

I. ADV Part 2A – Brochure

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Date: Feb 12, 2015

Registration does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Croudify. If you have any questions about the contents of this brochure, please contact us at abhishek@croudify.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 **Croudify** is available on the SEC's website at www.adviserinfo.sec.gov

II. Summary of Material Changes

We are a new Investment Advisory firm hence there are no changes to report.

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IV. Advisory Business

i. Our Company & Principals

Kite LLC d/b/a Croudify is a registered investment adviser primarily based in California State. We are organized as a corporation under the laws of the State of California. We have been providing investment advisory services since 2015. Abhishek Agarwal and Sangam Singh are our principal owners. Currently, we offer internet only investment advisory services. We do not offer personal advice to clients but, rather, utilize an algorithm to assist clients in selecting loans in which to invest.

The following paragraphs describe our services and fees. Refer to the description below for information on our advisory services. As used in this brochure, the words “we”, “our” and “us” refer to Croudify and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm.

ii. Type of Services we offer

Croudify offers a web-based investing portal for clients to access Peer Lending companies such as Lending Club or Prosper Marketplace (hereinafter referred to as the “Platforms”). Peer lending facilitates loans to borrowers who obtain the loans at terms they find more attractive than those offered by traditional banks or credit cards. Loans are funded by our clients and thereby avoid the cost and complexity of traditional banking.

Loans to borrowers can be structured in two forms

1. Whole Loans – Generally available for Registered Investment Firms and Accredited Investors
2. Fractional Loans – Available to all investors. In this case loan is divided into many factions. Each fraction is a tradable security called note. Investors can invest in these notes in multiples of \$25. These notes are tradable the day they are issued.

As with any investment asset class diversification and risk management are the primary rocks of investing on platforms. Our algorithms will help clients determine their risk profile and subsequently help them to invest in hundreds or thousands of notes/loans for diversification that is commensurate to client’s risk profile.

We primarily offer advice on consumer loans and notes which are fixed-income investments and generate monthly cash flow in the form of payments of principal and interest.

The investments can be in the form of individual loans/notes or in the form of a portfolio where a predefined criterion is used to create group of loans/notes that can be repurchased in a single transaction or across time in various transactions. We provide both discretionary and non-discretionary account services.

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1. Non-Discretionary: Services provided recommendations to clients but all buy and sell actions are initiated by client either by coming on the website or by clicking a link in their email or on the phone.
 2. Discretionary – Discretionary accounts use predefined logic to find specific loans to buy and sell. The discretionary account can be customized to invest specific amount or specific type of loans for one time or on a recurring basis. Discretionary authority can be granted at any time and the client needs to sign the investment advisory agreement with our firm and the appropriate trading authorization form. Client may limit our discretionary authority (for example, limiting the types of loans that can be funded from your account) by setting your parameters. Client can also cancel the discretionary authority at any time.

We also provide a secondary marketplace for the investors to sell and buy notes from other investors. The custody services for these notes are provided by the issuing platforms. The clearing service for these notes will be provided by a clearing broker such as Folio Investing.

As part of the services on secondary platform we also independently grade the Notes and loans so that we can provide uniform investing criteria to clients across platforms. These ratings use proprietary algorithms developed by Croudify.

Also as part of the service on the secondary platform we provide recommended sale pricing for various notes. The recommended pricing uses a combination of note grading algorithm and rate forward rate curves.

iii. Assets under Management

We are a newly registered investment adviser and, therefore, as of the date of this Brochure, do not have any discretionary or non-discretionary assets under management.

V. Fees and Compensation

We have different fees structures for clients with different asset investments:

i. Advisory Fees

For investors who invest less than \$5000 we charge no management fees. These investors though do pay transaction and brokerage fees that various platforms including Croudify will charge.

For investors who have more than \$5,000 we have two models:

- Fixed Fees:** We charge an annual fee of 1.0% of the Client's account value above \$5,000. Each day we calculate your account value, which is equal to the remaining principal balance of the loans in your combined portfolio plus the cash available for investment on deposit in your Platform accounts. Pending loans are valued at their invested amounts. We then apply 1/365th (1/366th on a leap year) of the annual rate to the amount of the account value exceeding \$5,000. Fees accumulate for a month, and are charged on the closest corresponding date of the following month anniversary. For example, a client who would normally be billed on the 31st of a month will either be billed on the 30th of a 30 day month, or on the 28th of February. Fees will be carried over to the next billing period until they reach at least \$1.00.

We will charge your credit card or a bank account for the fee due and provide you with a statement detailing the fee. The qualified custodian is responsible for providing you with account statements detailing the activity in your account. These account statements will be provided in accordance with the terms disclosed by the custodian in their disclosure documents. You should review all statements for accuracy.

You may terminate the portfolio management agreement at any time by closing your account on our website. When you terminate the agreement, we will only charge you the fees that accumulated since your last billing cycle.

As part of fixed fees arrangement you also get free trades to sell your partial loan ownership equal to the face value of your account value.

We do not require prepayment of a fee more than six months in advance and in excess of \$500; though Clients are encouraged to sign-up for an annual discounted pricing.
- Pay as you Go:** In this option customers pay us 1% of the face value of each fractional loan they purchase or sell. Fees accumulate for a month, and are charged on the closest corresponding date of the following month anniversary. For example, a client who would normally be billed on the 31st of a month will either be billed on the 30th of a 30 day month, or on the 28th of February. Fees will be carried over to the next billing period until they reach at least \$1.00.

We will charge your credit card or bank account for the fee due and provide you with a statement detailing the fee. The qualified custodian is responsible for providing you with account statements detailing the activity in your account. These account statements will be provided in accordance with the terms disclosed by the custodian in their disclosure documents. You should review all statements for accuracy.

You may terminate the portfolio management agreement at any time by closing your account on our website. When you terminate the agreement, we will only charge you the fees that accumulated since your last billing cycle.

ii. Additional Fees and Expenses

The fees that you pay to our firm for investment advisory services are separate and distinct from any fees and expenses charged by the Platform(s). You will generally incur transaction charges and/or other fees imposed by the Platform or custodian through whom your account transactions are executed. We do not share in any portion of the charges imposed by the Platform or custodian. To fully understand the total cost you will incur, you should review all the fees charged by the Platform or custodian.

VI. Performance-Based Fees and Side-By-Side Management

This section is not applicable to our firm because we do not charge performance-based fees.

VII. Types of Clients

We offer investment advisory services to individuals and Investment firms

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, some Platforms have minimum income requirements and/or minimum account sizes which may vary from one Platform to another. You are advised review the disclosure documents provided by each Platform for details.

VIII. Methods of Analysis, Investment Strategies and Risk of Loss

We will use a proprietary algorithm which uses statistical analysis of the loans' returns based on historical data as provided by the Platform(s).

i. Statistical Analysis

We use several statistical tools to help us manage your account. Regression models and Decision trees form the basic foundation of our analysis and help us to make forward looking analysis and help us to provide independent rating.

ii. Economic Analysis

We collect economic data from US Census bureau and various other proprietary networks to conduct macro and micro economic analysis. This analysis allows us to provide discretionary power in selecting various loans for best returns.

iii. Fundamental Analysis

We may also use fundamental analysis, which is when we are looking at the financial and product strength of a small business company and considering its competitors. We may also include as part of this analysis the position a particular company has on a local economic scale.

iv. Risk of Loss

Investing in the Loans/Notes involves risks, including the risk borrowers will not repay their loans and the risk of the Platform(s) discontinuing the servicing of the loans. The Platforms obligation to make any payment on a Loan is wholly dependent upon a borrower paying Platform on the corresponding loan in which you invested. The risks of investing mean that you may lose all or most of your investment. The Loans/Notes are not guaranteed or insured by any governmental agency or instrumentality or any third party. Additionally, state and/or federal regulations may change and fundamentally affect the nature of the industry.

v. Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the services we provide. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

vi. Recommendation of Particular Types of Securities

As disclosed under the Advisory Business section in this brochure, we only provide advisory services regarding consumer loans/notes which are fixed-income investments that generate monthly cash flow in the form of payments of principal and interest.

IX. Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

X. Other Financial Industry Activities and Affiliations

We do not have any relationship or arrangement that is material to our advisory business or to our clients currently. We are currently in the process of applying for an introducing brokerage license that will be used in future to direct customer trades on our secondary platform. Till we get the brokerage license we will be using the brokerage service recommended by the origination platforms with no input from our side.

XI. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

i. Description of Our Code of Ethics

Croudify's paramount ethical, professional, and legal duty is to act at all times as a fiduciary to its clients. This means that Croudify puts the interests of its Clients ahead of its own, and carefully manages for any perceived or actual conflict of interest that may arise in relation to its advisory services. Croudify has adopted a Code of Ethics, which is designed to ensure that we meet our fiduciary obligation to Clients, enhance our culture of compliance within the firm, and detect and prevent any violations of securities laws.

Croudify's Code of Ethics is detailed in a Code of Ethics document ("Code"), which establishes standards of conduct for Croudify's officers and employees ("Supervised Persons" as defined in the Code) and is consistent with the Code of Ethics requirements of Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Statement includes general requirements that all Supervised Persons comply with their fiduciary obligations to Clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest, and confidentiality of client information.

Each new Croudify employee receives a copy of the Statement when hired by Croudify. Croudify sends copies of any amendments to the Statement to all Supervised Persons, who must acknowledge in writing having received the Statement and the amendments. Annually or as otherwise required, each Supervised Person must confirm to Croudify that he or she has complied with the Statement during such preceding period.

ii. Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

iii. Personal Trading Practices

Under the Statement, Croudify's Directors and Supervised Persons may personally invest in securities recommended on the site, specifically the notes and portfolios. Transactions in these have been pre-approved for trading by Croudify's Chief Compliance Officer based on the security's liquidity profile and structural characteristics. Supervised Persons may also buy or sell other specific securities for their own accounts that are not purchased or sold for clients. Croudify requires all Supervised Persons to report any violations of the Statement promptly to Croudify's Chief Compliance Officer.

XII. Brokerage Practices

We maintain relationships with several Peer Lending Platforms. We require that you establish an account with one of the Platforms with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to market information and administrative services that help our firm manage your account(s). We believe that the Platforms we use provide quality services for our clients. In reviewing the Platforms we refer clients to, we consider the quality of the services provided by the Platforms, including the value of the firm's reputation, execution capabilities, fees, and responsiveness to our clients and our firm. In recognition of the value of the services the Platforms provide, you may pay higher transaction costs than those that may be available elsewhere.

For our secondary platform currently we use the brokers recommended by various peer lending platforms. We are currently in the process of applying for an introducing brokerage license that will be used in future to direct customer trades on our secondary platform. At that point Croudify will seek the best overall execution of transactions for Client Accounts consistent with its judgment as to the business qualifications of the various Brokers through which Croudify Accounts are available

i. Research and Other Soft Dollar Benefits

We do not receive any soft dollar benefits from any broker-dealers or Platform.

ii. Brokerage for Client Referrals

We do not receive client referrals from any broker-dealers or Platform in exchange for cash or other compensation.

iii. Directed Brokerage

Since Peer Lending transactions can only be effected through certain Platforms, we do not allow for directed brokerage.

iv. Block Trades

Peer lending does not permit block trading, and therefore this section does not apply.

XIII. Review of Accounts

Croudify provides all Clients with continuous access via the Site to real-time reporting information about Account status, securities positions and balances. Clients may also receive periodic e-mail communications describing portfolio performance, Account information, and product features.

Croudify's software based financial advisor service assumes that a portfolio created using risk rating-based techniques will not stay optimized over time, and must be periodically rebalanced back to its original targets to maintain the intended risk level and asset allocations. Croudify reviews each Client's Account when it is opened, and continuously monitors and periodically recommends rebalancing each Client's portfolio to seek to maintain a Client's targeted risk tolerance and optimal return for the Client's risk level.

Croudify also conducts reviews when material changes may have occurred to a Client's portfolio or investment objectives.

XIV. Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

XV. Custody

We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive activity emails from the Platform holding your funds and securities and can view current account statements on the Platform's website. The account statements will indicate the activity for the period. You should carefully review account statements for accuracy.

XVI. Investment Discretion

Croudify offers two types of accounts

- Discretionary
- Non – Discretionary

For Non-discretionary accounts we provide recommendations to the clients about various investment choices but the final decision rests with the clients.

For Discretionary clients Croudify's proprietary algorithm will automatically find and purchase (or invest in) various loans or Notes and submit investment orders on your behalf without any further input from you. This allows us to invest in those loans that are best suited for your risk profile

XVII. Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. We do not offer any advice regarding corporate actions and the exercise of your proxy voting rights. To the extent applicable, you are responsible for exercising your right to vote as a shareholder.

XVIII. Financial Information

We are not required to provide a balance sheet or other financial information to our clients because we do not require the prepayment of fees in excess of \$1,200 and six months or more in advance; we do not take custody of client funds or securities; and, we do not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you. Moreover, we have never been the subject of a bankruptcy petition.

XIX. Requirements for State-Registered Advisers

We are registered with the U.S. Securities and Exchange Commission and therefore this section does not apply.