

Item 1. Cover Page

**FORM ADV PART 2A
DISCLOSURE BROCHURE**

February 14, 2012

Ingleside Advisors, LLC

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This brochure provides information about the qualifications and business practices of Ingleside Advisors, LLC ("Advisors" or the "Firm"). If you have any question about the contents of this brochure, please contact us at (212) 634-3320. 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. Advisors is registered as an investment adviser with the SEC. Registration with the SEC simply means that Advisors is authorized to provide investment advisory services and does not imply a certain level of skill or training.

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

Item 2. Material Changes

The Material Changes section of the Brochure will address specific material changes in future versions of the Brochure and will include a summary of such changes since the last annual update. We will also state the last date of our annual update of the Brochure in this section.

You may request a copy of our current Brochure at any time, which we will provide to you free of charge. If you would like to request a copy of our current Brochure, please contact our Compliance Department at the number listed on the cover page of this Brochure.

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Item 4. Advisory Business

Ingleside Advisors, LLC (“Advisors” or the “Firm”) was formed under the laws of the State of Delaware on January 10, 2012. Advisors has been registered with the SEC as an investment adviser since March of 2012. A.C. Israel Enterprises, Inc. (“ACIE”) is the 100% owner of the Firm and Scott Earthy is its Manager. ACIE is a privately held investment firm that represents the interests of the New York based Israel family.

The Firm’s strategy is to identify and/or create income and long term capital appreciation investment opportunities with appropriate risk-reward characteristics, predominantly in private lower middle market businesses. The Firm may also advise real estate related investment entities. Investment opportunities are primarily sourced through Advisors’ relationship network, which includes private equity investors, investment bankers, business brokers, and fundless sponsors.

Specifically, Advisors provides non-discretionary investment advisory services to its owner, ACIE, and to certain special purpose entities formed to invest in privately held portfolio companies. The services are described below.

Advisory Services to ACIE:

Pursuant to an investment advisory agreement (“IAA”) with ACIE, the Firm:

- identifies and recommends income and long-term capital appreciation investment opportunities with appropriate risk reward characteristics in lower middle market privately held companies;
- conducts due diligence and structures and negotiates transactions in connection with potential investment opportunities;
- identifies, structures, negotiates and obtains bank, institutional and other sources of financing necessary or appropriate in connection with any proposed investment opportunity, including, without limitation, arranging appropriate introductions; and
- supervises the preparation and review of all documents required to complete a transaction relating to an investment opportunity, including, where appropriate, the financing documents.

The Firm is not permitted to offer any investment opportunity to any potential investor other than ACIE, whether individually or on a co-investment basis with ACIE, without ACIE’s prior written approval.

If ACIE permits the Firm to seek investors other than ACIE or its affiliates (“Third Party Investors”) with respect to any particular investment opportunity in which ACIE intends to invest, the Firm is prohibited from making any recommendation to a Third Party Investor relating to the proposed terms of an investment unless such proposed terms are first approved by ACIE.

Typically, one or more special purpose entities (“SPE”) will be formed to acquire and hold (directly or indirectly) the securities of a particular underlying operating business (a “Portfolio

Company”). In most cases, an SPE will be in the form of a limited liability company (“LLC”). LLCs will have a controlling entity (the “SPE Control Entity”). In many cases the SPE Control Entity will be ACIE or an affiliate of ACIE. Advisors will not act in the capacity of SPE Control Entity for the SPEs that it advises.

When securities in a Portfolio Company have been acquired directly or by an SPE without Third Party Investors, pursuant to the IAA the Firm will:

- monitor the performance of portfolio companies and, where appropriate, provide advice during the term of the investment to the management of any company in which ACIE has made an investment either directly or through an SPE;
- when requested by an SPE Control Entity, cause the Firm’s Manager (or other person acceptable to the SPE Control Entity) to serve on the board of directors or other governing body of a Portfolio Company;
- make recommendations with respect to any follow-on investments in any Portfolio Company;
- arrange for financing with respect to any Portfolio Company where appropriate;
- make recommendations whenever a corporate action is requested or required with respect to a Portfolio Company; however, the Firm shall have no responsibility or authority to vote any security on behalf of the SPE Control Entity or ACIE; and
- make recommendations with respect to the timing of the sale of portfolio investments, which shall include developing and assisting in the execution of exit strategies to dispose of or otherwise monetize investments in a Portfolio Company.

Advisory Services to SPEs:

Once an investment has been made that includes Third Party Investors, the Firm serves as the investment manager to the SPE formed to make the investment in the Portfolio Company. Pursuant to various Investment Management Agreements (“IMAs”) between the Firm and the SPEs, the Firm will:

- monitor the performance of the SPEs' investments and, where appropriate, provide advice during the term of the investment to the management of the Portfolio Company in which the SPE has made an investment;
- when requested by the SPE Control Entity, cause the Firm’s Manager (or other person acceptable to the SPE Control Entity) to serve on the board of directors or other governing body of a Portfolio Company;
- make recommendations with respect to any follow-on investments in a Portfolio Company;
- make recommendations to an SPE regarding corporate actions with respect to a Portfolio Company; however, the Firm shall not be responsible for voting any security on behalf of the SPE; and

- make recommendations with respect to the timing of the sale of an SPE's assets, including, without limitation, developing and assisting in the execution of exit strategies to dispose of or otherwise monetize investments in a Portfolio Company.

As of January 31, 2012, Advisors advised 9 SPEs on a non-discretionary basis with an approximate total value of \$39 million.

Item 5. Fees and Compensation

Advisory Fee from ACIE

The Firm has entered into an IAA with ACIE as described in Item 4 above. ACIE pays the Firm a fixed annual fee of \$1,080,000. Such fee will be payable in twelve (12) equal monthly installments in advance, prorated on a daily basis for any partial month. ACIE is invoiced for the fee on a monthly basis. In the event the IAA is terminated, any unearned fees will be refunded to ACIE prorata from the date of termination.

Advisory Fee from SPEs

The Firm has entered into IMAs with ACIE and certain SPEs. Pursuant to each of those IMAs, ACIE will pay the Firm a fixed annual fee of \$60,000. Such fee will be payable in advance in twelve (12) equal monthly installments, prorated on a daily basis for any partial month. Fees are invoiced on a monthly basis to ACIE. In the event an IMA is terminated, any unearned fees will be refunded to the client pro rata from the date of termination.

Management Fees from SPEs

The Firm may earn management fees from SPEs. These fees are typically calculated as a percentage of invested capital and fall in the range of between 50 and 200 basis points. They are generally paid quarterly in advance.

Carried Interest

Affiliated entities of the Firm or employees of the Firm and those affiliated entities, may also earn a carried interest or incentive fee of up to 30% of cumulative net profits (in some cases subject to a preferred return), subject to the allocation and distribution provisions of each respective SPE's governing documents. Generally, these fees are only due and payable for the ownership interests in the SPEs attributable to Third Party Investors, although there are instances where ACIE or its affiliates may also be liable for the carried interest.

Other Fees

In addition to management fees earned by Advisors, the Firm and/or its employees may also earn directors fees, monitoring fees, and fees related to investment origination and disposition from the Portfolio Companies owned by the SPEs. Detailed information regarding the fees charged to the SPEs is provided in each SPE's respective governing documents. In addition to management and carried interest or incentive fees, investors will indirectly bear any fees and expenses charged to the SPEs. Those fees and expenses will vary, but generally include legal, consulting and accounting fees, taxes, commissions and brokerage fees, where applicable, certain fees to government regulatory agencies, the cost of directors and officers liability insurance, due diligence costs for new investment opportunities, broken deal costs and other expenses allowable under the terms of the SPE's respective governing documents. Investors should carefully review all fees charged by the Firm, its affiliates, and others to fully understand the total amount of fees to be paid by the SPEs and, indirectly, their investors.

Generally, as a result of it being the principal owner of the Firm, ACIE does not pay management fees. In cases where management fees are paid to Advisors, these fees are charged only to Third Party Investors.

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

The Firm does not receive performance-based fees. As stated in Item 5 above, the SPEs may in certain cases pay a carried interest of up to 30% of the cumulative net profits of an investment to affiliated entities of the Firm or employees of the Firm and those affiliated entities.

Differences in the performance fee structure could create potential conflicts of interest in that Advisors (and affiliates) could have a greater incentive to favor and dedicate more resources to investment structures having the most profitable performance fee structure versus other investment structures that have a lower or no performance fee structure. In addition, the carried interest structure may create an incentive for Advisors (and affiliates) to make more speculative investments and make different decisions regarding the timing and manner of the realization of such investments than would be made if such carried interest were not allocated to the affiliates.

Item 7. Types of Clients

Advisors provides advisory services to ACIE and various SPEs. The Third Party Investors in the SPEs include family offices, institutional investors, and high net-worth individuals.

The minimum investment, if applicable, is outlined in each respective SPE's governing documents and will vary based on the facts and circumstances regarding each investment opportunity.

Investors will generally be required to make certain representations when investing in an entity, including, but not limited to, that: (i) they are acquiring an interest for their own account; (ii) they received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment; and (iii) they have the ability to bear the economic risk of an investment in the entity.

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

Advisors primarily advises entities that are investing in privately held lower middle market domestic operating businesses. The Firm advises on investments in a wide range of industries, but generally does not work with early stage companies seeking seed or venture capital financing.

Advisors' investment strategy is based on: (i) proactively sourcing transactions where Advisors has or can create a competitive advantage; (ii) developing an understanding of target assets using detailed, company-level analysis; (iii) focusing on buying quality assets; (iv) maintaining a lower middle market focus, sacrificing investment volume to maintain pricing discipline; and (v) fostering transactional creativity in a rapidly evolving market environment.

Post transaction, the Firm focuses on working with management teams to grow revenues, earnings, and cash flows before seeking attractive exit opportunities. Advisors targets companies with enterprise values typically ranging from \$10 million to \$200 million and the SPEs generally target equity and/or debt investments in these companies ranging from \$2 million to \$25 million.

The SPEs primarily make investments via equity and equity-linked securities, including preferred stock, debt securities purchased in connection with equity, and equity-oriented investments (or that have equity-like returns).

The Firm seeks to invest in businesses with strong market positions, unique franchises, secure and growing market niches or distinctive products and services that command premium prices or margins.

In some cases, SPEs will retain board representation and shareholder rights that will enable the SPE to have significant influence over decisions that may affect the value of an investment.

All investing involves a risk of loss and the investment strategies offered by Advisors could lose money over short or even long periods. The description contained below is a brief overview of different risks related to the Firm's investment strategy:

General Market, Business and Management Risk. Investments in companies subject the SPEs to the general risks associated with the underlying businesses, including market conditions, changes in regulatory requirements, reliance on management at the company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations and other factors. The SPEs may incur expenses in currencies other than the U.S. dollar and as such may be exposed to currency risk.

With respect to management at the Portfolio Company level, many Portfolio Companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the Portfolio Company's performance. While Advisors will monitor Portfolio Company management, management of each Portfolio Company will have day-to-day responsibility over such Portfolio Company.

The SPEs' cash may be subject to the credit risk of the institution where the cash is held.

Lack of Diversification. Each SPE is expected to invest in only one underlying operating business and, as such, is not expected to provide diversification across industries or geographies.

Liquidity Issues. The SPEs' portfolio investments primarily include illiquid, non-publicly traded securities. Since these investments are illiquid, the investments can be subject to a variety of restrictions on resale and there can be no assurance that the SPEs will be able to realize the stated value of such investments in a timely manner or at all. Risks affecting these Portfolio Companies include, but are not limited to, increasing competition, rapid changes in technology, changes in economic conditions and macroeconomic factors in the Portfolio Companies' countries of operations, as well as political risk. Certain investments may have foreign currency risk to the extent they conduct business transactions in currencies other than their functional currency. These factors could have a negative effect on the ultimate realizable value of the investments and the exit timing.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. The SPEs face competition from numerous competitors in all fields of activity. The SPEs will be competing for investments with a variety of other investment vehicles, as well as individuals, financial institutions and other institutional investors. Entities with similar investment objectives may be formed in the future by other unrelated parties.

Valuation of Assets. Each of the SPEs advised by Advisors is a special purpose entity that holds a single underlying private equity investment. The single underlying private equity investments are typically illiquid and difficult to value with certainty. As such, these single private equity investments are generally carried on the books of the SPEs at cost because: (i) each SPE holds a single illiquid and hard to value investment; and (ii) Advisors charges a fixed management fee, if applicable, that is unrelated to the value of the SPE assets. Advisors does not believe obtaining an audit or attempting to value the underlying investment on a periodic basis, as would be required by GAAP accounting, provides any benefit to the investors in the SPEs. As such, Advisors does not obtain audits or independent valuations of the SPEs.

Investors should review the SPE's governing documents to understand the risks and potential conflicts of interest of each investment. The risks and potential conflicts of interest described herein are not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operation of the SPEs.

Item 9. Disciplinary Information

Advisors 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 evaluation of Advisors or its personnel.

Item 10. Other Financial Industry Activities and Affiliations

As stated in the Fees and Compensation section above, the Firm has entered into an IAA with its owner, ACIE, to provide certain services, including the monitoring of Portfolio Companies in certain SPEs that do not include Third Party Investors. The Firm is also responsible for providing similar services to SPEs that include Third Party Investors. A potential conflict exists in that the Firm's employee(s) may devote more time to the SPEs owned entirely by ACIE. In order to mitigate this conflict, the Firm and its employee(s) allocate time and resources in a manner that it believes to be in the best interest of all SPEs without regard to the ownership composition of any particular SPE.

Investments in a particular Portfolio Company may be structured through the use of single or multiple SPEs. Investors in the SPEs may be employees or affiliates of the Firm, including ACIE, as well as Third Party Investors. The affiliated investors may receive certain preferences with regard to fees and/or types of securities issued. Such preferences are disclosed to all Third Party Investors in the SPEs prior to making the investment.

In addition, there may be potential conflicts in the case of multiple SPEs invested in a single Portfolio Company with different terms and conditions and security preferences. For example, one SPE may be issued an equity interest and another SPE may be issued a debt instrument by the same Portfolio Company. The different capital structures may result in the SPEs having different investment objectives and potentially conflicting time horizons for the disposition of an investment in a Portfolio Company. In providing investment recommendations with regard to a Portfolio Company, including its disposition, the Firm attempts to act in the best interests of all clients and to fully disclose any potential conflicts to Third Party Investors.

The Firm's Manager may, from time to time, serve on the board of directors of a company that is in the portfolio of an SPE. Since the Manager has a fiduciary relationship both to the SPE and to the other shareholders in a Portfolio Company on which he serves as a board member, he may have a significant conflict of interest. Investors in the SPEs should be aware that the Manager at times may not be able to act in the best interests of the SPEs due to confidential information acquired or obligations incurred in connection with the board position he would occupy.

The Firm's Chief Compliance Officer (the "CCO") serves as Vice President and Director of Tax for ACIE. This presents a potential conflict because the CCO will be expected to devote adequate time to fulfill his obligations to both the Firm and ACIE. In addition, he will be expected to ensure that the Firm's compliance program effectively addresses any conflicts of interest between ACIE and the Firm's other clients. The CCO has made arrangements to spend sufficient time to carry out his duties as CCO of the Firm. The Firm and ACIE are located on the same premises, which should facilitate the CCO's dual responsibilities. Furthermore, the Firm has engaged a third party compliance consulting firm to assist the CCO in addressing potential conflicts and other regulatory matters that may arise.

Affiliates investing in SPEs managed by the Firm may have unique arrangements with respect to an investment as described above. Such arrangements may be required to be shared with regulators or Third Party Investors from time to time.

Advisors and its affiliates (including employees) may execute trades, manage funds or capital for themselves or for others, may have, make and maintain investments in their own name or through other entities, and may serve as a consultant, partner or stockholder of one or more investment entities or operating companies in which Advisors, its affiliates (including employees) or their clients have invested. Advisors or its affiliates may give advice and take action with respect to their own investments that may involve the same or similar investments, or, alternatively, may differ from the advice, timing or nature of action taken with respect to other clients.

As discussed above, the Firm shares office facilities with ACIE. The Firm has entered into a services agreement with ACIE regarding various professional and administrative services to be rendered by ACIE.

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

Advisors maintains a Code of Ethics (the "Code") that describes its fiduciary duty to its clients and sets standards for business conduct. The following is a summary of the key provisions of the Code:

Scope - The Code covers all directors, officers, partners, employees, and any other persons who are under the Firm's supervision and control.

Fiduciary Duties - This Code is based on the principle that Advisors and its employees owe a fiduciary duty to the Firm's clients. Accordingly, the Firm and its employees must avoid activities, interests, and relationships that might interfere or appear to interfere with making decisions in the best interests of the Firm's clients.

Personal Securities Trading - All employees and certain employees of affiliates who may be deemed access persons are subject to certain trading restrictions. In addition, such access persons must report their personal securities transactions quarterly and personal securities holdings annually.

Code of Conduct - The Code contains specific topics designed to reflect the Firm's commitment to ethical conduct. These topics include compliance with legal and regulatory requirements, gifts, outside activities, entertainment and board directorships. The Firm also maintains insider trading policies and procedures.

Code Violations - The Code requires that all employees report any actual or apparent violation of the Code, and provides for a prohibition on retaliation against any person who reports such violations. Appropriate sanctions are included for Code violations.

As described in Item 4 above, ACIE acts as the SPE Control Entity for certain SPEs (either directly or indirectly) and its affiliates and employees may be afforded the opportunity to invest in identified Portfolio Companies prior to making such investments available to Third Party Investors. Third Party Investors receive disclosure of such policy prior to investing. Certain employees of Advisors and/or related entities or persons will have investments in the SPEs. In addition, as described in Item 10 above, when investing in the SPEs, ACIE, its employees and employees of the Firm may receive certain preferences on fees or securities issued. Such preferences are fully disclosed to all Third Party Investors.

You may receive a copy of the Firm's Code by contacting its Compliance Department at (212) 634-3320.

Item 12. Brokerage Practices

The Firm does not advise its clients on matters involving brokerage transactions in publicly traded securities. In the unlikely event that an SPE advised by the Firm is in a position to dispose of a publicly traded security, the SPE Control Entity for that SPE would select the broker and effect the transaction on behalf of the SPE.

Item 13. Review of Accounts

Advisors actively monitors and manages the assets and the performance of the SPEs that it advises, as well as potential exit strategies and other means of adding value to the SPEs' investments. During regular reviews, the Firm's investment professionals will observe changes in company fundamentals, industry outlook, market outlook, and price levels. In addition, where the Firm believes it is appropriate, it monitors and attempts to improve the performance of the underlying portfolio investments through representation on the Portfolio Companies' board of directors (in certain cases) and advises the management teams of Portfolio Companies on financial, operating and strategic matters.

Major developments (as determined by Advisors) with respect to the SPEs are communicated to investors in a practicable manner, typically via email or through telephone calls. In addition, investors receive annual individual capital account statements (Form K-1).

Item 14. Client Referrals and Other Compensation

Advisors or its affiliates may charge Portfolio Companies origination fees, disposition fees, breakup fees, commitment fees, monitoring fees and other similar fees. Advisors' investment professionals who serve on the board of directors of Portfolio Companies may receive cash compensation, options and/or restricted stock in their capacity as directors.

Item 15. Custody

Where Advisors or one of its affiliates is deemed to have custody of its clients' assets, such assets are held with Qualified Independent Custodians. Investors will receive statements directly from the Qualified Custodian. The Firm is subject to an annual surprise audit examination by an independent accountant to verify client funds and securities.

Item 16. Investment Discretion

Advisors generally acts as an investment manager on a non-discretionary basis. The SPE Control Entity has the authority to manage the applicable SPE in accordance with the terms set forth in the SPE's offering document, organizational document, and/or IMA.

As a general matter, the governing documents of the SPEs restrict the ability for the SPE to acquire additional Portfolio Company securities subsequent to the original investment.

Item 17. Voting Client Securities

Advisors shall have no responsibility or authority to actually vote any security on behalf of clients, but may make recommendations to client whenever a corporate action is requested or required with respect to a Portfolio Company.

Item 18. Financial Information

Advisors does not require or solicit fees from clients six months or more in advance. Therefore, the Firm is not required to include a balance sheet for its most recent fiscal year.

Advisors does not have any financial condition to disclose that is likely to impair its ability to meet contractual commitments to clients. Furthermore, the Firm has never been the subject of a bankruptcy petition.