. Additionally, Mr. Seidman or members of his immediate family may also have rights to acquire securities of financial institutions either through mutual conversions or otherwise; such rights are personal to Mr. Seidman or his family and Clients will have no interest in such rights or otherwise be entitled to participate in such investments. In certain circumstances, however, Clients may participate in the same mutual conversion as Mr. Seidman or members of his immediate family where such mutual conversions are syndicated.

The Access Persons may own the same securities as one or more of the funds, and the Access Persons may sell a portion of these securities to pay personal tax liability, while the funds do not sell these securities.

Also, Veteri serves as the manager and investment adviser to the Private Funds and employees of the Company may have a material investment in the Private Funds. Therefore, Veteri is generally considered to participate in transactions effected for the Private Funds. The Company does not

believe any material conflicts of interest are presented by this arrangement as the interests of its employees are generally aligned with the interest of investors in the Private Funds.



## **ITEM 12**

### **BROKERAGE PRACTICES**

#### Broker Selection and Best Execution

Veteri is authorized to determine the broker-dealer to be used for each transaction for the Clients. In determining the broker-dealer to be used for each transaction, Veteri will act in accordance with the provisions of the relevant Client's offering and organizational documents and/or investment management agreement. In that regard, Veteri need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost when selecting broker-dealers to execute transactions. Furthermore, the Clients may be deemed to be paying for research, brokerage or other services provided by the broker which are included in the commission rate as discussed below in Research and other Soft Dollar Benefits.

Before Veteri begins trading with a broker-dealer, Veteri's Chief Compliance Officer will review, as applicable, the broker-dealer's operational, financial, and regulatory status. Veteri's Chief Compliance Officer will also perform periodic reviews of broker-dealers, which will vary in frequency and intensity based on the perceived counterparty exposure of Veteri and the Clients. In addition, Veteri will, as part of its normal functions, consider the execution quality of each trade to identify any unexpected deviations in price, commission rate, market impact, execution speed, or other aspects of execution quality.

#### Research and other Soft Dollars Benefits

Veteri does not enter into formal soft dollar arrangements but may receive products or services from broker-dealers and other counterparties that to the best of Veteri's knowledge are generally made available to all institutional clients doing business with these counterparties. These products and services are made available to Veteri on an unsolicited basis and without regard to transaction costs paid by the Clients or the volume of business the Company directs to these counterparties.

Veteri does not cause the Clients to pay higher commissions than those charged by other brokers in return for research, and Veteri uses this research for the benefit of all Clients.

#### Brokerage for Client Referrals

Veteri does not consider Client or investor referrals from broker-dealers when making brokerage allocation decisions.

#### Allocation and Aggregation of Orders

Veteri primarily invests in securities on behalf of Clients that are illiquid and thinly traded, which will affect the trading decisions Veteri makes for Clients. However, as a fiduciary, Veteri owes each Client a duty of loyalty, and, therefore, Veteri developed a detailed Trade Allocation Policy, which is herein summarized, in order to prevent giving any Client or group of Clients preferential treatment.

Generally, Veteri will allocate trading decisions on an objective basis that is applied with general consistency and operate fairly. After identifying a security for trading (whether a purchase or sale) that may be appropriate for one or more Clients (“participating clients”), Veteri will place the appropriate order. After the order is executed, Veteri will allocate the shares purchased or sold to each of the participating clients (“Total Amount”). Veteri will allocate the trades pro rata among the participating clients based on their available cash, rounding up each trade to the nearest 1,000 shares if possible.

However, other procedures may be followed in certain circumstances to affect (a) the acquisition of a particular security for the first time for participating clients, (b) the acquisition of a follow-on investment if all participating clients already own the security to be acquired, (c) the sale of an investment that all participating clients already own where the securities were acquired at different times with different prices but all of the securities are held for less than one year, or (d) the sale of an investment that all participating clients already own where the security to be disposed of does not satisfy the conditions set forth in clause (c) above. In these situations, Veteri has developed specific policies and procedures to avoid preferential treatment of one or more Clients.

Orders for client accounts generally will be aggregated unless aggregation is restricted by Client direction, type of account or other restrictions (such as limited availability of investment opportunities or the ability to divide purchases among Clients). In executing orders, Veteri will use the same price (or, if applicable, the average price) for the same security for all participating Clients. Excessive trading commissions will be avoided or mitigated where possible.

However, Veteri may deviate from these standard methodologies for reasons which the Company deems to be necessary to avoid preferential treatment of particular Clients.

#### Cross Trading Among Veteri’s Clients

Veteri may use an unaffiliated broker-dealer or custodian to cross investments and/or cash between Client accounts when such a transaction is advantageous for each participant. However, no accounts subject to ERISA with less than \$100 million in assets may be included in any cross trade.

#### Trade Errors

The Company has established trade processes and procedures designed to reduce the likelihood of errors and, in its sole discretion, will determine what constitutes a trade error.

Veteri’s general policy is to seek to identify and correct any trade errors promptly and in a way that mitigates any losses, and the cost of errors will be borne by Veteri.

## **ITEM 13**

### **REVIEW OF ACCOUNTS**

Veteri continuously reviews Clients' accounts on an ad hoc basis and formally reviews Clients' accounts at least quarterly. Veteri's Chief Compliance Officer will review a sample of Veteri's accounts under management at least quarterly to ensure compliance with Clients' investment objectives and any investment restrictions. Veteri's Chief Compliance Officer will document the date of the review, the accounts reviewed, and any irregularities or other identified issues. Veteri's Chief Compliance Officer will work with investment personnel to determine whether any issues warrant changes to the Company's policies or procedures.

All investment personnel regularly discuss investment ideas, economic developments, current events, and other issues related to current portfolio holdings and potential investment opportunities. However, the Portfolio Manager, Mr. Seidman, has ultimate responsibility for all investment decisions.

For clients that are not sponsored by Veteri, Veteri sends a copy of the brokerage and bank statements to the account owner(s) on a monthly basis. The account owner(s) also get copies of these statements directly from the broker or bank. The clients are urged to compare the copies of the statements received from the brokers and banks with any Veteri generated statements.

Investors in the Private Funds receive a quarterly capital account statement from Veteri as well as a quarterly letter summarizing the Company's investment outlook and update on the relevant Private Fund's performance. Investors in the Private Funds also receive audited financial statements within 120 days of the applicable Private Fund's fiscal year.

**ITEM 14**  
**CLIENT REFERRALS AND OTHER COMPENSATION**

Veteri does not compensate any third parties for Client or investor referrals. Veteri does not receive any economic benefits from non-clients relating to the provision of investment advice.

## **ITEM 15**

### **CUSTODY**

Veteri is deemed to have custody of Client funds and securities because it has the authority to obtain Client funds or securities, for example, by deducting advisory fees from a Private Fund or otherwise withdrawing funds from a Private Fund. Accordingly, Veteri is subject to Rule 206(4)-2 under the Advisers Act (the “Custody Rule”). The Private Funds assets are held in custody by unaffiliated, long-standing broker-dealers or banks, all of whom are qualified custodians as the term is defined in the Custody Rule. The Private Funds are subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and each Private Fund’s audited financial statements are sent to such Private Fund’s investors within 120 days of the end of the Private Fund’s fiscal year.

Veteri is also deemed to have custody of Client funds and securities because it has the authority to deduct advisory fees from Clients that are not sponsored by Veteri. In cases where the Company can access the funds and securities of Clients that are not sponsored by Veteri through Veteri’s ability to debit advisory fees from the custodial or bank account of such Client, Veteri sends a copy of the brokerage and bank statements to the account owner(s) on a monthly basis. The account owner(s) also get copies of these statements directly from the broker or bank. Clients should carefully review these statements, and should compare these statements to any account information provided by Veteri.

## **ITEM 16**

### **INVESTMENT DISCRETION**

When a Client agrees to discretionary management, Veteri will be responsible for selecting the amount of securities to be bought and sold. Discretionary authority will be established through the execution of an investment advisory agreement. The only limitations on the investment authority will be those limitations imposed in writing by the Client.

Each Client's governing document provides that the Company has exclusive and absolute discretion and authority in managing and controlling the business and affairs of such Client, subject only to specific and express limitations provided therein. Therefore, Veteri has discretionary authority to determine, without obtaining specific consent from Clients (or underlying investors therein), the securities and the amounts to be bought or sold on behalf of the Clients.

Veteri has discretion to agree with certain investors of a Private Fund to waive or modify the application of certain terms applicable to such investor in a "side letter" or in any other manner, without obtaining the consent of any other investor in the relevant Private Fund. For example, Veteri may agree to, among other things, "key man" provisions, "most-favored nation" status, notification terms if certain outcomes occur, and written confirmation or clarification of terms described in the relevant PPM.

## **ITEM 17**

### **VOTING CLIENT SECURITIES**

In accordance with its fiduciary duty to Clients and Rule 206(4)-6 of the Advisers Act, Veteri has adopted and implemented written policies and procedures governing the voting of Client securities. All proxies that Veteri receives will be treated in accordance with these policies and procedures.

In general, Veteri retains the exclusive authority to vote proxies on behalf of all of its Clients and votes proxies in the interest of maximizing shareholder value. However, Veteri may abstain from voting a proxy if it determines that abstaining is in its Clients' best interests. Proxies received after a Client terminates its advisory relationship with Veteri will not be voted.

Veteri will consider whether the Company is subject to any material conflict of interest in connection with each proxy vote. Veteri's supervised persons are required to report any material conflict of interest associated with a proxy vote that they are aware of to Veteri's Chief Compliance Officer for resolution. If Veteri detects a material conflict of interest in connection with a proxy solicitation, the Company will (i) seek instruction, where feasible and practicable (i.e., as to time), from the Client, or (ii) engage, at Veteri's own expense, an outside proxy voting service or consultant to make a recommendation. Veteri's Chief Compliance Officer will retain documentation of the recommendation and will ensure that the Clients' proxies are voted in accordance with that recommendation.

A copy of Veteri's proxy voting policies and procedures, as well as information about how Veteri voted with respect to a Client's securities, is available upon request by contacting Veteri's Chief Compliance Officer at the telephone number or address found on the initial page of this brochure.

Veteri does not direct Clients' participation in class actions and, on a case by case basis, will either return documentation inadvertently received regarding a Client's participation in class actions to the sender or forward such information to the appropriate Client.

**ITEM 18**  
**FINANCIAL INFORMATION**

Veteri has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage its Clients' assets.