

Part 2A of Form ADV: *Firm Brochure*

Praesidian Capital Management II, LLC

419 Park Avenue South, Suite 800
New York, NY 10016

Telephone: 212-520-2600
Email: jmansfield@praesidian.com
Web Address: www.praesidian.com

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This brochure provides information about the qualifications and business practices of Praesidian Capital Management, LLC, Praesidian Capital Management II, LLC, Praesidian Capital Opportunity Management III, LLC, and Praesidian Capital Management III-A, LLC (together, "Praesidian Capital"). If you have any questions about the contents of this brochure, please contact us at 212-520-2630 or jmansfield@praesidian.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 Praesidian Capital also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 161417.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 02/14/2012, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4 **Advisory Business**

Praesidian Capital Management II, LLC is a SEC-registered investment adviser with its principal place of business located in New York. Praesidian Capital Management II, LLC began conducting business in 2007.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company):

Jason David Drattell, Member

Neil Alan Marks, Member

EXCEPT WHERE OTHERWISE NOTED, THE DISCLOSURES IN THIS BROCHURE REFER TO THE FOLLOWING OPERATIONALLY INTEGRATED INVESTMENT MANAGERS ('RELYING ADVISERS'):

PRAESIDIAN CAPITAL MANAGEMENT II, LLC (Manager of Praesidian Capital Investors II, LP and Praesidian Capital Investors II-A, LP)

PRAESIDIAN CAPITAL MANAGEMENT, LLC (Manager of Praesidian Capital Investors LP)

PRAESIDIAN CAPITAL OPPORTUNITY MANAGEMENT III, LLC (Manager of Praesidian Capital Opportunity Fund III, LP)

PRAESIDIAN CAPITAL OPPORTUNITY MANAGEMENT III-A, LLC Manager of Praesidian Capital Opportunity Fund III-A, LP)

Together, these investment managers will be called "Praesidian Capital" or "the Firm".

Both Praesidian Capital Investors LP and Praesidian Capital Opportunity Fund III, LP are small business investment companies ("SBICs"), licensed by the US Small Business Administration ("SBA"). Pursuant to the SBA regulations governing the operation of SBICs, only persons approved by SBA as Principals of an SBIC are permitted to engage in the management of the SBIC or participate in investment decisions with respect to the assets of the SBIC. The persons who have been approved by SBA as Principals with respect to Praesidian Capital Investors LP and Praesidian Capital Opportunity Fund III, LP are: Jason Drattell, Neil Marks and Jon Mansfield.

Praesidian Capital provides the services described below to its advisory clients, which are private investment funds (collectively, the "Praesidian Capital Funds"). A related person of Praesidian Capital generally acts as general partner or manager of each Praesidian Capital Fund, and one of the Praesidian Capital advisers listed above acts as investment advisor to each Praesidian Capital Fund. References to Praesidian Capital in this brochure include, as the context requires, affiliates through which Praesidian Capital provides investment advisory services or that act in any capacity referenced in the previous sentence. For purposes of this Brochure all references to "client" shall not include the underlying investors in a client fund (i.e., limited partners) ("Client Investors"), unless otherwise specified.

Praesidian Capital's investment advisory business is principally focused on privately placed mezzanine investments, generally consisting of subordinated debt with some form of equity participation, and may also include senior notes, second-lien debt, preferred stock or high-yield bonds of principally larger middle-market companies in a variety of industries, locations, stages and styles. The combined debt and equity investments may, from time to time, result in a Praesidian Capital Fund having representation on the boards of directors of the companies in which it invests and providing significant input into major financial and business decisions of such companies. The Praesidian Capital Funds generally invest in privately-held portfolio companies, but may also make investments from time to time in companies whose securities are publicly traded.

Praesidian Capital tailors its advisory services to the specific investment objectives and restrictions of each Praesidian Capital Fund set forth in such Praesidian Capital Fund's limited partnership agreement, confidential private placement memorandum, investment management agreement and/or other governing documents (collectively, the "Governing Documents"). Investors and prospective investors of each Praesidian Capital Fund should refer to the Governing Documents of the applicable Praesidian Capital Fund for complete information on the investment objectives and investment restrictions with respect to such Praesidian Capital Fund. There is no assurance that any of the Praesidian Capital Funds' investment objectives will be achieved.

In accordance with common industry practice, one or more of the Praesidian Capital Funds or their general partners may enter into "side letters" or similar agreements with certain investors pursuant to which the general partner grants the investor specific rights, benefits, or privileges that are not made available to investors generally. Such agreements will be disclosed only to those actual or potential investors in an Praesidian Capital Fund that have separately negotiated with the general partner of such Praesidian Capital Fund for the right to review such agreements.

Praesidian Capital does not participate in any wrap fee programs.

Praesidian Capital manages all assets of the Praesidian Capital Funds on a discretionary basis in accordance with the terms and conditions of each Praesidian Capital Fund's Fund Agreement. As of February 9, 2012, Praesidian Capital had \$ 264,070,000 in regulatory assets under management.

Item 5 Fees and Compensation

Fee Schedules

Praesidian Capital charges fees to its clients for its investment advisory and management services ("Management Fees") and Praesidian Capital or its affiliates may also receive a carried interest ("Carried Interest") and together with Management Fees, "Compensation") from its clients. A portion of the Compensation received by the Firm and its affiliates is shared with certain unaffiliated capital partners and senior employees of the Firm. The Compensation charged to the clients is determined through negotiations with Client Investors and is set forth in the Client Documents. Management Fees range from 1.25% to 2.00% per annum of (A) the committed capital of the client during an initial agreed upon time period and (B) the invested capital of the client thereafter and are paid on a quarterly basis in arrears. Also, the Firm or its affiliates are generally entitled to receive carried interest of 20% (subject to a minimum return of 8%) which is paid as earned and charged in compliance with Rule 205-3 promulgated under the Advisers Act.

All investors and prospective investors should review the Governing Documents of the relevant Praesidian Capital Fund in conjunction with this brochure for complete information on the fees and compensation payable with respect to a particular Praesidian Capital Fund. Different Praesidian Capital Funds may be subject to different management fees and performance-based compensation arrangements. In limited circumstances, the advisory fees payable to Praesidian Capital by individual investors in the Praesidian Capital Funds may be negotiable. Investors and prospective investors in each Praesidian Capital Fund should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees. All clients are "qualified purchasers" as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), and therefore Praesidian Capital has not included specific fee information in response to this Item.

Deduction of Fees; Timing of Payments; Termination

As a general matter, Praesidian Capital will charge and deduct advisory fees directly from the Praesidian Capital Funds pursuant to the terms of the Governing Documents.

Payment of advisory fees is generally made quarterly in advance and in accordance with the terms of the Governing Documents. Please refer to the Governing Documents of each of the Praesidian Capital Funds for complete information on the timing of advisory fee payments.

The agreement pursuant to which Praesidian Capital provides advisory services to a Praesidian Capital Fund may generally only be terminated upon the termination of the limited partnership agreement of such Praesidian Capital Fund. Accordingly, the Governing Documents of each Praesidian Capital Fund do not contain any provision for refunds of any advisory fees.

Other Fees and Expenses

In addition to the advisory fees payable to Praesidian Capital, each Praesidian Capital Fund will incur certain charges imposed by third parties, including, but not limited to, (a) expenses incurred in the offering of partnership interests in the Praesidian Capital Fund; (b) fees and expenses of administrators, custodians, outside counsel, consultants, accountants and other similar outside advisors; (c) costs and expenses incurred in pursuing any transaction by, for or on behalf of the Praesidian Capital Fund (regardless of when incurred and whether such transaction is consummated), including any unreimbursed travel expenses; (d) costs and expenses incurred in holding, managing or selling portfolio investments or temporary investments; (e) costs and expenses of reporting to the limited partners of the Praesidian Capital Fund and of any meetings of the limited partners and any advisory committee; (f) any taxes, fees or other governmental charges levied against the Praesidian Capital Fund; (g) all expenses incurred by the tax matters partner (including professional fees for such accountants, attorneys and agents as the tax matters partner in its discretion determines are necessary to or useful in the performance of its duties in that capacity); (h) all other costs and expenses as provided in the Governing Documents of the Praesidian Capital Fund (such as costs of insurance, litigation, winding up and liquidation). The organizational expenses (generally up to a capped amount as provided in the relevant Praesidian Capital Fund's Governing Documents) of the Praesidian Capital Fund, its general partner and Praesidian Capital are paid by the Praesidian Capital Fund. Any transaction-related fees, such as break-up fees, director fees and monitoring fees, received by the Firm in connection with a client's investments will offset the Management Fees charged to such client (100% for SBIC funds, 80% for non-SBIC funds).

The section below titled "Brokerage Practices" describes the factors Praesidian Capital considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

Transaction-Based Compensation

Neither Praesidian Capital nor its supervised persons will receive any compensation with respect to the purchase or sale of securities or other investment products by any of the Praesidian Capital Funds. Please refer to the subsection titled "*Economic Benefits Received from Third Parties*" below for information on other types of compensation that Praesidian Capital may receive with respect to investments by the Praesidian Capital Funds.

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

Performance-Based Fees

A related entity of Praesidian Capital, as general partner of each Praesidian Capital Fund, will typically receive certain allocations from such Praesidian Capital Fund that are calculated and charged based on a share of capital gains on or net income (including interest payments from portfolio companies) from the assets of such Praesidian Capital Fund. Such allocations may be disproportionate relative to the capital contribution that the general partner makes to such Praesidian Capital Fund. Such performance-based allocation arrangements comply with Rule 205-3 under the Investment Advisers Act of 1940 (together with all rules and regulations promulgated thereunder, the “Advisers Act”) to the extent required thereunder. Any share of profits allocated or distributed to a general partner or affiliate of a Praesidian Capital Fund is separate and distinct from the advisory fees charged by Praesidian Capital to such Praesidian Capital Fund for advisory services.

Arrangements regarding performance-based allocations received by related persons of Praesidian Capital may create an incentive for Praesidian Capital to select investments that may be riskier or more speculative than those that would be selected under a different fee arrangement.

Side-by-Side Management

The Praesidian Capital Funds do not currently, but may in the future, be subject to different performance-based compensation arrangements. If Praesidian Capital or an affiliate is entitled to receive a higher percentage of the net profits and income of the account of one Praesidian Capital Fund than the percentage that Praesidian Capital or an affiliate receives from another Praesidian Capital Fund, then Praesidian Capital may have an incentive to favor, or to allocate certain riskier or more speculative investments to, the Praesidian Capital Fund that is subject to the higher percentage.

Item 7 Types of Clients

Types of Clients

Praesidian Capital provides advice to the Praesidian Capital Funds, each of which is a pooled investment vehicle. The limited partners of the Praesidian Capital Funds may include high net worth individuals, corporations, funds of funds, financial institutions, endowments, foundations, trusts, estates, sovereign wealth funds, and public and private pension and profit sharing plans.

Praesidian Capital and/or its affiliates may establish certain alternative investment vehicles, parallel funds and/or special purpose vehicles (collectively, “AIVs”) for the purpose of addressing tax, regulatory and/or structural issues, and/or facilitating certain investments by one or more Praesidian Capital Funds and/or investors. Prospective investors are requested to refer to the Governing Documents of the applicable Praesidian Capital Fund for complete details on any AIV that may be established by such Praesidian Capital Fund and such Praesidian Capital Fund’s ability to make investments through AIVs.

Minimum Investment Requirements

Praesidian Capital and its related persons require that each limited partner in each of the Praesidian Capital Funds be an “accredited investor” as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act.

In general, the minimum investment commitment required of an institutional limited partner to participate in a Praesidian Capital Fund is disclosed in each Fund’s offering documents; however, the general partner of each Praesidian Capital Fund has discretion to increase or reduce the minimum investment commitment. Investors are requested to refer to the Governing Documents of each

Praesidian Capital Fund for complete information on minimum investment requirements for participation in a particular Praesidian Capital Fund.

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

METHODS OF ANALYSIS

Praesidian Capital believes that the key to successful mezzanine investing is the preservation of capital. Before looking at the potential upside of an investment, Praesidian Capital focuses on downside scenarios to mitigate capital loss.

An appropriate capital structure with modest leverage is a company's first defense against business downturns. Praesidian Capital will seek to make investments in capital structures geared to support companies both to grow as market conditions permit as well as to weather business downturns. Praesidian Capital carries out in-depth credit analysis of the borrower's historical and projected performance, with a particular emphasis on downside case scenarios. Praesidian Capital will target appropriate capital structures with low to moderate leverage levels to try to provide sufficient downside protection.

Praesidian Capital will target investments in companies with the following credit-oriented characteristics:

Reasonable Growth Expectations with Stable Cash Flows – Praesidian Capital will seek to invest in companies which have evidenced strong historical performance and have projected cash flow sufficient to service contemplated leverage. Praesidian Capital focuses on investments in companies with consistent organic growth and cash flow sustainability.

Leading Market Positions – Praesidian Capital seeks to invest in established companies with leading market positions and sustainable competitive advantages. The firm seeks a comprehensive understanding of a company's competitive positioning in order to determine its long-term growth projections. Praesidian Capital will seek to identify companies with operating models which are not capital intensive, have products or services that are value-added to customers, and can grow either organically or through add-on acquisitions. Praesidian Capital avoids companies that operate in highly cyclical industries where performance is more highly correlated with cyclical market downturns.

Strong Management Teams – Praesidian Capital seeks to thoroughly evaluate management teams of targeted portfolio companies. Executives should have deep industry expertise, a track record of successful management and a vision for the future of the company, including a solid grasp of industry trends and competitive dynamics.

Praesidian Capital believes a true partnership with management is essential for investment success. Senior management teams should be properly incentivized through equity ownership or other incentive programs.

Risks: Our securities analysis methods rely on the assumption that the companies in which we invest, and other publicly-available sources of information about these companies, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

Praesidian Capital's investment strategy is aimed at earning a high current return and achieving long-term capital appreciation by making lower middle market-based, privately negotiated mezzanine, subordinated debt, senior debt and other similar debt, mezzanine and related equity investments in connection with:

- (i) growth and acquisition financings;
- (ii) recapitalizations or refinancings; and
- (iii) management and sponsor-led buyouts.

Praesidian Capital employs a credit-based investment process, with a focus on principal preservation and downside protection.

This strategy emphasizes the following:

Conservative, Disciplined Credit Orientation – Praesidian Capital's investment strategy is focused on fundamental credit analysis, downside protection and preservation of capital.

Portfolio Diversification – Praesidian Capital seeks to create portfolios that are diversified by transaction type, security, industry and geography in an effort to reduce aggregate portfolio risk and enhance the potential for strong risk adjusted returns.

Non – Sponsored and Sponsored Diversification – In addition to the portfolio diversification factors, Praesidian Capital centers on continuing the investment strategy of investing approximately 50% of the portfolio without an equity sponsor and 50% of the portfolio with an equity sponsor.

Proactive Lead Investor in Mezzanine Financings – Praesidian Capital may be the sole or lead mezzanine investor in its investments, with significant influence over transaction terms and structure.

Lower Middle Market Focus – Praesidian Capital believes that concentrating on the lower middle market has the potential to generate strong and consistent returns for its investors.

Risk Factors

The investment strategy used by Praesidian Capital involves various risks, including, but not limited to, the risk that a Fund can lose part or all of its invested capital. While Praesidian Capital will attempt to attain the investment objectives of the Fund through its research and portfolio management skills, there can be no guarantee of successful performance, that the investment objectives can be reached or that there will be any return on or of capital. As a general rule, investments with higher return potential tend to also have higher potential of risk of loss to capital and/or income. In addition, a Fund's investments may fluctuate in market value from day to day. Risks include:

Dependence on Management

The success of the Fund may be highly dependent on the expertise and performance of Praesidian Capital's principal officers. The loss of one or more of these individuals could have a material adverse effect on the performance of the Fund.

Illiquidity of Investments

The investments of the Funds will be illiquid, and there can be no assurance that a Fund will be able to realize such investments at attractive prices or otherwise be able to effect successful realization or exit strategies. Additionally, the Fund may acquire securities

That cannot be sold, except pursuant to a registration statement filed under the Securities Act, or in accordance with Rule 144 promulgated under the Securities Act. There can be no assurance that private purchasers can be found for the investments of the Fund on a timely basis, or at all.

Losses

There can be no assurance that a Fund's investments will be profitable, that projected or targeted (or any) returns for a Fund will be achieved, that a Fund will be able to avoid losses or that cash from its investments will be available for distribution to its investors.

General Nature of the Fund's Investments

A substantial portion of a Fund's investments of the Fund will be in investments that by their nature involve business, financial, market and legal risks. While such investments offer the opportunity for significant gains, they also involve a high degree of risk that may result in substantial losses. There can be no assurance that Praesidian Capital will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices of 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 activities of a Fund. As a result, the performance of the Fund over a particular period may not necessarily be indicative of the results that may be expected in future periods.

A Fund may co-invest in a portfolio company with financial, strategic or other third party investors. Such investments will involve additional risks not present in investments where a third party is not involved, including the possibility that the co-investor may have interests or objectives that are inconsistent with those of the Fund, or may be in a position to take action contrary to the investment objectives of the Fund.

Nature of Debt Securities

The securities in which Praesidian Capital will invest, by the nature of their issuers' leveraged capital structures, will involve a high degree of financial risk. These securities may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. In addition, these securities may not be protected by financial covenants or limitations upon additional indebtedness and may have limited liquidity. Debt securities are also subject to other creditor risks, including, but not limited to:

- (i) the possible invalidation of an investment transaction as a "*fraudulent conveyance*" under relevant creditors' rights laws,

- (ii) so-called "*lender liability*" claims by the issuer of the obligations, and

- (iii) environmental liabilities that may arise with respect to collateral securing the obligations.

Market and Credit Risks of Debt Securities

Portfolio companies with debt securities are subject to credit and interest rate risks. "Credit risk" refers to the likelihood that an issuer will default in the payment of principal and/or interest on an instrument. Financial strength and solvency of an issuer are the primary factors influencing credit risk. "Interest rate risk" refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price.

Risk of Leverage

Certain Funds' investments are expected to include companies whose capital structures may have significant leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Although Praesidian Capital will seek investments in companies that have used leverage in a prudent manner, the leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio company or its industry. Additionally, the securities acquired may be relatively junior in what will typically be a complex capital structure, and thus subject to a greater risk of loss.

Market Volatility Risks

Ongoing volatility could negatively impact the Funds in a number of ways, including, but not limited to the following:

- The value of the Fund's investments may be reduced. Many of the investments purchased, held and sold on behalf of the Fund may be complex, and their market values will be highly sensitive to changes in interest rates, prepayments and/or credit spreads.
- Overall Fund returns may be reduced. Relatively small changes in interest rates, prepayments and/or credit spreads may have significant impacts on the profitability of Fund investments.
- Timely action by Praesidian Capital in making investments may be limited or even precluded.
- Congress and regulatory agencies may adopt new financial regulations and tax policies in response to continued volatility, which could be burdensome or otherwise unfavorable to the Funds and their investments.
- Significant volatility in market returns and asset values increases the risk of litigation.

Risk Arising from Provision of Managerial Assistance

Praesidian Capital personnel may occasionally serve on the boards of directors of the Fund's portfolio companies. Although such positions may be important to the Fund's investment strategy and may enhance the ability to manage the Fund's investments, they also may have the effect of impairing the Fund's ability to divest its interest in such companies when, and upon the terms, it may otherwise desire. The designation of directors and other measures contemplated could also expose the assets of the Fund to claims by a portfolio company, its security holders and its creditors and/or indemnification obligations in connection therewith. While Praesidian Capital intends to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be fully precluded.

Limited Number of Investments

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

Hedging

Praesidian Capital may enter into swaps, forward contracts and other arrangements to seek to preserve a return on a particular investment or to seek to protect against currency fluctuations. Such transactions have special risks associated with them, including the possible default by the counterparty to the transaction and the illiquidity of the instrument acquired by the Fund relating thereto. Although such transactions may reduce the Fund's exposure to currency fluctuations or decreases in the value of investments, the costs associated with these arrangements may reduce the returns that a Fund would have otherwise achieved if it had not entered into these transactions.

Item 9 Disciplinary Information

Praesidian Capital and its principals have not been the subject of any material legal or disciplinary proceeding required to be disclosed in response to this item.

Item 10 Other Financial Industry Activities and Affiliations

A. Other Financial Industry Activities

A registered investment adviser is required to disclose whether it or any of its management persons are registered, or have an application pending to register, as a (i) broker-dealer or a registered representative of a broker-dealer, or (ii) futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. Neither Praesidian Capital nor any of its management persons are registered as such or have any application for such registration pending.

B. Material Relationships and Arrangements

Relationships with Related Persons

As discussed in the section titled “Participation or Interest in Client Transactions; Personal Trading,” Praesidian Capital and its related persons are, directly or indirectly, the general partners, limited partners and/or managing members of each of the Praesidian Capital Funds. Praesidian Capital and its related persons manage multiple Praesidian Capital Funds. This can create conflicts in the allocation of time, resources and investment opportunities among the Praesidian Capital Funds. Please refer to the Governing Documents of the relevant Praesidian Capital Fund for complete information on the requisite time commitments (if any) of Praesidian Capital and its related persons to the Praesidian Capital Funds and the allocation of investment opportunities among the Praesidian Capital Funds. Please also refer to the description of Praesidian Capital's investment allocation policy described in the subsection “Side-by-Side Management” above.

Employees of Praesidian Capital and its affiliates may serve as directors, board observers or credit committee members for portfolio companies in which the Praesidian Capital Funds invest, or provide other services to portfolio companies, and may receive compensation in connection therewith, as described below under “*Economic Benefits Received from Third Parties*”. Employees of Praesidian Capital and its affiliates may be given access to confidential information relating to companies in which the Praesidian Capital Funds invest. As a result, a Praesidian Capital Fund may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or equity securities of such a portfolio company, which prohibition may have an adverse effect on such Praesidian Capital Fund.

Selection or Recommendation of Other Advisers

Praesidian Capital does not recommend or select other investment advisers for its clients and receive compensation from such advisers in a manner that would create a material conflict of interest. Praesidian Capital does not have other business relationships with other advisers that create a material conflict of interest.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Praesidian Capital and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Praesidian Capital's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to jmansfield@praesidian.com, or by calling us at 212-520-2600.

As general partners, limited partners or managing members of the general partners or managers of each of the Praesidian Capital Funds, Praesidian Capital and its related persons have indirect beneficial interests in the securities owned by the Praesidian Capital Funds and will share in any profits and losses generated by the Praesidian Capital Funds' investments. All such transactions are subject to compliance with Praesidian Capital's Code of Ethics as described above and the governing documents of the applicable Praesidian Capital Funds.

Praesidian Capital and individuals associated with our firm are prohibited from engaging in principal transactions.

Praesidian Capital and individuals associated with our firm are prohibited from engaging in cross transactions.

Item 12 Brokerage Practices

As Praesidian provides investment advice through the issuance of debt, it does not trade securities and does not enter into brokerage arrangements. Praesidian Capital does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Item 13 Review of Accounts

Review of Client Accounts

Financial data about each company included in Fund portfolios is input to a standardized portfolio trend card and is updated monthly. Information updated monthly includes income statement/EBITDA, balance sheet, working capital and cash flow, all compared to the same period the prior year and to projections. Information specific to companies and industries are recorded on a monthly basis as well. Formal portfolio review meetings are held on a monthly basis. Each Portfolio Manager presents those companies for which he or she is responsible to the Investment Committee for review and discussion.

Praesidian Capital's Investment Committee is comprised of these individuals:

Jason D. Dattrell, Managing Partner

Neil A. Marks, Managing Partner

Jon E. Mansfield, Partner and Chief Compliance Officer

Reports to Clients

The general partner or manager of each Praesidian Capital Fund distributes quarterly and annual written reports to the limited partners of such Praesidian Capital Fund. Annual reports generally contain audited financial statements of the Praesidian Capital Fund, an annual report providing a description of the Praesidian Capital Fund's business and investments and an individual capital account statement as of the end of such fiscal year. The quarterly reports generally contain summary financial and other information on the Praesidian Capital Fund for the fiscal quarter.

Please refer to the Fund Agreement of the relevant Praesidian Capital Fund for further information on the reports provided by a particular Praesidian Capital Fund to its investors.

Item 14 Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

To mitigate potential conflicts of interest, it is Praesidian Capital's policy not to accept or allow our related persons to accept any form of compensation from third parties. Please refer to the disclosure headed "Other Fees and Expenses" in Item 5, above.

Third Party Compensation for Client Referrals

It is Praesidian Capital's policy not to engage solicitors or to pay related or non-related persons for referring potential Clients to our firm. However, Praesidian Capital and/or its affiliates may compensate persons for identifying potential fund investors. Any compensation paid under such an arrangement will be made in compliance with any applicable laws or regulations.

Item 15 Custody

Praesidian Capital will not have physical custody of any client assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Nevertheless, Praesidian Capital will be deemed to have custody of the assets of the Praesidian Capital Funds as a result of its position as an affiliate of the general partner or manager of each Praesidian Capital Fund.

It is Praesidian Capital's general policy to (i) cause each Praesidian Capital Fund with assets over which Praesidian Capital is deemed to have "custody" to distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and audited by an accountant subject to regular inspection by the Public Company Accounting Oversight Board, to investors annually and no later than 120 days after the end of each fiscal year and (ii) upon the final liquidation of any such Praesidian Capital Fund, obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Praesidian Capital Fund to all investors promptly after completion of the audit. NOTE: Both Praesidian Capital Investors LP and Praesidian Capital Opportunity Fund III, LP are small business investment companies ("SBICs"), licensed by the US Small Business Administration ("SBA"). The rules of the SBA require that financial statements be prepared using a method other than GAAP.

Item 16 Investment Discretion

The Firm has complete discretion to make all investment decisions for its clients, subject to any applicable investment criteria or other restrictions and limitations set forth in the Client Documents.

Item 17 Voting Client Securities

Because Praesidian Capital provides debt to private firms, it does not receive proxies to vote. Praesidian Capital or its related persons typically do not serve on the boards of directors of the firms in which we invest; however, Praesidian Capital does attend (as observers) the board meetings of the companies held by the Funds. In unusual situations (typically when one or more Funds obtain a substantial equity interest in a company), Praesidian Capital or a related person may serve on that firm's board of directors.

Item 18 Financial Information

Praesidian Capital does not require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, Praesidian Capital is not required to include a financial statement.

As an advisory firm that has custody of client funds, the Firm is required to disclose any financial condition that is reasonable likely to impair its ability to meet contractual obligations to its clients. The Firm is not aware of any financial condition that impairs its ability to meet contractual obligations to its clients. The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.