
FORM ADV PART 2A: FIRM BROCHURE

S-III PARTNERS, LLC

February 21, 2017

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This brochure (“Brochure”) provides information about the qualifications and business practices of S-III Partners, LLC (“S-III Partners”). If you have any questions about the contents of this brochure, please contact S-III Partners at (970) 544-9898. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about S-III Partners also is available on the SEC’s website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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This Brochure may be provided to current or prospective investors in the Funds (as defined herein) and current or prospective investors who establish separately managed accounts, in each case, managed or to be managed by S-III Partners. Those Investors considering an investment in the Funds will also receive the Funds' Constitutional Documents (as defined herein), prior to or in connection with such person's consideration or consummation of an investment in the Funds. This Brochure may also subsequently be provided in S-III Partners' discretion, annually, or at the request of an investor. Investors and other recipients should be aware that while the Brochure includes information about the Funds, it is not a complete description of the terms, risks or conflicts associated with an investment in any Fund. More complete information about each Fund is included in such Fund's Constitutional Documents, which may be provided to current and eligible prospective investors only by S-III Partners or another authorized party. See Item 4, "Advisory Business" for additional information. **In the event of any inconsistency between the Constitutional Documents of a Fund and this Brochure, the Constitutional Documents shall control.**

In no event should this Brochure be considered to be an offer of interests in a Fund or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient. Rather, this Brochure is designed solely to provide information about S-III Partners for the purpose of compliance with certain obligations under the Investment Advisers Act of 1940, as amended, (the "Advisers Act") and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided in each Fund's Constitutional Documents. S-III Partners will only provide the Constitutional Documents to those it reasonably believes to be qualified to invest as defined by the Advisers Act and other relevant law, and S-III Partners has the ability to limit and restrict the Investors (as defined below) from whom it will accept investments in the Funds in its sole discretion.

ITEM 4. ADVISORY BUSINESS

General Description of Advisory Firm

S-III Partners, a Delaware limited liability company, advises the following private investment funds:

(i) S-III Opportunity Fund, L.P., a Delaware limited partnership organized on August 26, 2016, which operates as an investment vehicle for primarily U.S. taxable investors (the “U.S. Fund”). The U.S. Fund will invest all of its investable assets in the Master Fund (as defined below);

(ii) S-III Opportunity Offshore Fund, Ltd., a Cayman Islands exempted company organized on December 2, 2016, which operates as an investment vehicle for U.S. tax-exempt and non-U.S. investors (the “Offshore Fund”). The Offshore Fund will invest all of its investable assets in the Master Fund; and

(iii) S-III Opportunity Master Fund, L.P., a Cayman Islands exempted limited partnership organized on December 8, 2016, will make all investments to which the U.S. Fund and Offshore Fund have exposure (the “Master Fund”).

All Funds referenced in paragraphs (i) – (iii) above are collectively referred to as the “Funds.”

In the future, S-III Partners may also advise one or more separately managed accounts and single investor funds that employ a similar investment strategy as the Funds.

S-III Partners is a newly formed investment adviser with its principal place of business in Aspen, Colorado. S-III Partners expects to commence investment advisory activities when it begins investment activities on behalf of the Funds on or about January 1, 2017.

S-III Management Holding, LLC is the parent company (the “Parent Company”) of S-III Partners. Warren G. Lichtenstein is the principal owner of the Parent Company.

In this Brochure, the Funds are referred to as “Clients” and investors in the Funds are referred to as “Investors”. Only the Funds and separate accounts managed by S-III Partners are Clients of S-III Partners.

S-III Partners limits its activities to advising private investment funds and separate accounts. Each Fund is governed by a limited partnership agreement or articles of association, as applicable, and a description of the Fund’s activities and investment program is set forth in such Fund’s offering documents (if any) or other disclosure documents and its respective investment advisory agreements (such governing documents, offering documents and agreements, a Fund’s “Constitutional Documents”). In the case of single investor funds and separate accounts, the Constitutional Documents may consist of an investment management agreement and a limited partnership agreement or other similar documents. **In many instances a more detailed discussion of the topics discussed in this Brochure is available in a Fund’s Constitutional Documents. In the event of any inconsistency between the Constitutional Documents of a Fund and this Brochure, the Constitutional Documents shall control.**

The Funds and separate accounts are managed in accordance with the investment objectives, guidelines and restrictions set forth in their respective Constitutional Documents. The investment objective of the Funds is to generate attractive risk-adjusted returns through long-term investing across the capital structure of undervalued small and middle capitalization companies, with a primary focus on publicly-traded instruments. The strategies employed by the Funds may include, among others, investing in what S-III Partners believes to be undervalued companies where an injection of management experience and business acumen can drive operational excellence and balance sheet efficiency through the introduction of its activist strategy. The investment objective of the Funds and the investment strategies that may be employed are set forth in the Confidential Private Placement Memorandum for each of the U.S. Fund and the Offshore Fund (collectively, the “Offering Memoranda”). The Funds are open ended funds that make offerings to new Investors under a private placement exemption.

See Item 8, “Methods of Analysis, Investment Strategies and Risk of Loss” for more information on the Funds’ investment program.

In no event should this Brochure be considered to be an offer of interests in a Fund or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient. Rather, this Brochure is designed solely to provide information about S-III Partners for the purpose of compliance with certain obligations under the Advisers Act and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information required to be provided in each Fund’s Constitutional Documents. S-III Partners will only provide the Constitutional Documents to qualified Investors, and S-III Partners reserves the right to limit and restrict the Investors from whom it will accept investments in the Funds.

S-III Partners is a newly formed investment adviser. As of the date of this filing, it does not manage any client assets.

ITEM 5.

FEES AND COMPENSATION

The Funds (and indirectly the Investors in the Funds) pay or allocate to S-III Partners or to its affiliates a management fee (the “Management Fee”) and an incentive allocation (the “Incentive Allocation”). The Funds also bear their own operating expenses. Other expenses borne by the Funds are described more fully below. As of the date of this filing, S-III Partners does not manage any separate accounts or single investor funds. The fees offered to or payable by any such Client may vary from the fees described herein.

Payment of Fees/Incentive Allocation

The Funds are charged a Management Fee and an Incentive Allocation based on a percentage of the performance of the Funds. Although the Funds pay the Management Fees directly to S-III Partners (and allocate the Incentive Allocation to an affiliate of S-III Partners), these fees and the Incentive Allocation are ultimately borne by Investors.

As described generally below and more specifically in each Fund’s Constitutional Documents, S-III Partners is compensated for its advisory services through quarterly asset-based Management Fees (which are deducted from NAV) and its affiliate receives an Incentive Allocation, which is generally allocated annually from the Funds. Exceptions occur when an Investor redeems or withdraws from the Funds. See Item 6, “Performance-Based Fees and Side-by-Side Management” for a more detailed discussion of the Incentive Allocation.

S-III Partners reserves the right to vary the terms of the Management Fee and/or Incentive Allocation payable by particular Investors from the Management Fee and/or Incentive Allocation set forth in the Constitutional Documents pursuant to the terms of a side letter between S-III Partners and the particular Investor. S-III Partners will have no obligation to give notice to or obtain the consent of Investors regarding any such alternate fee arrangements.

Additional Expenses

The U.S. Fund and Offshore Fund will bear all expenses related to their operations (and their pro rata share of those of the Master Fund) including, but not limited to, organizational and offering expenses, investment related fees and expenses, including, without limitation, fees and expenses of any external consultants and administrators, SEC, Hart-Scott-Rodino Act and other reporting and filing expenses and costs incurred by S-III Partners generally or in connection with specific shareholder initiatives (such as the costs of calling shareholder meetings, proxy solicitation fees and costs, professional consulting fees, appraisal and investment banking fees, legal expenses and expenses of litigation), trading related expenses (including commissions and brokerage charges, clearing expenses, interest expense, stock borrowing fees, and related items), Form PF expenses, due diligence and investment-related travel expenses, government expenses, taxes, administrative expenses, legal expenses, external accounting expenses, including the fees of a third party administrator, research and market data expenses, audit and tax preparation expenses, corporate licensing, custodial fees, fees and expenses of members of the Board of Managers, directors’ and officers’ liability insurance and other expenses associated with the operation of the Funds. However, S-III Partners may choose to absorb any such expenses incurred on behalf of each Fund.

Expenses of each Fund generally will be shared by all of the Investors in the Fund pro rata in accordance with their investment in the Fund.

See Item 12, “Brokerage Practices” for a more detailed discussion of the Funds’ use of brokerage services.

Prepayment of Fees

Management Fees are charged each quarter in advance based on the total market value of the assets of each Fund (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on the first day of the quarter. If an Investor makes a new subscription during a quarter, the Management Fee will be charged as of the effective date of the subscription based on the value of the assets as of the applicable date and will be prorated for the number of days remaining in the quarter. If an Investor makes a redemption or withdrawal during a quarter, the unearned portion of the Management Fee (based on the number of days remaining in the quarter) will be credited by S-III Partners to the redeeming or withdrawing Investor.

Additional Compensation and Conflicts of Interest

A supervised person of S-III Partners may indirectly receive compensation in connection with a broker-dealer serving as an executing broker with respect to the Funds’ assets. As a result of this additional compensation, S-III Partners and/or such supervised person have a conflict of interest because S-III Partners and/or such supervised person have an incentive to arrange for the Funds to appoint such broker-dealer as an executing broker of the Funds based on the compensation received, rather than on the Funds’ needs. S-III Partners has adopted and implemented policies and procedures to monitor frequency of trading and to address this conflict.

It is anticipated that S-III Partners will enter into a shared services agreement with SP General Services, the manager of Steel Partners Holdings, L.P. (“SPLP”) which is an affiliate of S-III Partners, whereby both parties will agree that one or more employees of SP General Services will serve as a senior investment professional of the Funds. In addition, it is currently anticipated that S-III Partners will enter into a services agreement with Steel Services Ltd., a wholly owned subsidiary of SPLP, whereby both parties will agree that one or more employees of Steel Services Ltd. will serve as a senior investment professional of the Funds. Such employees will not be directly compensated by S-III Partners or the Funds for their respective services, and the Funds will not bear any costs or expenses incurred in connection with their respective services.

In addition, S-III Partners will enter into a back-office services agreement with Steel Services Ltd. (an affiliate of S-III Partners) to receive certain back-office and support services. S-III Partners will compensate Steel Services Ltd. for the foregoing services.

ITEM 6.
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Performance Based Compensation

S-III Opportunity GP, LLC (the “S-III General Partner”), an affiliate of S-III Partners, which serves as the general partner of the U.S. Fund and the Master Fund, will receive an Incentive Allocation that is based on each of the Funds’ net profits, subject to a standard loss carryforward (or “high water mark”) provision. Under the high water mark provision, generally no incentive allocation will be made with respect to an Investor until any net loss previously allocated to such Investor’s capital account/shares has been offset by subsequent net profits.

The Incentive Allocation is calculated and charged at the end of each fiscal year and in the event of an Investor withdrawal/redemption, but only with respect to the withdrawn/redeemed amount. In addition, if an Investor makes a withdrawal/redemption, its high water mark level is ratably reduced to reflect such withdrawal/redemption. In addition, because the Incentive Allocation is calculated on a series-by-series or investment-by-investment basis with respect to each class of ownership interests in a Fund, an Investor that makes investments in a Fund at different times may be subject to an Incentive Allocation even though the overall value of such Investor’s investment in the Fund has declined.

The Incentive Allocation will be taken by the S-III General Partner at the Master Fund level. The S-III General Partner may, however, determine to cause the Incentive Allocation to be charged at a different level (i.e., causing the Incentive Allocation to be made at the U.S. Fund level and/or the Offshore Fund level) or to make such other changes in the manner in which the applicable amounts are paid or credited to the S-III General Partner as it may determine is appropriate. Any such change will have no economic impact on Investors.

The S-III General Partner has reserved the right to vary the terms of the Incentive Allocation payable by particular Investors from the Incentive Allocation set forth in the Constitutional Documents pursuant to the terms of a side letter between S-III Partners and the particular Investor. S-III Partners will have no obligation to give notice to or obtain the consent of Investors regarding any such alternate fee arrangements.

Although the right to receive the Incentive Allocation is generally viewed as aligning the interests of the Funds (and their investors) with the interests of S-III Partners, conflicts may arise from such arrangements, for example:

1. The S-III General Partner’s receipt of the Incentive Allocation may motivate S-III Partners to make investments that are riskier or more speculative than it would make if it’s affiliate did not receive an Incentive Allocation. This conflict may be particularly acute when the Incentive Allocation is fully payable only upon exceeding a high water mark and the value of an Investor’s investment in the Fund is below such high water mark.
2. In the event S-III Partners or its affiliates form additional private funds (“Affiliated Funds”), the Incentive Allocation may be calculated differently for the Affiliated Funds and the Funds. In addition, the Affiliated Funds and the Funds may have

different returns. Accordingly, S-III Partners may be incentivized to place its best investments into those funds where a greater Incentive Allocation may be taken or where Incentive Allocation may be taken more quickly.

S-III Partners has adopted policies and procedures to mitigate such conflicts of interest, including those related to the allocation of investment opportunities and valuation. For additional information see “Allocation of Investment Opportunities” below and see Item 8, “Methods of Analysis, Investment Strategies and Risk of Loss, Conflicts of Interest.”

Allocation of Investment Opportunities

S-III Partners recognizes that it is a fiduciary and as such must act in the best interests of the Funds and any other Clients (including Affiliated Funds, if any) it may provide services to in the future. Further, S-III Partners recognizes that it must treat all Clients fairly and must refrain from favoring one Client’s interests over another’s.

Subject to the aforementioned overarching fiduciary duty, in the event that Affiliated Funds are formed in the future, S-III Partners and its affiliates will not be obligated to allocate all investment opportunities that may be within the Funds’ investment strategies solely to the Funds. Allocation of limited investment opportunities among the Funds, on the one hand, and the Affiliated Funds, on the other hand, will be subject to S-III Partners’ allocation procedures which generally provide that investments will generally be allocated amongst Clients with a similar investment strategy on a pro rata basis, and in all events, on a fair and equitable basis, without regards to the performance fees S-III Partners or its affiliates may earn from such Clients, and taking into consideration such relevant factors as available capital, relative exposure to market trends, risk tolerance, expected duration of the Funds, Affiliated Funds or the investments, the investment programs and portfolio positions of the Funds and the Affiliated Funds for which participation is appropriate, guidelines, concentration limits and other limitations established by the respective entities, and applicable tax and regulatory considerations.

S-III Partners believes that the foregoing investment allocation procedures will reduce the conflicts that could arise from managing multiple Clients that have overlapping investment strategies and are subject to differing performance fee arrangements.

See Item 8, “Methods of Analysis, Investment Strategies and Risk of Loss” for a more detailed discussion of the Funds’ investment program.

ITEM 7.
TYPES OF CLIENTS

S-III Partners' Clients are currently limited exclusively to private investment funds. In addition to the Funds discussed in this Brochure, S-III Partners may create and advise additional private investment funds, separate accounts and single investor funds in the future. Generally, the minimum investment in the Funds for Investors who are not affiliated with S-III Partners is \$5,000,000, although lesser investment amounts may be accepted in S-III Partners' discretion.

Investors in the Funds may include institutional investors (including without limitation, charitable organizations, endowments, pension plans and funds-of-funds), high net-worth individuals and family offices. U.S. Investors in the Funds must be "qualified purchasers" and "accredited investors". Certain employees of S-III Partners, their family members, or entities formed for the benefit of these individuals may also invest in the Funds, to the extent permitted by applicable laws and regulations.

ITEM 8.
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

S-III Partners may utilize a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include fundamental research, charting analysis, cyclical analysis, or technical analytical tools and approaches.

S-III Partners employs the following investment strategies:

Activist Strategy. S-III Partners will seek to invest in what it believes to be undervalued companies where an injection of management experience and business acumen can drive operational excellence and balance sheet efficiency through the introduction of its activist strategy. In addition, S-III Partners may work with management teams of portfolio companies to achieve greater profitability by effecting catalytic events, including lean manufacturing, cost-cutting, capital allocations, M&A, divestiture, a sale/spin-off, or dividends and stock buybacks.

Long-Term Strategy. S-III Partners' investment strategy focuses on long-term investing across the capital structure of small and middle capitalization companies, with a primary focus on publicly-traded instruments.

Fundamental Value. S-III Partners may engage in a fundamental value investment strategy wherein S-III Partners attempts to invest in asset-oriented securities it believes are undervalued by the market.

Hedging. S-III Partners may utilize a variety of financial instruments such as futures, swaps, forwards, options and other derivative instruments for risk management purposes.

Leverage. S-III Partners' investment program may utilize leverage, which involves the borrowing of funds from brokerage firms, banks and other institutions in order to be able to increase the amount of capital available for marketable securities investments.

Short Selling. S-III Partners may engage in short selling strategies. In a short sale transaction, S-III Partners sells a security it does not own in anticipation that the market price of that security will decline. S-III Partners may make short sales (i) as a form of hedging to offset potential declines in long positions in similar securities, (ii) in order to maintain flexibility and, (iii) for profit.

These investment methods and strategies involve risk of loss to Clients and Clients must be prepared to bear the loss of their entire investment.

The foregoing is intended to be a brief description of the principal investment methods and strategies engaged in by S-III Partners and is not a full description thereof for the Funds. In addition, S-III Partners may not necessarily engage in the investment methods and strategies set forth above at all times and may engage in other investment methods and strategies. See Item 4, "Advisory Business" for more information regarding the Funds' investment objective.

Material Risks Relating to Investment Strategies

Control Positions. The Funds may acquire, separately or as part of a group, control positions in certain companies in which the Funds invest. Additionally, employees of S-III Partners may serve as a director or officer of portfolio companies in which the Funds invest. The exercise of control over a company through a control position, or the service of an employee of S-III Partners as an officer or director of such company, could (i) expose the assets of the Funds to claims by the portfolio company, its security holders and creditors or (ii) impose additional risks of liability for environmental damage, product defects, failure to supervise management, pension liabilities, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored.

Management Involvement. In some of the Funds' investments, the Funds may seek constructively to work with management. There can be no assurance that the management of any company will agree to or acquiesce to the Funds' involvement in the affairs of the company, agree to implement the strategies proposed, or that the strategies that the Funds help to implement will be effective.

Proxy Contests and Unfriendly Transactions. The Funds may purchase securities of a company which is or becomes the subject of a proxy contest in the expectation that new management will be able to improve the company's performance or effect a sale or liquidation of its assets so that the price of the company's securities will increase. If the incumbent management of the company is not defeated or if new management is unable to improve the company's performance or sell or liquidate the company, the market price of the company's securities will typically fall, which may cause the Funds to suffer a loss.

Hedging. There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while S-III Partners may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for S-III Partners' investment portfolios than if it did not engage in any such hedging transactions.

Lack of Diversification. The Funds will not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, the Funds are subject to more rapid change in value than would be the case if S-III Partners were required to maintain a wider diversification among types of securities and other instruments.

Leverage. Performance may be more volatile if the Funds employ leverage.

Short Selling Risk. S-III Partners' investment program may include the use of short selling. Short selling transactions expose the Funds to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit.

Risks Associated With Types of Securities that are Primarily Recommended

Equity Securities. The Funds may invest in equity securities and equity derivatives. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, the Funds may suffer losses if they invest in equity instruments

of issuers whose performance diverges from S-III Partners' expectations or if equity markets generally move in a single direction and the Funds have not hedged against such a general move.

Fixed-Income and Debt Securities. The Funds may invest in private debt. The Funds may invest in debt instruments that are unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions.

Derivatives. Swaps, 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. In addition, investments in derivative instruments require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by S-III Partners. Further, transactions in derivative instruments are not undertaken on recognized exchanges, and will expose the Funds to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

ITEM 9.
DISCIPLINARY INFORMATION

Form ADV Part 2 requires investment advisers such as S-III Partners to disclose legal or disciplinary events involving S-III Partners or its partners, officers, or principals that are material to Investors' evaluation of S-III Partners' advisory business or the integrity of S-III Partners' management. S-III Partners has no disclosure applicable to this item.

ITEM 10.
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

One manager person of S-III Partners is registered with FINRA as a representative of Mutual Securities, Inc., a registered broker-dealer. See Item 12, “Brokerage Practices” for a more detailed discussion of the Funds’ use of brokerage services.

Warren G. Lichtenstein serves as Executive Chairman of the Board of Directors of SPLP; he also owns a substantial portion of SPLP. SPLP is a global diversified holding company listed on the New York Stock Exchange (NYSE: SPLP) that engages in multiple businesses through consolidated subsidiaries, associated companies and other interests. SPLP and certain of its subsidiaries are currently banking entities subject to the Volcker Rule, due to SPLP’s majority ownership of WebFinancial Corporation (“WFHC”), which, in turn, is the holding company of WebBank, a Utah chartered industrial bank subject to comprehensive regulation, examination, and supervision of the Federal Deposit Insurance Corporation. The Investment Manager and SPLP are separate businesses, and do not control one another.

It is anticipated that S-III Partners will enter into a shared services agreement with SP General Services, the manager of SPLP (an affiliate of S-III Partners), whereby both parties will agree that one or more employees of SP General Services will act on behalf of S-III Partners in serving as senior investment professionals of the Funds. In addition, it is currently anticipated that S-III Partners will enter into a services agreement with Steel Services Ltd., a wholly owned subsidiary of SPLP, whereby both parties will agree that one or more employees of Steel Services Ltd. will act on behalf of S-III Partners in serving as senior investment professionals of the Funds. Such employees will not be directly compensated by S-III Partners or the Funds for their respective services, and the Funds will not bear any costs or expenses incurred in connection with their respective services.

In addition, S-III Partners will enter into a back-office services agreement with Steel Services Ltd. (an affiliate of S-III Partners) to receive certain back-office and support services. S-III Partners will compensate Steel Services Ltd. for the foregoing services.

ITEM 11.
**CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS
AND PERSONAL TRADING**

Code of Ethics

S-III Partners has adopted a Code of Ethics (the “Code”) that establishes the standard of business conduct that employees of S-III Partners must follow as well as related policies and procedures. Clients or prospective clients may obtain a copy of the Code by contacting Kenneth Kong (Chief Compliance Officer) by email at kkong@SIIIpartners.com, or by telephone at (212) 520-2314.

The Code includes provisions regarding general standards of conduct; handling confidential information; the treatment of material non-public information; personal trading of securities; private investments by employees; employee outside business activities; and gifts and entertainment. Each employee is required to acknowledge that the Code and each subsequent amendment has been received, that the employee understands the Code and that the employee has complied (and will comply) with the Code.

S-III Partners, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which S-III Partners or its related persons have invested or seek to invest on behalf of Clients. S-III Partners is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a Client. S-III Partners maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that S-III Partners is meeting its obligations to Clients and remains in compliance with applicable law. In certain circumstances, S-III Partners may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but S-III Partners will be prohibited from communicating such information to the Client or using such information for the Client’s benefit. In such circumstances, S-III Partners will have no responsibility or liability to the Client for not disclosing such information to the Client (or the fact that S-III Partners possesses such information), or not using such information for the Client’s benefit, as a result of following S-III Partners’ policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

Client Transactions in Securities where Adviser has a Material Financial Interest.

As set forth in the Offering Memoranda, the Funds’ position in a given portfolio company may be designed by S-III Partners to be the catalyst for the potential sale or other disposition of such company to SPLP, an affiliate of S-III Partners, its subsidiaries, or other interested parties. It is expected that any such transaction may be deemed to be a principal transaction under the Advisers Act. Section 206(3) prohibits an investment adviser from knowingly effecting a principal transaction without disclosing to the client in writing the capacity in which the adviser is acting and obtaining the consent of the client prior to completing the transaction. In order to obtain consent from the Funds with respect to any principal transaction, S-III Partners will seek to obtain

the approval from the Board of Managers (such Board of Managers acting on behalf of Investors) before entering into any such principal transaction.

Investing in Securities Recommended to Clients.

Although the Code permits access persons to trade in securities for their own accounts, the Code contains preclearance procedures, reporting requirements and other provisions (including a restrictive list of certain securities) that restrict trading by access persons. Access persons are required to disclose their personal brokerage accounts upon hire and submit broker account statements and confirmations. S-III Partners also conducts an active monitoring program of personal trading.

Gifts and Entertainment

S-III Partners limits the giving and receiving of certain gifts and entertainment by supervised persons. Personnel occasionally may participate in or provide entertainment for legitimate business purposes, subject to applicable law and the limitations set forth in the Code.

Political Contributions

S-III Partners' policies prohibit S-III Partners from making any political or charitable contributions for the purpose of obtaining or retaining potential or existing public clients or its personnel. Supervised persons are permitted to make personal political or charitable contributions in accordance with applicable law and the limitations set forth in the Code. Supervised persons are required to obtain pre-approval before they (or their spouse or their dependent children) make any contributions to a political candidate, government official, political party or political action committee.

ITEM 12.

BROKERAGE PRACTICES

Selection of Executing Brokers

S-III Partners has full discretionary authority to direct trades of the Funds, and in exercising that authority has a duty to seek best execution for securities transactions on behalf of the Funds. The SEC has described this requirement generally as a duty to seek executions of securities transactions so that a client's total costs or proceeds in each transaction are the most favorable under the circumstances. An adviser may consider the full range and quality of a broker-dealer's services in placing trades. Best execution is not determined by the lowest possible commission costs but by the best qualitative execution. It is permissible to consider other services which benefit the Funds, such as the ability to execute large transactions, a willingness to commit capital, sales coverage and research.

In assessing the overall quality of a broker-dealer's services, S-III Partners will consider a variety of factors, all of which reflect the benefits of broker-dealer services to the Funds managed by S-III Partners. The factors considered are grouped into five broad categories: execution, research and sales coverage, new deal origination and, where appropriate, corporate access. The individual factors considered by S-III Partners include, without limitation, price, transaction costs, financial stability and reputation, the brokerage, research and related services to be provided, and any other factors that may be deemed appropriate to consider under the circumstances.

It should be noted that one manager person of S-III Partners is registered with FINRA as a representative of Mutual Securities, Inc., a registered broker-dealer. Accordingly, when S-III Partners uses Mutual Securities, Inc. to effect transactions for the Funds, a conflict of interest arises because S-III Partners has an incentive to place trades with such broker-dealer instead of unaffiliated broker-dealers, due to such manager person indirectly receiving compensation from such trades. By placing trades with Mutual Securities, Inc., the Funds may incur additional costs, such as higher brokerage and commission rates.

Soft Dollar Benefits

Soft dollar arrangements are brokerage arrangements in which securities transactions are executed through a broker-dealer that charges more than the lowest commission rates available in return for providing research to an investment manager. Such research may be either proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"), as amended, provides a safe harbor that allows investment managers to cause an account to pay more than the lowest possible commission rate in order to obtain "brokerage and research services" (as defined in Section 28(e)) provided by the broker-dealer that would otherwise have been purchased by the investment manager at its own expense. Among other things, the safe harbor allows advisers to obtain a benefit by using its clients' commissions to offset research expenses it would otherwise be obligated to pay for itself. The Constitutional Documents describe those expenses which are to be borne by the Funds and those expenses which are to be borne by S-III Partners. Pursuant to the Constitutional Documents, the Funds bear all research expenses. A portion of the Funds' research

and research-related expenses may be paid for using commissions (which are also an expense of the Funds). S-III Partners assesses the value and quality of the brokerage and research services provided by the broker-dealers with which it does business to determine that the cost of such services is appropriate and reasonable in light of the brokerage and research services provided (see “Selection of Executing Brokers” above).

Although the Funds generally pay commission rates that are higher than what could have been paid for execution-only services, in S-III Partners’ view, paying such higher commissions is in the best interest of the Funds. S-III Partners believes that the value of the proprietary research and other brokerage and research services that the Funds receive from their broker-dealers is reasonable and commensurate with the amount of transaction costs and commissions paid by the Funds to such broker-dealers. S-III Partners may receive third party research from broker-dealers and use the Funds’ commission dollars to purchase such research.

Order Aggregation

As of the date of this filing, the Funds are the only Clients of S-III Partners, and each of the US Fund and the Offshore Fund invest through the Master Fund. Accordingly, S-III Partners currently does not aggregate Client orders for the purchase or sale of the same security.

Trade Errors

If S-III Partners makes an error while placing a trade for a Client, S-III Partners will seek to correct the error promptly in a way that mitigates any losses. The cost of errors in the Clients’ accounts will be borne by the Clients unless an error is the result of bad faith, gross negligence, or willful misconduct by S-III Partners. Nonetheless, errors in the Clients’ accounts must be reported to the Chief Compliance Officer and reviewed to identify any appropriate changes to S-III Partners’ policies or procedures.

ITEM 13.

REVIEW OF ACCOUNTS

Frequency and Nature of Review of Client Accounts or Financial Plans

The investment objectives of the Funds are set forth in the Constitutional Documents.

The active management of the Funds is currently the only business of S-III Partners. Mr. Lichtenstein, the sole portfolio manager, makes investment decisions on behalf of the Funds. S-III Partners manages and reviews aspects of the Funds' portfolios on a daily, weekly, monthly or other basis as it considers appropriate, the frequency and nature of such reviews depending on the Funds' investment program and market conditions.

Content and Frequency of Account Reports to Investors

Investors in each Fund generally receive reports as described in the Constitutional Documents. In particular, the following reports and communications are prepared by S-III Partners:

- A monthly preliminary performance estimate;
- Capital account/shareholder monthly statements;
- Annual audited financials prepared in accordance with GAAP delivered to Investors within 120 days after the Fund's fiscal year end; and
- Schedules K-1 and other applicable tax information.

Generally, written information provided by S-III Partners is provided through email or through a secure document management system. Written information may also be provided by the Funds' Administrator.

ITEM 14.
CLIENT REFERRALS AND OTHER COMPENSATION

Economic Benefits Received from Non-Clients for Providing Services to Clients

S-III Partners may receive certain research or other products or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for S-III Partners to select or recommend broker-dealers based on S-III Partners’ interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by S-III Partners on behalf of its Clients. Please see Item 12, “Brokerage Practices” for further information on S-III Partners’ “soft-dollar” practices, including S-III Partners’ procedures for addressing conflicts of interest that arise from such practices.

Compensation to Non-Supervised Persons for Client Referrals

S-III Partners may enter into an agreement with a placement agent whereby the placement agent offers interests in the Funds on a private placement basis to Investors. S-III Partners may pay the placement agent a portion of the Management Fee or Incentive Allocation paid by Investors referred by the placement agent. To the extent applicable, the foregoing arrangement will be structured to comply fully with the requirements of Rule 206(4)-3 under the Advisers Act and related SEC staff interpretations.

ITEM 15.
CUSTODY

S-III Partners is deemed to have “custody” over the Funds for purposes of Rule 206(4)-2 under the Advisers Act. To comply with this Rule, each Fund’s assets must be held at qualified custodians to the extent required by the Rule; these qualified custodians include prime brokers, banks and other broker-dealers. In addition, audited financial statements are delivered to each Investor within 120 days following such Fund’s fiscal year end. If an Investor has not received access to audited financial statements in a timely manner, such Investor should contact S-III Partners at (970) 544-9898.

ITEM 16.
INVESTMENT DISCRETION

S-III Partners has full discretionary authority pursuant to the Funds' Constitutional Documents to invest the assets of each Fund in accordance with that Fund's investment objectives, guidelines and restrictions as outlined in such Fund's Constitutional Documents and discussed in Item 8 above.

ITEM 17.
VOTING CLIENT SECURITIES

S-III Partners has adopted written proxy voting policies and procedures (the “Proxy Policy”) as required by Rule 206(4)-6 under the Advisers Act. The Proxy Policy is designed and implemented in a manner reasonably expected to ensure that voting rights are exercised in the best interests of the Funds.

Prior to voting any proxies, S-III Partners will determine if there are any conflicts of interest related to the proxy in question. If a conflict is identified, S-III Partners will then make a determination (which may be in consultation with outside legal counsel) as to whether the conflict is material or not. If no material conflict is identified, S-III Partners will make a decision on how to vote the proxy in question. S-III Partners will make an investment decisions primarily on the basis of fundamental analysis, including the quality of a company’s management. S-III Partners will make an independent assessment and will vote its shares in the manner it believes will best maximize shareholder value.

If, however, a material conflict is identified in connection with voting any proxy (e.g., where the proxy in question relates to a principal transaction under the Advisers Act), S-III Partners will seek to resolve the material conflict by delegating the authority to vote the proxy to the Board of Managers.

S-III Partners does not permit Clients or Investors to direct how S-III Partners votes on specific Proxies. You may request a copy of S-III Partners’ Proxy Policies by contacting S-III Partners at (970) 544-9898.

ITEM 18.
FINANCIAL INFORMATION

Form ADV Part 2 requires investment advisers such as S-III Partners to disclose any financial condition reasonably likely to impair S-III Partners' ability to meet contractual commitments to Clients. S-III Partners has no disclosure applicable to this item.

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