



PRIVATE OFFERING MEMORANDUM

GAO Management LLC
(a Nevada Limited Liability Company)

CRD# 284665

Minimum Investment US \$50,000

Dated September 2021

No.: _____

Prepared for:

Important Notices

THIS CONFIDENTIAL PRIVATE OFFERING MEMORANDUM (THE "MEMORANDUM") HAS BEEN PREPARED SOLELY FOR, AND IS BEING DELIVERED ON A CONFIDENTIAL BASIS TO, PROSPECTIVE INVESTORS CONSIDERING THE PURCHASE OF MEMBERSHIP INTERESTS (THE "INTERESTS") IN GAO MANAGEMENT LLC (THE "COMPANY").

ANY REPRODUCTION OR DISTRIBUTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DISCLOSURE OF ITS CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF COMPANY'S GENERAL MANAGER, DE GAO (THE "GENERAL MANAGER"), IS PROHIBITED AND ALL RECIPIENTS AGREE THEY WILL KEEP CONFIDENTIAL ALL INFORMATION CONTAINED HEREIN AND NOT ALREADY IN THE PUBLIC DOMAIN AND WILL USE THIS MEMORANDUM FOR THE SOLE PURPOSE OF EVALUATING A POSSIBLE INVESTMENT IN THE COMPANY. BY ACCEPTING THIS MEMORANDUM, EACH PROSPECTIVE INVESTOR AGREES TO THE FOREGOING.

THE MEMBERSHIP INTERESTS OFFERED HEREBY (THE "INTERESTS") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THEY ARE OFFERED PURSUANT TO EXEMPTIONS FROM SUCH REGISTRATION AND QUALIFICATION. THIS MEMORANDUM (THE "MEMORANDUM") HAS NOT BEEN FILED WITH OR REVIEWED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") AND NEITHER THE SEC NOR ANY STATE SECURITIES ADMINISTRATOR HAS PASSED UPON OR ENDORSED THE MERITS OF AN INVESTMENT IN THE COMPANY OR THE ACCURACY OR THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

* * *

THE INTERESTS OFFERED HEREBY MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF BY AN INVESTOR WITHOUT THE PRIOR WRITTEN CONSENT OF THE MANAGER AND THEN ONLY IF, AMONG OTHER THINGS, IN THE WRITTEN OPINION OF COUNSEL TO OR APPROVED BY THE COMPANY SUCH PROPOSED SALE, TRANSFER OR OTHER DISPOSITION IS CONSISTENT WITH ALL APPLICABLE PROVISIONS OF THE SECURITIES ACT, THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "ACT"), THE RULES AND REGULATIONS PROMULGATED UNDER EACH OF SUCH ACTS AND ANY APPLICABLE STATE "BLUE SKY" OR SECURITIES LAWS. AN INVESTOR THEREFORE CANNOT EXPECT TO LIQUIDATE HIS OR ITS INTEREST IN THE COMPANY OTHER THAN BY WITHDRAWING ALL OR PART OF HIS/HER OR ITS CAPITAL AT THE END OF THE LOCK-UP PERIOD APPLICABLE TO SUCH INTEREST OR AS OF THE END OF ANY CALENDAR YEAR THEREAFTER, IN EACH CASE

UPON NOT LESS THAN 60 DAYS' PRIOR WRITTEN NOTICE.

* * *

THE COMPANY IS NOT REGISTERED AS AN INVESTMENT COMPANY UNDER THE ACT. THE INTERESTS OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE OR OTHER SECURITIES LAWS. INTERESTS IN THE COMPANY ARE OFFERED AND SOLD FOR INVESTMENT ONLY PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SEC AND IN COMPLIANCE WITH ANY APPLICABLE STATE OR OTHER SECURITIES LAWS. THE INTERESTS ARE BEING OFFERED ONLY TO A LIMITED NUMBER OF PERSONS WHO ARE ACCREDITED INVESTORS WITHIN THE MEANING OF RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT AND QUALIFIED CLIENTS WITHIN THE MEANING OF RULE 205-3 OF THE INVESTMENT ADVISERS ACT OF 1940, AS AMENDED (THE "ADVISERS ACT") AND THE REGULATIONS PROMULGATED THEREUNDER.

THIS MEMORANDUM CONSTITUTES AN OFFER ONLY IF THE NAME OF THE PROSPECTIVE INVESTOR APPEARS ON THE COVER PAGE AND ONLY IF THE COMPANY AUTHORIZES THE DELIVERY OF THIS MEMORANDUM. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR OTHER JURISDICTION IN WHICH AN OFFER OR SOLICITATION IS NOT LAWFUL OR AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO. ANY FURTHER DISTRIBUTION OR REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS, IS PROHIBITED.

THESE MEMBERSHIP INTERESTS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

AN INVESTMENT IN THE COMPANY INVOLVES RISK FACTORS THAT SHOULD BE REVIEWED CAREFULLY BY POTENTIAL INVESTORS. THERE IS NO ASSURANCE THAT THE COMPANY WILL ACHIEVE ITS INVESTMENT OBJECTIVE, AND INVESTMENT RESULTS MAY VARY SUBSTANTIALLY OVER TIME. INVESTMENT IN THE COMPANY IS THEREFORE SUITABLE FOR SOPHISTICATED INVESTORS WHO ARE ABLE TO BEAR THE LOSS OF A SUBSTANTIAL PORTION OR EVEN ALL OF THE MONEY INVESTED IN THE COMPANY.

TRANSACTIONS ON MARKETS LOCATED OUTSIDE OF THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET, MAY BE SUBJECT TO REGULATIONS THAT OFFER DIFFERENT OR DIMINISHED PROTECTION TO THE COMPANY AND ITS INVESTORS. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE TRANSACTIONS FOR THE COMPANY MAY BE EFFECTED.

EACH INVESTOR IN THE INTERESTS OFFERED HEREBY MUST ACQUIRE SUCH INTERESTS SOLELY FOR SUCH INVESTOR'S OWN ACCOUNT, FOR INVESTMENT PURPOSES ONLY AND NOT WITH AN INTENTION OF DISTRIBUTION, TRANSFER OR RESALE, EITHER IN WHOLE OR IN PART.

NO REPRESENTATIONS OR WARRANTIES OF ANY KIND ARE MADE OR INTENDED, AND NONE SHOULD BE INFERRED, WITH RESPECT TO THE ECONOMIC RETURN OR THE TAX CONSEQUENCES FROM AN INVESTMENT IN THE COMPANY. NO ASSURANCE CAN BE GIVEN THAT EXISTING LAWS WILL NOT BE CHANGED OR INTERPRETED ADVERSELY. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THIS MEMORANDUM AS LEGAL OR TAX ADVICE. EACH INVESTOR SHOULD CONSULT HIS OR ITS OWN COUNSEL AND ACCOUNTANT FOR ADVICE CONCERNING THE VARIOUS LEGAL, TAX, ERISA AND ECONOMIC MATTERS CONCERNING HIS/HER OR ITS INVESTMENT.

NO OFFERING LITERATURE OR ADVERTISING IN ANY FORM SHALL BE EMPLOYED IN THE OFFERING OF THESE MEMBERSHIP INTERESTS EXCEPT FOR THIS MEMORANDUM, THE OPERATING AGREEMENT (THE "OPERATING AGREEMENT") AND THE SUBSCRIPTION DOCUMENTS (THE "SUBSCRIPTION DOCUMENTS") PROVIDED HERewith. NO PERSON OTHER THAN THE MANAGER HAS BEEN AUTHORIZED TO MAKE REPRESENTATIONS, OR GIVE ANY INFORMATION, WITH RESPECT TO THESE MEMBERSHIP INTERESTS, EXCEPT THE INFORMATION CONTAINED HEREIN, AND ANY INFORMATION OR REPRESENTATION NOT EXPRESSLY CONTAINED HEREIN OR OTHERWISE SUPPLIED BY THE MANAGER IN WRITING MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR ANY OF ITS MEMBERS. ANY FURTHER DISTRIBUTION OR REPRODUCTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS, IS PROHIBITED.

A PROSPECTIVE INVESTOR SHOULD NOT SUBSCRIBE FOR MEMBERSHIP INTERESTS UNLESS SATISFIED THAT HE/HER AND/OR HIS/SHE OR ITS REPRESENTATIVE HAS ASKED FOR AND RECEIVED ALL INFORMATION THAT WOULD ENABLE HIM OR IT TO EVALUATE THE MERITS AND RISKS OF THE PROPOSED INVESTMENT.

THE COMPANY SHALL MAKE AVAILABLE TO EACH INVESTOR OR HIS OR ITS AGENT, DURING THIS OFFERING AND PRIOR TO THE SALE OF ANY INTERESTS, THE OPPORTUNITY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM ANY PERSON AUTHORIZED TO ACT ON BEHALF OF THE COMPANY CONCERNING ANY ASPECT OF THE COMPANY AND ITS PROPOSED BUSINESS AND TO OBTAIN ADDITIONAL INFORMATION, TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN

ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE. NEITHER THE DELIVERY OF THIS MEMORANDUM NOR ANY SALES MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE MATTERS DISCUSSED HEREIN SINCE THE DATE HEREOF.

THIS MEMORANDUM HAS BEEN PREPARED IN CONNECTION WITH THE PRIVATE PLACEMENT OF THE INTERESTS OFFERED HEREBY AND DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE MAKING OF SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL.

FOR NON-U.S. RESIDENTS

NO ACTION HAS BEEN OR WILL BE TAKEN IN ANY JURISDICTION OUTSIDE THE UNITED STATES OF AMERICA THAT WOULD PERMIT AN OFFERING OF THE INTERESTS, OR POSSESSION OR DISTRIBUTION OF OFFERING MATERIAL IN CONNECTION WITH THE ISSUANCE OF THE INTERESTS, IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IT IS THE RESPONSIBILITY OF POTENTIAL INVESTORS TO SATISFY THEMSELVES AS TO FULL OBSERVANCE OF THE LAWS OF ANY RELEVANT TERRITORY OUTSIDE THE UNITED STATES OF AMERICA IN CONNECTION WITH ANY SUCH PURCHASE, INCLUDING OBTAINING ANY REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER APPLICABLE FORMALITIES.

TABLE OF CONTENTS

SUMMARY	5
DIRECTORY	10
INTRODUCTION.....	11
INVESTMENT ACTIVITIES OF THE COMPANY	17
BROKERAGE PRACTICES.....	17
PURCHASE OF "NEW ISSUES"	17
MANAGEMENT OF THE COMPANY	18
THE MANAGER.....	19
AUDITORS.....	19
VALUATION OF THE COMPANY'S ASSETS	19
ANTI-MONEY LAUNDERING CONSIDERATIONS.....	21
CERTAIN FEDERAL INCOME TAX CONSIDERATIONS	22
REPORTS TO MEMBERS	31
SUBSCRIPTION PROCEDURE FOR MEMBERSHIP	31
RISK FACTORS.....	33
ADDITIONAL INFORMATION	37
NOTICES.....	38
ATTACHEMENTS.....	42

SUMMARY

The following information is presented as a summary of certain terms of the Company and prospective members should refer to the balance of this memorandum for more complete information and should not rely solely on this information contained in this summary. This summary is qualified in its entirety by the detailed formation appearing elsewhere in this memorandum.

The Company (Fund)

GAO MANAGEMENT LLC is a Nevada limited liability company (the "Company") formed on the 1th of Feb 2018. The Company is being operated as a private investment fund under Section 3(c)(1) of the Investment Company Act of 1940, as amended (the "Act").

Manager (Managing Member)

The Manager of the Company is De Gao. The Manager will have exclusive control over day-to-day operations of the Company even if additional Managers are admitted to the Company in the future. The principal office of the Company and the Manager is 325 East Warm Springs Road, Ste 102, Las Vegas, NV 89119.

Investment Management Company

De Gao, who is also the Fund Manager, will serve as the Investment Manager of Company and provides discretionary investment advisory and portfolio management services to the Company (the "Investment Manager"). The Investment Manager is not currently registered with the Securities and Exchange Commission (SEC). However, the Investment Manager intends to engage registered investment advisors to comply with recent changes to the U.S. Securities Regulations or will complete the registration process if required.

General Investment Philosophy

Gao Management LLC focuses on short and midterm trading in US markets as opposed to long-term investing, and its primary investment vehicles will be the securities of small and mid-capitalization companies and occasionally other funds, public companies, and private equity.

The Company's goal is to generate outstanding returns on a rolling 12-month time horizon using fundamental and technical research across multiple industry sectors that creates an edge of insight and factual information. Once such information is obtained, the Company will determine if the information has put a company or industry in a position to achieve success. Companies showing strong attributes will be considered for trading. Investment manager De Gao will use proven strategies he has personally developed over years of personal experience and experimental research. These strategies have achieved gains of 1% to 3% per trade with minimized risk. The fund is result orientated and focuses on achieving returns that consistently beat the S&P benchmark.

Suitability	<p>This offering is not registered under the Securities Act of 1933, as amended (the “Act”), as is being made in reliance on the exemptions provided for in Section 4(a)(2) of the Act and Rule 506(b) of Regulation D, promulgated by the Securities and Exchange Commission thereunder. This Offering is available only to suitable Accredited Investors or up to 35 Non-Accredited Investors as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933. The Manager may, in its sole discretion, accept or decline to admit any investor. Individual Retirement Account (IRA) investors and other tax-exempt investors should carefully review the section herein entitled “Certain Federal Income Tax Considerations” and consult their own tax advisors.</p>
Subscriptions	<p>New Members may subscribe for the Company Interests on the first day of any calendar month or at such other times as the Manager shall permit in its sole discretion. Upon completion of the subscription agreement and the receipt of an investor's capital contribution, an investor will become a Member of the Company.</p> <p>In certain situations, that will benefit the Company, the company may accept tangible assets in lieu of cash subscriptions. In such situations, the assets will be evaluated on a per basis and discounted at the discretion of the manager.</p>
Transferability of Interests	<p>Membership Interests in the Company may not be sold, transferred, pledged or assigned without the prior written consent of the Manager, provided, that with regard to the assignment by a Member to an affiliate, such consent may not be unreasonably withheld.</p>
Minimum Investment	<p>The minimum initial investment by each Member is \$50,000, subject to the Manager's discretion to accept a lesser amount.</p>
Initial Lock-up Period	<p>"Initial Lock-Up Period" means the Member may not request redemption of their investment for a period of at least twelve (12) months from the date their capital contribution. Each capital contribution made by a Member shall be subject to the Initial Lock-Up Period. (see “Initial Lock-up Period” section).</p>
Management Fee	<p>The Investment Manager will not charge the Company an annual management fee (the “Management Fee”).</p>
Allocation of Profits and Losses	<p>The profits and losses of the Company will be provisionally allocated among the capital accounts of the Members and the Manager (collectively, the "Members") at the end of each fiscal period in proportion to the relative</p>

values of such capital accounts at the beginning of such fiscal period. See "Allocation of Profits and Losses".

**Performance Allocation
(Carried Interest) and
High water mark**

The Carried Interest allocable to the Manager is equal to twenty percent (20%) of the aggregate net gain allocated annually to the Members capital account subject to a "high water mark" limitation, so that no allocation is made to the Manager with respect to its Carried Interest until prior net losses allocated to a Member are recouped. The high water mark shall be re-set on an annual basis. The amount of prior period net losses that must be recouped before a Carried Interest allocation is made shall be adjusted to take into account any distributions to or withdrawals by a Member, with the amount of such prior net losses being reduced in proportion to the distribution or withdrawal. The Manager may waive all or part of the Performance Allocation with respect to one or more Members from time to time in its sole discretion. The Manager may also pay over a portion of the Performance Allocation to one or more third parties who introduce investors or perform other services for the Company or the Manager.

**ERISA and Other Tax-Exempt
Investors**

Since the Company may generate "unrelated business taxable income" within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"), an investment in the Company may not be suitable for pension and other funds subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or other organizations that are generally exempt from income taxation pursuant to Section 501(c)(3) of the Code. The Manager intends to use commercially reasonable efforts to cause "benefit plan investors" not to own a significant portion of any class of equity interests in the Company, so that the assets of the Company should not be considered "plan assets" for purposes of ERISA and Section 4975 of the Code, although there can be no assurance that non "plan asset" status will be obtained or maintained. Prospective purchasers and subsequent transferees of Interests may be required to make certain representations regarding compliance with ERISA and Section 4975 of the Code. See "Certain ERISA Considerations."

**New Members; Additional
Capital Contributions**

Unless otherwise determined by the Manager, in its discretion, each new Member shall be admitted to the Company, and each existing Member may make an additional capital contribution to the Company, as of the first day of the calendar month provided that the Manager timely receives and accepts such person's initial or additional, as applicable, capital contribution and executed Subscription Documents and/or such other documents or agreements as the Manager may require. A person shall become a Member when the Manager enters such person as a Member on the books of the Company. Capital contributions must be made in cash unless the Manager, in its sole discretion, agrees to accept capital

contributions in the form of securities.

Partial Withdrawals of Capital A Member may make partial withdrawals of capital on sixty (60) days' prior written notice to the Manager at the end of the Initial Lock-Up Period. The Manager shall have absolute discretion to deny or permit a partial withdrawal if, after giving effect to such withdrawal, the value of the Member's capital account would be less than \$50,000, and the Manager may treat any such request for partial withdrawal as a request for termination of the Member's entire Interest. Distribution of any partial withdrawal generally will be made within fifteen (15) days after the withdrawal date, although ten percent (10%) of any withdrawal that represents more than ninety percent (90%) of a Member's capital may be withheld until the Company receives its year-end audited financials for the fiscal year during which the withdrawal was made. The Manager may vary these withdrawal terms, in whole or part, for certain investors, in its sole discretion.

Required Withdrawals The Manager may, in its sole discretion, require any Member to withdraw from the Company, with or without cause, if the Manager shall determine, in its sole and absolute discretion that such termination and withdrawal shall be in the best interests of the Company. The Manager shall give not less than fifteen (15) days' prior written notice of such termination to such Member. Such required withdrawal could result in adverse tax and/or economic consequences to such Member.

Indemnification of the Manager and the Investment Manager The Operating Agreement provides for limitations on the liability of, and for the indemnification of, the Manager, any other Managers and their respective affiliates, except that no such indemnification will relieve any person from liability for fraud, gross negligence, willful misconduct, the violation of Federal or state securities laws or any criminal wrongdoing. The Investment Management Agreement provides for limitations on the liability of, and for the indemnification of, the Manager and each of its affiliates and each of its and their principals, managers, members, officers, directors, employees, equity holders and representatives, except that no such indemnification will relieve any person from liability for willful misconduct, fraud or gross negligence on the part of such parties in the performance or nonperformance of their respective obligations or duties there under.

Potential Conflict of Interest The Manager, the Investment Manager, and their principal(s) may be affiliated with or render services to other investment entities or accounts including entities and/or accounts with investment goals and strategies similar to those of the Company. The principal(s) of the Manager may also be or become related to other service provider who will provide services to

the Company in which fees and/or commissions will be paid to the principal(s) of the Manager, these service providers may include broker-dealers, prime brokerage services, and fund administrative services.

Risks

Prospective Members should note that an investment in the Company involves a significant amount of risk, including the possibility of a total loss of investment. Prospective Members should carefully consider the risk factors discussed under “Risk Factors.”

Reports to Members

The Company will furnish to each Members: (i) audited annual financial reports of the Company; (ii) annual descriptive investment information for each investment; (iii) annual tax information for the completion of income tax returns; (iv) a statement from the Company’s auditors detailing the Members capital account; and (v) from time to time unaudited periodic reports at the discretion of the Manager, but no less often than quarterly.

Fiscal Year

The fiscal year of the Company shall end on Dec 31 of each calendar year.

DIRECTORY

Registered Office of the Company:

GAO MANAGEMENT LLC

De Gao

Address: 325 East Warm Springs Road

Suite 102

Las Vegas, NV 89119

USA

Tel: 301-379-8299

Email: support@gaoinvestments.com

Fund Manager:

Name: De Gao

Address: 325 East Warm Springs Road

Suite 102

Las Vegas, NV 89119

Country: USA

Tel: 301-379-8299

Email: degao@gaoinvestments.com

INTRODUCTION

Overview

GAO MANAGEMENT LLC is a Nevada limited liability company (the "Company") formed on the 29th of June 2016 as a private investment vehicle for a limited number of sophisticated, long-term investors. Gao Management LLC focuses on short and midterm trading in US markets as opposed to long-term investing, and its primary investment vehicles will be the securities of small and mid-capitalization companies and occasionally other funds, public companies, and private equity. Its principal investment objective is the achievement of superior investment returns. The Company is being operated as a fund under Section 3(c)(1) of the Investment Company Act of 1940, as amended (the "Act"). As a result, the number of Members in the Company is limited to 100 persons.

If the Company approaches this 100-person limit, the Manager intends to convert the Company into a fund that operates under Section 3(c)(7) of the Act. If such a conversion occurs, investors in the Company that are not "qualified purchasers" as defined in the Act will have their Interest in the Company exchanged for interests in a new limited liability company (the "New 3(c)(1) Fund") that is identical to the Company in all material respects, including its investment strategies and objectives, except that investors in the New 3(c)(1) Fund will not be required to be "qualified purchasers." By signing the Company's Subscription Documents and becoming a party to the Operating Agreement, investors are consenting to, and authorizing the Manager to take whatever actions are necessary on their behalf to effect such exchange.

Various terms used and not defined in this Memorandum are defined in the Operating Agreement.

Management of the Company

The manager of the Company is De Gao (the "Manager"). The Manager will have exclusive control over day-to-day operations of the Company even if additional Managers are admitted to the Company in the future. De Gao is the principal. The principal office of the Company and the Management is 325 E Warm Springs Rd, Ste 102, Las Vegas, NV 89119.

De Gao, who is also the Fund Manager, will serve as the Investment Manager of Company and provide discretionary investment advisory and portfolio management services to the Company (the "Investment Manager"). The Investment Manager is NOT registered with the Securities and Exchange Commission (SEC). However, the Investment Manager intends to engage outside registered investment advisors to comply with recent changes to the U.S. Securities Regulations.

De Gao, the principal of the Investment Manager, has direct and primary responsibility for all investment decisions of the Company. The Investment Manager utilizes a multi-disciplined investment approach, the foundation of which is company specific (or "fundamental") analysis with diversified sectors. The Investment Manager concentrates on the growth potential and predictability of revenues, cash flow, and earnings to determine the extent to which a security is undervalued and whether the Company will take a long or short position in the security. The Investment Manager's objective is to outperform in "bull markets". When market conditions dictate, the Investment Manager may use one or more hedging techniques, including but not limited to the use of derivative securities, as a means of preserving capital.

The Offering

The Company is offering through this memorandum Membership Interests (the "Interests") to eligible purchasers (each purchaser of an Interest being referred to herein as a "Member"). Investment in the Company is not suitable for charitable remainder trusts and might not be suitable for certain other tax-exempt investors. Only investors who have a pre-existing relationship with the Manager or its principals, employees or representatives and are: (i) "accredited investors" in the meaning of Rule 501(a) of Regulation D under the Securities Act; ii) "qualified clients"; as defined in Rule 205-3 under the Advisers Act; and (iii) knowledgeable and experienced in management and business matters such that they are capable of evaluating the merits and risks of an investment in the Company will be permitted to invest in the Company.

An accredited investor includes natural persons who have a net worth, taken together with the net worth of their spouse, in excess of \$1 million (excluding residence, furniture and automobiles) or who had individual income of more than \$200,000 in each of the prior two calendar years, or joint income with their spouse in excess of \$300,000 for each of those years, and who reasonably expect to reach the same income level in the current year; investment Memberships and other entities consisting of such persons; and of liability companies and Memberships with assets in excess of \$5 million. A qualified client includes persons having at least \$750,000 invested in the Company, persons having a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$1,000,000 at the time of their subscription, and qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.

The minimum initial investment by each Member is \$50,000, subject to the Manager's discretion to accept a lesser amount.

ERISA and Other Tax-Exempt Investors

Since the Company may generate "unrelated business taxable income" within the meaning of the Internal Revenue Code of 1986, as amended (the "Code"), an investment in the Company may not be suitable for pension and other funds subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or other organizations that are generally exempt from income taxation pursuant to Section 501(c)(3) of the Code.

The Manager intends to use commercially reasonable efforts to cause "benefit plan investors" not to own a significant portion of any class of equity interests in the Company, so that the assets of the Company should not be considered "plan assets" for purposes of ERISA and Section 4975 of the Code, although there can be no assurance that non "plan asset" status will be obtained or maintained. Prospective purchasers and subsequent transferees of Interests may be required to make certain representations regarding compliance with ERISA and Section 4975 of the Code. See "Certain ERISA Considerations."

EACH PROSPECTIVE INVESTOR THAT IS SUBJECT TO ERISA AND/OR SECTION 4975 OF THE CODE IS ADVISED TO CONSULT WITH ITS OWN LEGAL, TAX AND ERISA ADVISERS AS TO THE CONSEQUENCES OF AN INVESTMENT IN THE COMPANY.

Allocation of Profits and Losses

The profits and losses of the Company will be provisionally allocated among the capital accounts of the Members and the Manager (collectively, the "Members") at the end of each fiscal period in proportion to the relative values of such capital accounts at the beginning of such fiscal period (except for profits and losses attributable to the Company's investments in "new issues," which may be subject to the Company's carve-out arrangement described below).

Then, at the close of each Performance Period (as defined below), twenty percent (20%) of the net profits (realized and unrealized) provisionally allocated to the capital account of each Member or, in the case of a withdrawal of capital by a Member other than on the last day of the year, to the withdrawing Member with respect to the withdrawn Interest, for the Performance Period shall be reallocated and credited to the capital account of the Manager and debited to the capital accounts of the Members or the withdrawing Member, as the case may be. The reallocation of net profits to the Manager described above represents the Manager's "Carried Interest" in the Company. The Performance Period is the calendar year; provided, however, that (a) if a Member is admitted to the Company on any date other than the first day of the year, then the initial Performance Period shall be the period commencing on such date and ending on the last day of the year, (b) upon the withdrawal of capital by a Member other than at the end of the year, the Performance Period shall be the period commencing on the first day of the year or on the date during the year on which the capital account was established, if other than the first day of the year, and ending on the withdrawal date, and (c) in the event the Company is terminated other than at the end of a year, the final Performance Period shall be the period commencing on the first day of the Company's final fiscal year and ending on the termination date. The Manager's Carried Interest is not affected by net losses in a subsequent fiscal period.

Profits and losses will be accrued on a monthly basis but generally will be allocated to the capital accounts of the Members only at the end of each calendar year and upon the withdrawal or expulsion of a Member if such withdrawal or expulsion occurs on a day other than the beginning or the end of a calendar year.

The profits or losses of the Company for a particular period will be measured in terms of the increase or decrease in the net assets of the Company from the beginning to the end of the period, after giving effect to the expenses of the Company for such period. In calculating profits or losses, securities will be valued on a "marked-to-market" basis, with the result that the profits or losses for a particular period will not necessarily reflect amounts which have been or will be realized or sustained.

Performance Allocation (Carried Interest); High Water Mark

The Performance Allocation or Carried Interest allocable to the Manager is equal to twenty percent (20%) of the aggregate net gain allocated annually to the Members capital account during the Lock-Up Period and subject to a "high water mark" limitation, so that no allocation is made to the Manager with respect to its Carried Interest until prior net losses allocated to a Member are recouped within the performance period. The high water mark shall be re-set on an annual basis. The amount of prior period net losses that must be recouped before a Carried Interest allocation is made shall be adjusted to take into account any distributions to or withdrawals by a Member, with the amount of such prior net losses being reduced in proportion to the distribution or withdrawal. The Manager may waive all or part of the Performance Allocation with respect to one or more Members from time to time in its sole discretion. The Manager may also pay over a portion of the Performance Allocation to one or more third parties who introduce investors or perform other services for the Company or the Manager.

New Members; Additional Capital Contributions

Unless otherwise determined by the Manager, in its discretion, each new Member shall be admitted to the Company, and each existing Member may make an additional capital contribution to the Company, as of the first day of the calendar month provided that the Manager timely receives and accepts such person's initial or additional, as applicable, capital contribution and executed Subscription Documents and/or such other documents or agreements as the Manager may require. A person shall become a Member when the Manager enters such person as a Member on the books of the Company. Capital contributions must be made in cash unless the Manager, in its sole discretion, agrees to accept capital contributions in the form of securities.

Partial Withdrawals of Capital

A Member may make partial withdrawals of capital on sixty (365) days' prior written notice to the Manager at the end of the Initial Lock-Up Period and, as of Jan 31st of each calendar year thereafter. The General Member shall have absolute discretion to deny or permit a partial withdrawal if, after giving effect to such withdrawal, the value of the Member's capital account would be less than \$30,000, and the Manager may treat any such request for partial withdrawal as a request for termination of the Member's entire Interest. Distribution of any partial withdrawal generally will be made within fifteen (15) days after the withdrawal date, although ten percent (10%) of any withdrawal that represents more than ninety percent (90%) of a Member's capital may be withheld until the Company receives its year-end audited financials for the fiscal year during which the withdrawal was made. The Manager may vary these withdrawal terms, in whole or part, for certain investors, in its sole discretion.

Initial Lock-Up Period

"Initial Lock-Up Period" means the Member may not request redemption of their investment for a period of at least twelve (12) months from the date their capital contribution. Each capital contribution made by a Member shall be subject to the Initial Lock-Up Period.

The Initial Lock-Up Period shall be calculated separately for each capital contribution made by a Member. For these purposes, withdrawals of capital will be processed on a "first-in, first-out" basis, with each withdrawal being made from the earliest available capital contribution.

Termination of Investment in the Company

A Member may withdraw from the Company entirely at the end of the Initial Lock-Up Period or, as of Jan 31st of each calendar year thereafter, by giving not less than sixty (60) days' prior written notice to the Manager. Complete withdrawals may be made at such other times and on such other notice as the Manager, in its sole and absolute discretion, shall permit. Distribution of cash or marketable securities (or a combination thereof) having an aggregate value at least equal to ninety percent (90%) of the estimated capital account of a withdrawing Member, or of a Member who dies or is adjudicated an incompetent, will be made to such Member or his or its legal representatives within fifteen (15) days after the withdrawal date or the end of the calendar year in which the death or adjudication of incompetency occurred, and distribution of the balance of such capital account, as finally determined as of the end of such year, will be made within fifteen (15) days after the receipt by the Company of its audited financial statements for such year.

The Manager may vary these withdrawal terms, in whole or part, for certain investors, in its sole discretion.

Withdrawal Payments; Establishment of Reserves

The value of a Member's Interest upon a withdrawal is equal to the amount in such Member's Closing Capital Account as of the last day of the year of determination or other applicable period. Partial or full withdrawals may be paid in any combination of cash and securities, in the Manager's sole discretion. Transaction costs involved in a withdrawal may be charged to the withdrawing Member.

The Manager may withhold payment of all or any part of the amount withdrawn by a Member to establish such reserves for contingencies as the Manager, in its sole discretion, may deem advisable.

Withdrawal requests may be submitted by email to the Manager at support@gaoinvestments.com, provided that:

1. the original signed withdrawal request is received by the Manager prior to the withdrawal date; and
2. the investor receives written confirmation from the Manager that the withdrawal request has been received.

The Manager will confirm in writing within five (5) Business Days of receipt all faxed withdrawal requests that are received in good order. Investors failing to receive such written confirmation from the Manager within five (5) Business Days should contact the Manager at 301.379.8299 to obtain the same. Failure to obtain such written confirmation will render written instructions void.

Required Withdrawals

The Manager may, in its sole discretion, require any Member to withdraw from the Company, with or without cause, if the Manager shall determine, in its sole and absolute discretion that such termination and withdrawal shall be in the best interests of the Company. The Manager shall give not less than fifteen (15) days' prior written notice of such termination to such Member. Such required withdrawal could result in adverse tax and/or economic consequences to such Member.

Fees and Expenses

The Company is responsible for all direct costs, fees and expenses incurred by or on behalf of the Company in connection with its organization, management and operation, including: (i) all costs, fees and expenses of the Company directly related to the purchase, sale or retention of securities by the Company (including all fees and commissions of brokers and custodians, all fees and disbursements of independent attorneys and accountants, all fees and expenses relating to the registration and qualification for sale of such securities and all transfer taxes); (ii) all Federal, state and local taxes and filing fees payable by the Company; (iii) all costs, fees and expenses of the Company relating to Members' meetings and the preparation and mailing of reports to Members; (iv) all fees and disbursements of the Company's independent attorneys, accountants and consultants; (v) all filing and recording fees; (vi) all interest expense of the Company; and (vii) any extraordinary expenses of the Company. The Members will not be burdened with any of the general overhead expenses of the Manager or the Investment Manager (such as rent, salaries and equipment costs). All such overhead expenses are for the account of the Manager or the Investment Manager, as applicable.

Pursuant to an Investment Advisory Agreement, the Investment Manager will be paid a management fee computed at a rate of 0% per annum of the Company's net assets attributable to each Member's capital account, to be paid monthly in advance.

As the Investment Manager will not be obligated to negotiate "execution only" commission rates, the Company may be deemed to be paying for other services provided by its brokers who are included in the commission rates they charge the Company. Such other services may include (in addition to research), telephone lines, news and quotation equipment, electronic office equipment, account record keeping, on-line financial information, publication, consulting, marketing, legal and accounting services, data processing and other services provided by its brokers or by third parties paid by its brokers and related to research. See "Brokerage Practices" below for a more detailed discussion of the Company's brokerage practices.

This table describes the fees and expenses that you may pay as a Member of the Company:

Members Fees	Classes
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<i>(fees paid directly from your investment)</i>	All Classes
Redemption Fee within the first 12 months of the Lock-up period (percentage of amount redeemed, if applicable)	10.00%
Annual Fund Operating Expenses <i>(expenses deducted from Fund assets)</i>	
Management fee	0.00%
Total	0.00%

Management Fee

The Company will pay the Investment Manager or an affiliate thereof an annual management fee (the "Management Fee"), funded by each Member paid monthly in advance, equal to one percent (0%) of the net asset value of the Capital Accounts of the Members of the Company. The Management Fee shall be assessed on a pro rata to each Member. If a new or existing Member makes a contribution to the Company on any day other than the beginning of the month, the Investment Manager shall be entitled to a pro-rated Management Fee at that time. Management fees are nonrefundable. The Investment Manager shall have the right to waive all or a part of the Management Fee with respect to one or more Members from time to time in its sole discretion. The Investment Manager may also pay over a portion of the Management Fee to one or more third parties who introduce investors or perform other services for the Company or the Manager.

Indemnification of the Manager and the Investment Manager

The Operating Agreement provides for limitations on the liability of, and for the indemnification of, the Manager, any other Managers and their respective affiliates, except that no such indemnification will relieve any person from liability for fraud, gross negligence, willful misconduct, the violation of Federal or state securities laws or any criminal wrongdoing. The Investment Management Agreement provides for limitations on the liability of, and for the indemnification of, the Manager and each of its affiliates and each of its and their principals, managers, members, officers, directors, employees, equity holders and representatives, except that no such indemnification will relieve any person from liability for willful misconduct, fraud or gross negligence on the part of such parties in the performance or nonperformance of their respective obligations or duties thereunder.

Commissions, Etc.

The Investment Manager may pay (to the extent permitted by law) commissions or other compensation to qualified brokers and other persons who introduce prospective investors to the Company. The Manager may waive or reduce its "Carried Interest" requirement with respect to any such person who is an investor in the Company.

Privacy Policy

See Exhibit C of the Subscription Documents for a statement of the Company's Privacy Policy, as required under federal law.

Termination of the Company

The Company shall continue until terminated at the election of the Manager or otherwise by operation of law.

INVESTMENT ACTIVITIES OF THE COMPANY

General Investment Philosophy

Gao Management LLC focuses on short and midterm trading in US markets as opposed to long-term investing, and its primary investment vehicles will be the securities of small and mid-capitalization companies and occasionally other funds, public companies, and private equity.

The Company's goal is to generate outstanding returns on a rolling 12-month time horizon using fundamental and technical research across multiple industry sectors that creates an edge of insight and factual information. Once such information is obtained, the Company will determine if the information has put a company or industry in a position to achieve success. Companies showing strong attributes will be considered for trading. Investment manager De Gao will use proven strategies he has personally developed over years of personal experience and experimental research. These strategies have achieved gains of 1% to 3% per trade with minimized risk. The fund is result orientated and focuses on achieving returns that consistently beat the S&P benchmark.

BROKERAGE PRACTICES

Portfolio transactions for the Company and for other accounts and entities which the Investment Manager or its principals may advise or invest for, generally will be allocated to brokers on the basis of best execution and in consideration of such brokers' provision of, or payment of the costs of, certain services and products that are of benefit to the Company, the Manager, the Investment Manager, and such other accounts and entities. These products and services may take the form of research, special execution capabilities, clearance, settlement, reputation, net price, on-line pricing, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, order of call, on-line access to computerized data regarding clients' accounts, performance measurement data, consultations, economic and market information, portfolio strategy advice, industry and company comments, technical data, information technology services, recommendations, general reports, supplies, financial strength and stability, efficiency of execution and error resolution, telephone lines, news and quotation equipment, the availability of stocks to borrow for short trades, referral of prospective investors in the Company, or other accounts and entities which the Investment Manager or its principals may advise or invest for custody, recordkeeping and similar products and services.

PURCHASE OF "NEW ISSUES"

From time to time the Company may purchase securities which constitute a "new issue" under FINRA Rule 5130 (the "Rule"). The Rule prohibits an FINRA Member from selling any "new issue" (defined as any initial public offering of an equity security) to an account in which "Restricted Persons" have in the aggregate beneficial interests in excess of 10 percent. Essentially, a "Restricted Person" includes (i) a broker-dealer and its personnel, and (ii) certain persons associated with banks, savings and loan institutions, insurance companies, investment companies, investment advisors, and collective investment accounts such as hedge funds, investment Memberships, investment corporations and other collective investment vehicles that are engaged primarily in the purchase and sale of securities.

The Company has implemented a "carve-out arrangement" under the Rule pursuant to which Members who are Restricted Persons under the Rule will not be allocated more than 10 percent of the profits or losses attributable to the Company's participation in "new issues."

MANAGEMENT OF THE COMPANY

General

The manager of the Company is De Gao (the "Manager"). The Manager will have exclusive control over day-to-day operations of the Company even if additional Managers are admitted to the Company in the future. De Gao is the principal. The principal office of the Company and the Management is 325 E Warm Springs Rd, Ste 102, Las Vegas, NV 89119.

De Gao, who is also the Fund Manager, will serve as the Investment Manager of Company and provides discretionary investment advisory and portfolio management services to the Company (the "Investment Manager"). The Investment Manager is NOT registered with the Securities and Exchange Commission (SEC). However, the Investment Manager intends to engage registered investment advisors to comply with recent changes to the U.S. Securities Regulations.

Principal's Background and Experience

De Gao, President (CEO), Fund Manager, Investment Manager

Mr. Gao has traded in the U.S. equity market since the late 90s. He has experienced the 2000-2001 dot.com bubble, the 2007-2008 housing crisis, and China's 2015 market crash. Through these experiences, Mr. Gao has learned to properly manage risks while taking advantage of a variety market situations. In addition, he has developed his own strategies that, for the last few years, have consistently reported gains of 1% to 3% per trade. Furthermore, it is his passion to continue to adjust to different market conditions and develop new strategies in the future.

Mr. Gao has served as a director at Appliance Recycling Centers of America (Nasdaq: ARCI) and chair of Corporate Governance since May 2015. In addition, he has also served as a director of Live Venture, Inc (Nasdaq: LIVE) and chair of the Audit Committee since January 2012. From July 2010 to March 2013, Mr. Gao co-founded and became the CFO of Oxstones Capital Management, a privately held company and a social and philanthropic enterprise that serves as an idea exchange for the global community. Prior to establishing Oxstones Capital Management, from June 2008 until May 2010, Mr. Gao was a Product Owner at Procter and Gamble for its consolidation system and responsible for Procter and Gamble's financial report consolidation process. From May 2007 to May 2008, Mr. Gao was a financial analyst at the Internal Revenue Service's CFO division. Mr. Gao earned a double major Bachelor of Science degree in Computer Science and Economics from University of Maryland and an M.B.A. specializing in Finance and Accounting from Georgetown University's McDonough School of Business.

Other Activities

Pursuant to the Operating Agreement, the principals of the Manager will devote as much time to the business of the Company as they, in their sole discretion, deem advisable. In addition, the Manager has the right, without the consent of the Members, to admit additional Managers at the commencement of any calendar quarter or any other times as the Manager determines. The Members do not have any right to participate in the management of the Company and have limited voting rights.

Potential Conflict of Interest

The Manager and the Investment Manager and their principal(s) may be affiliated with or render services to

other investment entities or accounts including entities and/or accounts with investment goals and strategies similar to those of the Company. The principal(s) of the Manager may also be or become related to other service provider who will provide services to the Company in which fees and/or commissions will be paid to the principal(s) of the Manager, these service providers may include broker-dealers, prime brokerage services, and fund administrative services.

THE MANAGER

De Gao has been appointed as the Company's Manager (the "Manager"). The Manager provides administrative services to the Company. The Manager will be responsible for, among other things: (i) maintaining the register of Members of the Company and generally performing all actions related to the transfer and withdrawal of Members in the Company; (ii) reviewing and, subject to approval by the Manager, accepting or rejecting subscriptions and accepting payment therefore; (iii) computing and disseminating the net asset value of the Company and the value of each Member's capital account in accordance with the Company's Limited Liability Agreement; (iv) keeping the accounts of the Company and such financial books and records as are required by law or otherwise for the proper conduct of the financial affairs of the Company, and assisting with or procuring the preparation of annual financial statements of the Company and furnishing such statements, as well as monthly net asset value reports, to Members; (v) communicating with Members; and (vi) performing all other accounting and clerical services necessary in connection with the administration of the Company.

The Manager and its directors, officers, employees, agents, servants, delegates and affiliates will not be liable to the Company for any acts or omissions in connection with the services rendered in the absence of gross negligence, willful default or fraud on the part of the Manager or its directors, officers, employees, agents, servants, delegates or affiliates. In addition, the Company has agreed to indemnify the Manager and its directors, officers, employees, agents, servants, delegates and affiliates from and against any and all liabilities and expenses arising out of the Manager's actions, other than liabilities and expenses arising out of the gross negligence, willful default or fraud on the part of the Manager or its directors, officers, employees, agents, servants, delegates or affiliates.

In connection with the determination of the net asset value of the Company, the Manager may consult with and is entitled to rely upon the advice of the Company's custodians, brokers, the Manager or the Investment Manager. In no event and under no circumstances shall the Manager, the Investment Manager or the Manager incur any individual liability or responsibility for any determination made or other action taken or omitted by them in good faith. To the extent that the Manager relies on information supplied by the Investment Manager or any brokers or other financial intermediaries engaged by the Company, the Manager's liability for the accuracy of its calculations is limited to the accuracy of its computations. The Manager is not liable for the accuracy of the underlying data provided to it.

AUDITORS

The Company will retain services from a reputable accounting and advisory firm experienced in fund accounting, as its independent auditors.

VALUATION OF THE COMPANY'S ASSETS

The profits and losses of the Company shall be calculated on each Company valuation date (generally the last business day of each month) by the Manager (in consultation with the Investment Manager and the Company's accountants). The profits and losses of the Company shall be determined in accordance with U.S. Generally

Accepted Accounting Principles ("U.S. GAAP"), including provisions for accruals and reserves in respect of any amounts constituting Company liabilities.

The calculation of the profits and losses of the Company will take into account the total assets of the Company, including all cash and cash equivalents (valued at cost), accrued interest and dividends, and the market value of all securities and all other assets of the Company and all liabilities of the Company including, but not limited to, accrued legal, accounting, and auditing fees, solicitation fees, research-related expenses, operating fees and organizational expenses, and any extraordinary expenses, determined in accordance with U.S. GAAP applied under the accrual basis of accounting by the Manager in its sole discretion.

In connection with such valuation, portfolio securities shall be valued as follows:

1. Listed portfolio securities are valued at the last reported sales price on the date of determination on the principal exchange on which such securities are traded or, if not available, at the mean between the exchange listed "bid" and "asked" price;
2. Over-the-counter securities are valued at the last reported sales price on the date of determination if available through the facilities of a recognized interdealer quotation system (such as securities in the Nasdaq Stock Market List), or if the last reported sales price is not available, over-the-counter securities are valued at the mean between the closing "bid" and "asked" prices on the date of determination;
 - a. Any security in the form of an exchange listed option will be valued at the mean between the closing "bid" and "asked" prices;
 - b. Forward currency exchange contracts will be valued at the current cost of covering or offsetting such contracts; and
3. All other securities shall be assigned the value that the Investment Manager, in good faith, determines to reflect the fair value thereof

The Investment Manager may use methods of valuing securities other than those set forth herein if it believes the alternate method is preferable in determining the fair value of such securities. To the extent that the Manager relies on information supplied by the Investment Manager or any brokers or other financial intermediaries engaged by the Company in connection with making any of the aforementioned calculations, the Manager's liability for the accuracy of such calculations is limited to the accuracy of its computations. The Manager is not liable for the accuracy of the underlying data provided to it.

The accounts of the Company are maintained in U.S. dollars. Assets and liabilities denominated in other currencies are converted at the rates of exchange in effect at the relevant valuation date and conversion adjustments are reflected in the results of operations. Portfolio transactions and income and expenses are converted at the rates of exchange in effect at the time of each transaction.

Prospective investors should understand that these and other special situations involving uncertainties as to the valuation of portfolio positions could have an impact on the Company's net assets if the Investment Manager's judgments regarding the appropriate valuation should prove to be incorrect.

All values assigned to securities by the Investment Manager shall be final, binding and conclusive on all of the Members.

ANTI-MONEY LAUNDERING CONSIDERATIONS

As part of the Company's responsibility for the prevention of money laundering, the Company and the Manager will require a detailed verification of an investor's identity and the source of the payment from any person delivering completed Subscription Documents to the Company.

In order to comply with proposed regulations aimed at the prevention of money laundering in the United States, the Company is required to verify the identity of all prospective investors and the source of their funds, to the extent required under the USA PATRIOT Act, and to determine if such investors are Prohibited Investors (as defined in the Company's Subscription Documents) identified on various lists maintained by the U.S. Government. If the Company determines that any investor is a Prohibited Investor, the Company may, among other things, freeze that investor's assets in the Company and notify appropriate legal authorities.

The Company and the Manager reserve the right to request such documentation, as they deem necessary to verify the identity of a prospective investor and to verify the source of the relevant subscription amounts. The amount of detail required will depend on the circumstances of each application for subscription. By way of example, an individual may be required to produce a copy of a passport or driver's license, together with evidence of his/her address, such as a utility bill or bank statement, and date of birth. For corporate subscribers, the Company may require production of copies of their certificates of incorporation or other formation documents (and any changes of name) and information concerning their principals and/or beneficial owners. Failure to provide the necessary evidence may result in subscription applications being rejected or in delays in the processing of withdrawals.

Pending the provision of satisfactory evidence as to identity, the evidence of title in respect of the Interests may be retained at the absolute discretion of the Manager. If within a reasonable period of time following a request for verification of identity, the Manager has not received evidence satisfactory to it as aforesaid, the Manager and the Company may, in their absolute discretion, refuse to allot the Interests applied for, in which event subscription moneys will be returned without interest to the account from which such moneys were originally debited. The Company, the Manager, the Investment Manager and any agent of the Company, the Manager and the Investment Manager will be held harmless and will be fully indemnified by a potential subscriber against any loss arising as a result of a failure to process a subscription or withdrawal request if such information as has been requested by any of them or the Manager has not been satisfactorily provided by the applicant.

If the Company, the Manager or the Investment Manager has a suspicion that a payment to the Company (by way of subscription or otherwise) or a payment from the Company (by way of withdrawal or otherwise) contains the proceeds of criminal conduct, the Company, the Manager or the Investment Manager may report such suspicion to the appropriate authorities. Neither the Company, the Manager, the Investment Manager, nor any agent of the Company, the Manager or the Investment Manager will incur any liability for adhering to the Company's responsibilities under its anti-money laundering program, and will be indemnified by the Subscriber for any losses which the Company, the Manager, the Investment Manager or their respective principals, employees or agents may incur for doing so.

The Manager and the Company reserve the right to request such information as is necessary to verify the identity of a prospective investor. In the event of delay or failure by a prospective investor to produce any information required for verification purposes, the Manager may refuse to accept the prospective investor and the subscription monies relating thereto or may refuse to process a withdrawal request until proper information has been provided.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a general summary of certain of the significant United States federal income tax consequences of an investment in the Company. The following discussion does not discuss all the potential tax considerations relevant to the Company or its operations. Moreover, the tax considerations relevant to a specific Member depend upon its particular circumstances.

Each prospective Member is urged to consult its own tax advisor concerning the potential tax consequences of an investment in the Company.

The following discussion is based upon the Internal Revenue Code of 1986, as amended (the “Code”), and administrative and judicial interpretations thereof, as of the date hereof, all of which are subject to change (possibly on a retroactive basis). No tax rulings have been or are anticipated to be requested from the Internal Revenue Service (the “Service”) or other taxing authorities with respect to any of the tax matters discussed herein. Except as specifically noted, the following general discussion assumes that each Member is a United States resident individual or a domestic corporation that is not tax-exempt and that each Member holds its Interests in the Company as a capital asset and is the initial holder of such Interests. Except as specifically indicated, the following discussion does not deal with the consequences of the ownership of Interests in the Company by special classes of holders, such as dealers in securities or life insurance companies. Special rules applicable to tax-exempt Members and non-U.S. Members are discussed separately below.

NOTICE PURSUANT TO IRS CIRCULAR 230

THE DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN BY THE FUND, ITS COUNSEL OR THE PLACEMENT AGENT TO BE USED, AND CANNOT BE USED, BY ANY PERSON FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MIGHT BE IMPOSED UNDER U.S. TAX LAWS. THIS DISCUSSION IS PROVIDED TO SUPPORT AN OFFERING OF INTERESTS IN THE FUND, AND ACCORDINGLY IS WRITTEN IN SUPPORT OF THE MARKETING OF THE INTERESTS IN THE FUND. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER’S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR CONCERNING THE POTENTIAL TAX CONSEQUENCES OF AN INVESTMENT IN THE FUND.

U.S. Federal Income Tax Treatment of the Company’s Operations

Treatment as a Partnership. The Company expects to be treated for U.S. federal income tax purposes as a partnership and not as an association (or publicly traded membership) taxable as a corporation. Such opinion will be based on certain assumptions and representations, including representations relating to the Company’s compliance with its Membership Agreement. However, such opinion is not binding on the Service or the courts.

Taxation of the Members on Profits or Losses of the Company. The Company will not pay federal income tax. Instead, each Member will be required to report on its federal income tax return its distributive share of the Company’s income or gain, whether or not it receives any actual distribution of money or property from the Company during the taxable year. In addition, certain of the investments held by the Company may give rise to taxable dividends or interest, even if there has been no corresponding cash distribution by the Company, by reason of imputed “discount” or “pay-in kind” features, in certain cases where an adjustment is made to the conversion price of a convertible security held by the Company, and possibly by reason of not paying accrued

dividends currently. Furthermore, investments by the Company in foreign entities may, in certain circumstances (e.g., pursuant to the controlled foreign corporation (“CFC”) or the passive foreign investment company (“PFIC”) provisions), cause a Member to recognize income subject to tax prior to the receipt by the Company of any distributable proceeds (or to pay an interest charge on taxable income that is treated as having been deferred). Accordingly, a Member’s tax liability related to the Company could exceed amounts distributed by the Company to such Member in a particular year. In addition, Members may recognize gain or loss as a result of receiving cash distributions upon the admission of additional investors after the Initial Closing.

Other Possible Tax Consequences to Investors. Section 469 of the Code provides that, in general, in the case of an individual, estate and trust, certain types of personal service corporations and certain types of closely held C corporations, for any taxable year the aggregate losses from business activities in which the taxpayer does not materially participate (such business activities are referred to herein as “passive activities”) are deductible only to the extent of the aggregate income from passive activities. In the case of certain closely held C corporations, the net aggregate loss from passive activities (and the net aggregate credit, in a deduction equivalent sense) may offset net active income, but not portfolio income items (as defined below). It is expected that all or substantially all of the Company’s assets will give rise to, or be of a type that gives rise to, gross income from interest or dividends not derived in the ordinary course of a trade or business (“portfolio assets”). As a result, the income from such portfolio assets and gain from the disposition thereof (“portfolio income items”) will not be able to be offset by losses of a Member from other sources that are subject to the limitations on deductibility of passive losses imposed by Section 469 of the Code.

Company deductions allocable to certain Members may be subject to limits for United States federal income tax purposes. Interest deductions (including interest paid by the Company on any borrowings) claimed by a non-corporate Member may be subject to rules limiting the deduction of “investment interest.” The “passive activity” rules of Section 469 may limit the ability of individuals, certain closely-held corporations and certain other persons to deduct passive losses. The ability of a non-corporate Member to utilize its distributive share of losses from the Company also may be limited by the “at risk” rules of Section 465 and certain other provisions of the Code. Deductions for management fees and certain other flow-through expenses of the Company may be treated as miscellaneous itemized deductions, which may further the amount a US Member who is an individual, estate or trust may deduct, including as a result of the two percent (2%) adjusted gross income floor on deductions under Section 67 of the Code, and the limitation on deductions provided for under Section 68, which varies based upon a taxpayer’s adjusted gross income.

A transfer of Membership interests and the distribution of property are subject to certain basis rules that are designed to place limits on the use of memberships to shift or duplicate losses. These rules effectively make an election under Section 754 of the Code mandatory in certain situations, resulting in an adjustment to the tax basis of the affected membership’s assets.

Prospective investors should also be aware that the Internal Revenue Service may challenge the Company’s treatment of items of income, gain, loss, deduction and credit (including, without limitation, various fees and payments payable by the Company or other pass through entities in which the Company invests), or its characterization of the Company’s transactions, and that any such challenge, if successful, could result in the imposition of additional taxes, penalties and interest charges.

Unrelated Business Taxable Income

The Manager will use reasonable best efforts not to take any action that would cause any tax-exempt Member to

realize “unrelated business taxable income” within the meaning of Sections 512 and 514 of the Code (“UBTI”), provided that notwithstanding the foregoing standard, the Company will be permitted to make certain borrowings. Thus, notwithstanding such undertaking of the Manager, it is possible that the Company could realize income which would constitute UBTI and, in that event, each tax-exempt Member would be subject to U.S. federal income tax on its share of such income. Depending on the character of the income in question, a tax-exempt investor’s allocable share of such income could be treated as UBTI.

If a tax-exempt entity’s acquisition of an interest in the Company is debt financed (i.e., if the tax-exempt entity incurs debt that is allocated to the acquisition of the Company investment) or if the Company invests in flow through entities that have incurred debt, all or a portion of the income attributed to the “debt-financed property” would be included in UBTI regardless of whether such income would otherwise be excluded as dividends, interest or other similar income. This provision would apply, in the case of ordinary income, only in tax years in which the Company has indebtedness outstanding or, in the case of a sale, if the Company has indebtedness outstanding at any time during the twelve-month period prior to the sale. The Company has the ability to borrow funds and thus may hold debt-financed property that may produce UBTI.

Excise Tax on Certain Tax-Exempt Entities Entering into Prohibited Tax Shelter Transactions

Section 4965 of the Code imposes an excise tax on certain tax-exempt entities (and their managers) that become a “party” to a “prohibited tax shelter transaction”. The Service has recently issued guidance that narrows the circumstances in which a tax-exempt entity could be considered a “party” to a prohibited tax shelter transaction, and under currently issued guidance, an investment by a tax-exempt entity in the Company should not result in such tax-exempt entity being considered a “party” to a prohibited tax shelter transaction for purposes of Section 4965 of the Code. However, there can be no assurance that future guidance would not give rise to circumstances in which an investment in the Company could cause a tax-exempt investor to be considered a “party” to a prohibited tax shelter transaction. Each tax-exempt entity should consult its own tax advisor regarding an investment in the Company.

Investment by Non-U.S. Persons

The Company has reserved the right to sell Interests to non-U.S. corporations, trusts and estates and individuals who are neither citizens nor residents of the United States (“foreign investors”). The U.S. federal income tax treatment of a foreign investor investing as a Member in the Company is complex and will vary depending upon the circumstances of each foreign investor and the activities of the Company and the Manager. Each foreign investor is urged to consult with its own tax adviser regarding the federal, state, local and foreign tax treatment of its investment in the Company.

In general, the tax treatment of a foreign investor will depend on whether the Company is deemed to be engaged in a U.S. trade or business. Given the investment nature of the activities of the Company, the Manager believes that the Company should not be deemed to be engaged in a U.S. trade or business. In that event, the Company would generally not be required to withhold tax on gain from the sale of portfolio securities and is not required to withhold tax on portfolio interest. However, the Company would be required to withhold tax at the rate of thirty percent (30%) (or lower treaty rate, if applicable) on other interest, dividends and income, and special rules apply with respect to dispositions of “United States real property interests,” which can include stock in a corporation.

The Manager will use reasonable best efforts not to (i) take any action that would result in any Member (or any

direct or indirect beneficial owner of a Member) to recognize any income that is effectively connected with a United States trade or business, (ii) acquire an Operating Company Investment that the General Manager reasonably believes at the time of acquisition is, or is likely to become, a “United States real property interest” within the meaning of Section 897(c) of the Code, or (iii) take any action that would cause any non-U.S. Member to which Section 892 of the Code applies to be considered or deemed to be engaged in a commercial activity for purposes of Section 892 of the Code, provided, however, that notwithstanding the foregoing, the reduction of Management Fees will be permitted. If the Company were determined to be engaged in a U.S. trade or business, the income effectively connected with such trade or business would be subject to U.S. taxation. In such a case, each foreign investor would be obligated to file a U.S. income tax return reporting such income. Foreign investors are urged to consult their own tax advisors about other potential consequences of being considered engaged in business in the United States.

Tax Shelter Reporting Rules

The Company may engage in transactions or make investments that would subject the Company, its Members that are obliged to file U.S. tax returns and/or its advisers to special rules requiring such transactions or investments by the Company, or investments in the Company, to be reported and/or otherwise disclosed to the Service, including to the Service’s Office of Tax Shelter Analysis (the “Tax Shelter Rules”). A transaction may be subject to reporting or disclosure if it is described in any of several categories of transactions, which include, among others, (i) transactions that result in the incurrence of a loss or losses exceeding certain thresholds (including foreign currency losses), (ii) transactions that result in large tax credits from assets held for 45 days or less, or (iii) transactions that are offered under conditions of confidentiality. Although the Company does not expect to engage in transactions solely or principally for the purpose of achieving a particular tax consequence, there can be no assurance that the Company will not engage in transactions that trigger the Tax Shelter Rules. In addition, a Member may have disclosure obligations with respect to its interest in the Company if the Member (or the Company in certain cases) participates in a reportable transaction.

Non-U.S. Taxes

The Company may be subject to withholding and other taxes imposed by, and Members might be subject to taxation and reporting requirements in, non-U.S. jurisdictions in which the Company makes investments. It is possible that tax conventions between such countries and the United States (or another jurisdiction in which a non-U.S. Member is a resident) might reduce or eliminate certain of such taxes. It is also possible that in some cases taxable Members might be entitled to claim foreign tax credits or deductions with respect to such taxes, subject to certain limitations under applicable law. The Company will treat any such tax withheld from or otherwise payable with respect to income allocable to the Company as cash received by the Company and will treat each Member as receiving as a distribution the portion of such tax that is attributable to such Member. Similar provisions would apply in the case of taxes required to be withheld by the Company.

Possible Legislative or Other Actions Affecting Tax Aspects

The present federal income tax treatment of an investment in the Company may be modified by legislative, judicial or administrative action at any time, and any such action may affect investments and commitments previously made. The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the Service and the Treasury Department, resulting in revisions of Treasury regulations and revised interpretations of established concepts as well as statutory changes. Revisions in federal tax laws and interpretations thereof could adversely affect the tax aspects of an investment in the

Company. Congress is currently scrutinizing the federal income tax treatment of private equity funds and hedge funds and there can be no assurance that legislation will not be enacted that has an unfavorable effect on a Member's investment in the Company.

State and Local Tax Considerations

Members may become subject to state and local income or franchise taxes in the jurisdictions in which the Company acquires real estate or otherwise is considered to be engaged in a trade or business and may be required to file appropriate returns. Moreover, although not subject to federal income tax, the Company may, by reason of ownership of real estate or otherwise engaging in a trade or business, become subject to state or local income or similar taxes imposed on memberships themselves (e.g., the New York City Unincorporated Business Tax and the Illinois Personal Property Tax Replacement Income Tax) or may be required to withhold state taxes on income allocable to Members not residing in such state.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS FOR FURTHER INFORMATION ABOUT THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF PURCHASING AND HOLDING INTERESTS IN THE FUND.

CERTAIN CONSIDERATIONS APPLICABLE TO ERISA, GOVERNMENTAL AND OTHER PLAN INVESTORS

Employee benefit plans that are subject to the fiduciary provisions of ERISA (including, without limitation, pension and profit-sharing plans), plans that are subject to Section 4975 of the Code (including, without limitation, individual retirement accounts ("IRAs") and Keogh plans) and entities deemed to hold "plan assets" of any of the foregoing (each, a "Benefit Plan Investor"), as well as governmental plans, foreign plans and other employee benefit plans, accounts or arrangements that are not subject to the fiduciary provisions of ERISA or Section 4975 of the Code, and trusts or other entities supporting or holding the assets of any of the foregoing (collectively, with Benefit Plan Investors, referred to as "Plans"), may generally invest in the Company, subject to the following considerations.

General Fiduciary Considerations for Investment in the Company by Plan Investors. The fiduciary provisions of ERISA, and the fiduciary provisions of pension codes applicable to governmental, foreign or other employee benefit plans or retirement arrangements that are not subject to ERISA may impose limitations on investment in the Company. Fiduciaries of Plans, in consultation with their advisors, should consider, to the extent applicable, the impact of such fiduciary rules and regulations on an investment in the Company. Among other considerations, the fiduciary of a Plan should take into account the composition of the Plan's portfolio with respect to diversification; the cash flow needs of the Plan and the effects thereon of the illiquidity of the investment; the economic terms of the Plan's investment in the Company; the Plan's funding objectives; the tax effects of the investment and the tax and other risks described in the sections of this Memorandum discussing tax considerations and risk factors; the fact that the investors in the Company are expected to consist of a diverse group of investors (including taxable, tax-exempt, domestic and foreign entities) and the fact that the management of the Company will not take the particular objectives of any investors or class of investors into account.

Plan fiduciaries should also take into account the fact that, while the Manager and the Manager will have certain general fiduciary duties to the Company, the Manager and the Manager will not have any direct fiduciary relationship with or duty to any investor, either with respect to its investment in interests or with respect to the

management and investment of the assets of the Company. Similarly, it is intended that the assets of the Company will not be considered plan assets of any Plan or be subject to any fiduciary or investment restrictions that may exist under pension codes specifically applicable to such Plans. Each Plan will be required to acknowledge and agree in connection with its investment in interests to the foregoing status of the Company, the Manager and the Manager and that there is no rule, regulation or requirement applicable to such investor that is inconsistent with the foregoing description of the Company, the Manager and the Manager.

Plan fiduciaries may be required to determine and report annually the fair market value of the assets of the Plan. Since it is expected that there will not be any public market for the interests, there may not be an independent basis for the Plan fiduciary to determine the fair market value of such interests.

ERISA and Other Benefit Plan Investors. A fiduciary acting on behalf of a Benefit Plan Investor, in addition to the matters described above, should take into account the following considerations in connection with an investment in the Company.

ERISA Restrictions if the Company Holds Plan Assets. If the Company is deemed to hold plan assets of the investors that are Benefit Plan Investors, the investment in the Company by each such Benefit Plan Investor could constitute an improper delegation of investment authority by the fiduciary of such Benefit Plan Investor. In addition, any transaction the Company enters into would be treated as a transaction with each such Benefit Plan Investor and any such transaction (such as a property lease, acquisition, sale or financing) with certain “parties in interest” (as defined in ERISA) or “disqualified persons” (as defined in Section 4975 of the Code) with respect to a Benefit Plan Investor could be a “prohibited transaction” under ERISA or Section 4975 of the Code. If the Company were subject to ERISA, certain aspects of the structure and terms of the Company could also violate ERISA.

ERISA Plan Assets. Under ERISA and regulations issued thereunder by the U.S. Department of Labor (the “Regulation”), generally, a Benefit Plan Investor’s assets would be deemed to include an undivided interest in each of the underlying assets of the Company unless investment in the Company by Benefit Plan Investors is not “significant” or another exception from holding plan assets is available.

Significant Investment by Benefit Plan Investors. Investment by Benefit Plan Investors would not be “significant” if less than 25% of the value of each class of equity interests in the Company (excluding the interests of the General Manager, the Manager and any other person who has discretionary authority or control, or provides investment advice for a fee (direct or indirect) with respect to the assets of the Company, and affiliates (other than a Benefit Plan Investor) of any of the foregoing persons (a “Management Affiliate”), is held by Benefit Plan Investors. A commingled vehicle that is subject to ERISA will generally count as a Benefit Plan Investor for this purpose only to the extent of investment in such entity by Benefit Plan Investors. The Manager currently intends to limit investment in the Company by Benefit Plan Investors so that participation by such investors is not “significant” with respect to any class of the Company’s equity interests. However, if there is no other exception available from holding plan assets, the General Manager reserves the right to allow unlimited investment by Benefit Plan Investors in the future, provided that the Manager, in consultation with the investors subject to ERISA or Section 4975 of the Code, will make the necessary amendments to the Company documents and take such other actions as may be necessary to comply with ERISA and Section 4975 of the Code.

Each investor and each transferee will be required to represent and warrant whether it is a Benefit Plan Investor or a Management Affiliate, and the Manager reserves the right to reject subscriptions in whole or in part for any reason, including that the investor is a Benefit Plan Investor. The Manager also has the authority to restrict

transfers of Interests, and may require a full or partial withdrawal of any Benefit Plan Investor to the extent it deems appropriate to avoid having the assets of the Company be deemed to be plan assets of any Benefit Plan Investor – see discussion in the sections in this Memorandum on transfers and withdrawals. In addition, the Manager has broad authority to take any action to maintain the no plan asset status of the Company or remedy a plan asset problem.

Prohibited Transaction Considerations. Fiduciaries of Benefit Plan Investors should also consider whether an investment in the Company could involve a direct or indirect transaction with a “party in interest” or “disqualified person” as defined in ERISA and Section 4975 of the Code, and if so, whether such prohibited transaction may be covered by an exemption. ERISA contains a statutory exemption that permits a Benefit Plan Investor to enter into a transaction with a person who is a party in interest or disqualified person solely by reason of being a service provider or affiliated with a service provider to the Benefit Plan Investor, provided that the transaction is for “adequate consideration.” There are also a number of administrative prohibited transaction exemptions that may be available to certain fiduciaries acting on behalf of a Benefit Plan Investor. Fiduciaries of Benefit Plan Investors should also consider whether investment in the Company could involve a conflict of interest. In particular, a prohibited conflict of interest could arise if the fiduciary acting on behalf of the Benefit Plan Investor has any interest in or affiliation with the Company, the Manager or the Manager.

Governmental Plans. Government sponsored plans are not subject to the fiduciary provisions of ERISA, and are also not subject to the prohibited transaction provisions under Section 4975 of the Code. However, federal, state or local laws or regulations governing the investment and management of the assets of such plans may contain fiduciary and prohibited transaction requirements similar to those under ERISA and the Code discussed above and may include other limitations on permissible investments. Accordingly, fiduciaries of governmental plans, in consultation with their advisors, should consider the requirements of their respective pension codes with respect to investments in the Company, as well as the general fiduciary considerations discussed above.

The fiduciary of each prospective investor that is a governmental plan will be required to represent and warrant that investment in the Company is permissible, complies in all respects with applicable law and has been duly authorized.

Individuals Investing With IRA Assets. Interests sold by the Company may be purchased or owned by investors who are investing assets of their IRAs. The Company’s acceptance of an investment by an IRA should not be considered to be a determination or representation by the Manager or any of its respective affiliates that such an investment is appropriate for an IRA. In consultation with its advisors, each prospective investor that is an IRA should carefully consider whether an investment in the Company is appropriate for, and permissible under the terms of its IRA governing documents. Investors that are IRAs should consider in particular that the Interests will be illiquid and that it is not expected that a significant market will exist for the resale of the Interests, as well as the other general fiduciary considerations described above.

Although IRAs are not generally subject to ERISA, they are subject to the provisions of Section 4975 of the Code, prohibiting transactions with “disqualified persons” and investments and transactions involving fiduciary conflicts. A prohibited transaction or conflict of interest could arise if the fiduciary making the decision to invest has a personal interest in or affiliation with the Company, the Manager, the Manager or any of their respective affiliates. In the case of an IRA, a prohibited transaction or conflict of interest that involves the beneficiary of the IRA could result in disqualification of the IRA. A fiduciary for an IRA who has any personal interest in or affiliation with the Company, the Manager, the Manager or any of their respective affiliates, should consult with his or her tax and legal advisors regarding the impact such interest or affiliation may have on an investment in

Interests with assets of the IRA.

Investors that are IRAs should consult with their counsel and advisors as to the prohibited transaction, conflict of interest and other provisions of the Code applicable to an investment in the Company.

ACCEPTANCE OF SUBSCRIPTIONS OF ANY PLAN IS IN NO RESPECT A REPRESENTATION BY THE FUND, THE MANAGER, THE MANAGER OR ANY OTHER PARTY THAT SUCH INVESTMENT MEETS THE RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO THAT PLAN OR THAT THE INVESTMENT IS APPROPRIATE FOR SUCH PLAN. EACH PLAN FIDUCIARY SHOULD CONSULT WITH HIS OR HER OWN LEGAL ADVISORS AS TO THE PROPRIETY OF AN INVESTMENT IN THE FUND IN LIGHT OF THE SPECIFIC REQUIREMENTS APPLICABLE TO THAT PLAN.

SECURITIES LAWS

On June 22, 2011, the SEC repealed the private adviser registration exemption which previously exempted advisers with fewer than 15 clients who did not hold themselves out to the public as advisers. The SEC replaced the private adviser registration exemption with a new exemption (Under new Rule 203(m) of the Adviser's Act) from registration for advisers solely to private funds¹ with less than \$150 million under management (an "Exempt Reporting Adviser"). In the event the General Manager loses its status as an Exempt Reporting Adviser and is required to be registered with the SEC, the General Manager will be subject to a variety of additional regulatory filing, record-keeping, and governance rules

Securities Act of 1933. The Interests in the Company will not be registered under the Securities Act or any other securities law. The Interests will be offered without registration in reliance upon the exemption contained in Section 4(a)(2) of the Securities Act or regulations of the Securities and Exchange Commission for transactions not involving a public offering. Each prospective investor must be an accredited investor (as defined in Regulation D promulgated under the Securities Act) and will be required to represent, among other customary private placement representations, that it is acquiring Interests in the Company for investment purposes only and not with a view to resale or distribution. Further, each investor must be prepared to bear the economic risk of the investment for an indefinite period, because Interests in the Company can be resold only pursuant to an offering registered under the Securities Act or an exclusion from such registration requirement. It is extremely unlikely that Interests in the Company will ever be registered under the Securities Act.

Securities Exchange Act of 1934. In connection with any acquisition or beneficial ownership by the Company of more than five percent (5%) of any class of the equity securities of a company registered under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company may be required to make certain filings with the Securities and Exchange Commission. Generally, these filings require disclosure of the identity and background of the purchaser, the source and amount of funds used to acquire the securities, the purpose of the transaction, the purchaser's interest in the securities, and any contracts, arrangements or undertakings regarding the securities. In certain circumstances, the Company may be required to aggregate its investment position in a given Operating Company with the beneficial ownership of that company's securities by or on behalf of the Manager and its affiliates, which could require the Company, together with such other parties, to make certain disclosure filings or otherwise restrict the Company's activities with respect to such

¹ A private fund is defined as any issuer that would be an investment company but for Sections 3(c)1 or 3(c)7 of the Advisers Act

Operating Company securities. In addition, if the Company becomes the beneficial owner of more than ten percent (10%) of any class of the equity securities of a company registered under the Exchange Act or places a director on the board of directors of such a company, the Company may be subject to certain additional reporting requirements and to liability for short-swing profits under Section 16 of the Exchange Act. The Company intends to manage its investments so as to avoid the short-swing profit liability provisions of Section 16 of the Exchange Act.

Investment Company Act of 1940. The Company will not be registered as an “investment company” under the Investment Company Act in reliance upon Section 3(c)(7) thereof. Accordingly, Members will not receive the protections afforded by the Investment Company Act to investors in a registered investment company. Section 3(c)(7) excludes from the definition of investment company any issuer whose outstanding securities are owned exclusively by “qualified purchasers,” provided that the issuer is not making, and does not propose to make, a public offering of such securities. Qualified purchaser generally means (i) a natural person (or a company owned by two or more family members or foundations, charitable organizations or trusts established by or for the benefit of such persons) who owns at least \$5 million in investments (as defined in the Rule 2a51-1 promulgated under the Investment Company Act) or (ii) any person or entity acting for its own account or for the accounts of other qualified purchasers who in the aggregate owns or invests on a discretionary basis not less than \$25 million in investments (as defined in Rule 2a51-1 promulgated under the Investment Company Act). The Membership Agreement and the subscription agreements by which the Members will invest in the Company will contain certain representations, undertakings and restrictions on transfer designed to assure that the conditions of Section 3(c)(7) will be met.

In connection with any subscription for, or proposed transfer of, Interests in the Company, the Manager is authorized to ask for and obtain such information from the prospective investor or the proposed transferor and transferee, as applicable, in order that it may be able to determine whether the proposed subscription or transfer, as applicable, would allow the Company to retain its exclusion from registration as an investment company. In addition, a company may be deemed to be an investment company if it owns “investment securities” with a value exceeding 40% of its total assets (excluding government securities and cash items) or if more than 45% of its total assets consists of, or more than 45% of its income/loss is derived from, securities of companies it does not control. Any Company is not required to register as an investment company under the Investment Company Act because it is primarily engaged in the businesses of its controlled Operating Companies rather than the business of investing and reinvesting in investment securities. Any Company currently intends to continue to conduct its investment and other activities, including its investment activities through the Company, so as not to be deemed an investment company under the Investment Company Act. As a result, the aggregate amount of investments in Operating Companies that Any Company or the Company does not control will be limited to the extent set forth above. Any Company, however, does not believe that such limitations will impede the ability of the Company to pursue its investment strategy.

Investment Advisers Act of 1940. Having its principal place of business in the state of Nevada, the General Manager is currently licensed and registered as an investment adviser in Nevada and regulated by the State’s Department of Commerce and Consumer Affairs. Nevada law imposes a variety of regulations on the General Manager including standards relating to minimum net worth, examination, bonding, and record keeping. In regard registration with the Securities and Exchange Commission (“SEC”), the General Manager is likely to remain exempt from registration at the federal level until such time as the General Manager advises private funds with more than \$150 million in assets under management pursuant to new rules adopted by the SEC as outlined above.

Non-U.S. Securities Laws. The Interests in the Company have not been registered or qualified for public distribution under the securities laws of any jurisdiction. The Interests will be offered without registration and without the filing of a prospectus in reliance upon exemptions available under applicable law. Each prospective investor resident outside the United States must be, and will be required to represent that it is, entitled to acquire Interests in the Company in reliance upon an exemption from the registration or prospectus requirements of applicable securities laws of its jurisdiction of residence. Further, each investor must be prepared to bear the economic risk of the investment for an indefinite period, because Interests in the Company can be resold only pursuant to an offering registered under the securities laws of such jurisdiction or an exclusion from such registration requirement. It is extremely unlikely that Interests in the Company will ever be registered under the securities laws of any jurisdiction. In connection with any acquisition or beneficial ownership by the Company of more than a specified percentage of any class of the equity securities of a company that is subject to public reporting obligations under applicable securities laws, the Company may be required to make certain filings with relevant securities authorities. Generally, these filings require disclosure of the identity and background of the purchaser, the source and amount of funds used to acquire the securities, the purpose of the transaction, the purchaser's interest in the securities and any contracts, arrangements or undertakings regarding the securities. In certain circumstances, the Company may be required to aggregate its investment position in a given Operating Company with the beneficial ownership of that company's securities by or on behalf of the Manager and its affiliates, which could require the Company, together with such other parties, to make certain disclosure filings or otherwise restrict the Company's activities with respect to such Operating Company securities.

* * *

The foregoing summary is not intended as a substitute for professional tax advice, nor does it purport to be a complete discussion of all tax consequences that could apply to this investment. The foregoing summary also does not discuss any of the U.S. federal income or estate tax considerations relevant to foreign persons. Each Member must consult its own tax advisor as to the tax consequences of this investment.

REPORTS TO MEMBERS

The Company will furnish to each Members: (i) audited annual financial reports of the Company; (ii) annual descriptive investment information for each investment; (iii) annual tax information for the completion of income tax returns; (iv) a statement from the Company's auditors detailing the Members capital account; and (v) from time to time unaudited periodic reports at the discretion of the Manager, but no less often than quarterly.

SUBSCRIPTION PROCEDURE FOR MEMBERSHIP

To become a Member, a prospective investor should: (i) complete and execute a copy of the subscription agreement and investor questionnaire inserting the amount of the capital contribution agreed to be made, the prospective Member's personal information and taxpayer identification or social security number; (ii) provide copies of documents confirming the investors identification, such as a passport or drivers license; and (iii) return all such executed copies to the Manager.

Unless waived by the Manager, all capital contributions must be made by delivering a regular or cashier's check payable to the Company or by wiring cash to the Company's bank account in the name of the Company which must be received at least three business days prior to the admission date. Copies of the subscription agreement and investor questionnaire are contained in the materials accompanying this Memorandum.

In order to comply with United States and international laws aimed at the prevention of money laundering and

terrorist financing, each prospective Member that is an individual will be required to represent in the subscription agreement that, among other things, he is not, nor is any person or entity controlling, controlled by or under common control with the prospective Member, a “Prohibited Person” as defined in the subscription agreement (generally, a person involved in money laundering or terrorist activities, including those persons or entities that are included on any relevant lists maintained by the U.S. Treasury Department's Office of Foreign Assets Control, any senior foreign political figures, their immediate family members and close associates, and any foreign shell bank). Further, each prospective Member which is an entity will be required to represent in the subscription agreement that, among other things, (i) it has carried out thorough due diligence to establish the identities of its beneficial owners, (ii) it reasonably believes that no beneficial owner is a “Prohibited Person”, (iii) it holds the evidence of such identities and status and will maintain such information for at least five years from the date of its complete withdrawal from the Company, and (iv) it will make available such information and any additional information that the Company may require upon request that is required under applicable regulations.

The Manager reserves the right to request such further information as it considers necessary to verify the identity of a prospective Member. In the event of delay or failure by the prospective Member to produce any information required for verification purposes, the Manager may refuse to accept a capital contribution until proper information has been provided and any funds received will be returned without interest to the account from which the moneys were originally debited.

The Manager will notify each new Member of the date by which, and address to which, he/she will be required to transmit the amount of his/her capital contribution agreed to be made under the Subscription Agreement. Shortly thereafter, the Manager will return to each Member his/her copy of the subscription agreement and investor questionnaire (as executed by the Manager). The Manager may pay fees to persons (whether or not affiliated with the Manager) who are instrumental in the sale of interests in the Company. Any such fees will in no event be payable by or chargeable to the Company or any Member or prospective Member.

In making an investment decision, prospective Members must rely on their own examination of the Company and the terms of this offering, including the merits and significant risks involved. Each prospective Member should consult the Member's own counsel, accountant and other professional advisor as to investment, legal, tax and other related matters concerning the Member's proposed investment.

RISK FACTORS

AN INVESTMENT IN THE COMPANY IS SPECULATIVE, INVOLVES A HIGH DEGREE OF RISK AND IS SUITABLE ONLY FOR PERSONS WHO ARE ABLE TO ASSUME THE RISK OF LOSING THEIR ENTIRE INVESTMENT. PROSPECTIVE PURCHASERS OF INTERESTS SHOULD CAREFULLY READ THE ENTIRE MEMORANDUM. BECAUSE THE INVESTMENT PROGRAM INVOLVES SUBSTANTIAL RISKS, AN INVESTMENT IN THE INTERESTS SHOULD BE MADE ONLY AFTER CONSULTING WITH INDEPENDENT QUALIFIED SOURCES OF INVESTMENT AND TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THE FOLLOWING RISKS, AMONG OTHERS, BEFORE SUBSCRIBING FOR INTERESTS.

Prospective investors should carefully consider the risks involved in an investment in the Company, including but not limited to those discussed below. Many of these risks are discussed more fully elsewhere in this Memorandum. Prospective investors should consult their own legal, tax, and financial advisers as to all these risks and an investment in the Company generally.

General

Reliance on the Investment Manager. The success of the Company depends on the ability of the Investment Manager to develop and implement investment strategies to achieve the Company's investment objectives. The Company's investment performance could be materially adversely affected if [De Gao](#) ceases to be involved in the active management of the Company's portfolio. The Investment Manager has wide latitude in making investment decisions and investors have no right or power to take part in such decisions.

Operating Deficits. The expenses of operating the Company could exceed its income. This would require that the difference be paid out of the Company's capital, reducing the Company's investments and potential for profitability.

Limited Operating History. The Company, [GAO MANAGEMENT LLC](#), has no operating and investing history upon which potential investors may evaluate past performance. The past investment performance of the Investment Manager and its principal and affiliates is not indicative of the future investment results of the Company. There can be no assurance that the Company will achieve its investment objectives.

Investment Risks

All securities investing and trading activities risk the loss of capital. While the Investment Manager will attempt to moderate these risks, there can be no assurance that the Company's investment activities will be successful or that Members will not suffer losses. An investment in the Company is suitable only for persons who have adequate means of providing for their current needs and personal contingencies and have no need for liquidity in their investments. An investment in the

Company should not be made by any person who (i) cannot afford a total loss of principal, or (ii) has not (either alone or in conjunction with a financial advisor) carefully read or does not understand, this Memorandum, including (but not limited to) the portions concerning the risks and the income tax consequences of an investment in the Company. The following discussion describes some of the more significant risks associated with the Company's proposed activities.

Overall Investment Risk. All securities investments risk the loss of capital. The nature of the securities to be purchased and traded by the Company and the investment techniques and strategies to be employed by the Investment Manager may increase this risk. While the Investment Manager will devote its best efforts to the management of the Company's portfolio, there can be no assurance that the Company will not incur losses. Many unforeseeable events, including actions by various government agencies, and domestic and international economic and political developments, may cause sharp market fluctuations that could adversely affect the Company's portfolio and performance.

Transactions in Securities. There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects of the securities in which the Company invests. The Company may lose its entire investment or may be required to accept cash or securities with a value less than the Company's original investment. Under such circumstances, the returns generated from the Company's investments may not compensate the Members adequately for the risks assumed.

Concentration of Investments. The Company is not limited with respect to the amount of capital which may be committed to any one investment. Accordingly, the Company may from time to time hold a few (or even one), relatively large (in relation to its capital) securities positions, with the result that a loss in any one position could have a more material adverse impact on the Company's capital than would a loss position in a more diversified portfolio.

Leverage. Leverage is the use of borrowed funds for investment. To the extent the Company purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, the Company's use of leverage would result in a lower rate of return than if the Company were not leveraged. If the amount of borrowings which the Company may have outstanding at any one time is large in relation to its capital, fluctuations in the market value of the Company's portfolio will have a disproportionately large effect in relation to its capital and the possibilities for profit and the risk of loss will therefore be increased. Any investment gains made with the additional monies borrowed will generally cause the value of the Company's assets to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional monies fails to cover their cost to the Company, the value of the Company's assets will generally decline faster than would otherwise be

the case. This is the speculative factor known as "leverage."

The amount of any borrowing may also be limited by regulations imposed by the Federal Reserve Board or by the availability and cost of credit. If, due to market fluctuations or other reasons, the value of the Company's assets should fall below required regulatory levels, the Company will be required to reduce its debt by selling securities in its long portfolio.

Short Selling. Short selling involves the sale of a security that the Company does not own and must borrow in order to make delivery in the hope of purchasing the same security at a later date at a lower price.

Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the Company's portfolio. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. Additionally, there can be no assurance that securities necessary to cover a short position will be available for purchase.

If the Company "shorts" securities of companies which are not deteriorating to the extent the Investment Manager believes them to be, or if the market advances or continues to advance generally, the Company is likely to experience losses from its short sales that can increase rapidly and without effective limit. Moreover, short selling is limited to securities which can be borrowed, and it may be necessary to cover short positions at an undesirable time and at high prices because stocks which were shorted can no longer be borrowed.

Illiquid Securities. A portion of the Company's assets, up to 10% or more, may from time to time be invested in securities and other financial instruments or obligations for which no market exists and/or which are restricted as to their transferability under Federal or state securities laws. Due to the absence of any trading market for these investments, the Company may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized on these sales could be less than those originally paid by the Company. Further, companies whose securities are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

Hedging Transactions. The Investment Manager is not required to attempt to hedge portfolio positions in the Company and, for various reasons, may determine not to do so. Furthermore, the Investment Manager may not anticipate a particular risk so as to hedge against it. The Company may utilize financial instruments, both for investment purposes and for risk management purposes in order to seek to: (i) protect against possible changes in the market value of the Company's investment portfolios resulting from fluctuations in the securities markets and changes in interest rates, (ii) protect the Company's unrealized gains in the value of the Company's investment portfolios, (iii) facilitate the sale of any such investments, (iv) enhance or preserve returns, spreads or gains on any investment in the Company's portfolios, (v) hedge the interest rate or currency exchange rate on any

of the Company's liabilities or assets, (vi) protect against any increase in the price of any securities the Company anticipates purchasing at a later day or (vii) for any other reason that the Investment Manager deems appropriate.

The success of any hedging strategy that the Company may employ will be subject to the Investment Manager's ability to correctly access the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Company's hedging strategy will also be subject to the Investment Manager's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While the Company may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Company than if it had not engaged in any such hedging transactions. For a variety of reasons, the Investment Manager may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the Company from achieving its intended hedge or expose the Company to risk of loss. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Company's portfolio holdings.

Foreign Securities. The Company reserves the right to invest a portion of its assets in securities of companies domiciled or operating in one or more non-U.S. countries, although at present the Company intends to invest primarily in U.S. markets. Investing in non-U.S. securities involves considerations and possible risks not typically involved in investing in securities of companies domiciled and operating in the United States, including instability of some governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, changes in governmental administration or economic or monetary policy (in the United States or abroad) or changed circumstances in dealings between nations. The application of local tax laws (e.g., the imposition of withholding taxes on dividend or interest payments) or confiscatory taxation may also affect investment in non-U.S. securities. Higher expenses may result from investment in non-U.S. securities than would from investment in domestic securities because of the costs that must be incurred in connection with conversions between various currencies and brokerage commissions that may be higher than in the United States. Non-U.S. securities markets also may be less liquid, more volatile and less subject to governmental supervision than in the United States. Such investments could be affected by other factors not present in the United States, including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

In addition, the Company's investments that are denominated in currencies other than the U.S. dollar are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political

developments. The Company may seek to hedge these risks by investing in currencies, but there can be no assurance that such strategies will be effective.

Currency and Exchange Rate Risks. The Company's assets may be invested in securities of companies denominated in currencies other than the U.S. dollar. Accordingly, a portion of the income received directly or indirectly (through the companies in which the Company will invest or by their sale) by the Company may be denominated in non-U.S. currencies. The Company nevertheless will compute and distribute its income in U.S. dollars. Since the Company may invest in securities denominated or quoted in currencies other than the U.S. dollar, changes in currency exchange rates may affect the value of the Company's portfolio and the unrealized appreciation or depreciation of investments. Further, the Company may incur costs in connection with conversions between various currencies.

The Company may enter into futures or forward contracts on currencies in U.S. and non-U.S. markets for hedging purposes. There is no certainty that instruments suitable for hedging currency shifts will be available at the time when the Company wishes to use them.

Trading Limitations. For all securities listed on public exchanges, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could subject the Company to a loss.

Small Companies. The Company may invest a substantial portion of its assets in small and/or less well-established companies. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification, and competitive strength of larger corporations. In addition, in many instances, the frequency and volume of their trading is substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations. When making large sales, the Company may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the trading volume of smaller company securities.

Loans of Portfolio Securities. The Company may from time to time lend securities from its portfolio to brokers, dealers and financial institutions and receive collateral in cash or securities believed by the Investment Manager to be equivalent to securities rated investment grade by any nationally recognized rating organization which, while the loan is outstanding, will be maintained at all times in an amount equal to at least 100% of the current market value of the loaned securities, including any accrued interest or dividend receivable. Any cash collateral received by the Company will be invested in short-term securities. The Company will retain all rights of beneficial ownership as to the loaned portfolio securities, including voting rights and rights to interest or other distributions, and will have the right to regain record ownership of loaned securities to exercise such beneficial rights. Such loans will be terminable at any time. The Company may pay finders', administrative and custodial fees to persons unaffiliated with the

Company in connection with the arranging of such loans.

Fixed-Income Investments. The value of the fixed-income securities in which the Company may invest will generally change as the general levels of interest rates fluctuate. Generally, when interest rates decline, the value of the Company's long fixed-income portfolio can be expected to rise while that of its short fixed-income portfolio can be expected to decline.

Conversely, when interest rates rise, the value of a long fixed-income portfolio can be expected to decline while that of a short fixed-income portfolio can be expected to rise.

Purchases of Securities and other Obligations of Financially Distressed Companies. The Company may purchase securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy, or other reorganization and liquidation proceedings. Acquired investments may include senior or subordinated debt securities, bank loans, promissory notes and other evidences of indebtedness, as well as payables to trade creditors. Although such purchases may result in significant returns to the Company, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these securities and investments ordinarily remain unpaid unless and until the company reorganizes and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that the Investment Manager will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a company in which the Company invests, the Company may lose its entire investment or may be required to accept cash or securities with a value less than the Company's original investment. Under such circumstances, the returns generated from the Company's investments may not compensate the Members adequately for the risks assumed.

Portfolio Turnover. The Company's annual portfolio turnover rate may vary, depending on market conditions, and at times the Company will engage in substantial short-term trading. Accordingly, the Company's annual portfolio turnover rate may range from 10% to 200% or more. (An annual portfolio turnover rate of 100% would occur, for example, if all of the investments in the Company's portfolio were replaced in a period of one year). The Company has not placed any limit on the rate of portfolio turnover and portfolio securities may be sold without regard to the time they have been held when, in the opinion of the Investment Manager, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate.

Newly Created Securities; Initial Public Offerings. The Company may invest in securities sold pursuant to initial public offerings (so-called "new issues") or securities created as a result of spin-offs, split-

offs, recapitalizations or other significant corporate events. The risk of loss associated with new issues is greater than that in connection with general securities trading. While the Investment Manager believes that new issues offer significant potential for gain, the prices of newly issued securities may not increase as expected, and in fact may decline to a significant extent. Securities created as a result of spin-offs, split-offs, recapitalizations or other corporate events have no public market prior to their initial offering or creation and there is no assurance that (i) an active public market in such securities will develop or continue after commencement of trading or (ii) that the initial public offering price or initial trading level of such securities will be indicative of the market price for such securities on a "fully-distributed" basis.

Index-Based Trading. Trading in index-based unit investment trusts and exchange-traded funds generally involves risks similar to other securities trading. Additionally, these instruments may not move in tandem with the indices upon which they are based.

Failure of Brokers and Other Depositories. There is the possibility that the institutions, including brokerage firms and banks, with which the Company will do business, or with whom securities may be entrusted for custodial purposes, will encounter financial difficulties that may impair the operational capabilities or the capital position of the Company. The Company may maintain a substantial portion of its assets in clearing accounts pursuant to clearing agreements with foreign clearing firms (including banks and brokers) and foreign affiliates of United States broker-dealers. Foreign clearing firms are generally not subject to United States laws and regulations and foreign markets may be subject to less regulation and supervision than in the United States. Transaction costs of investing in non-U.S. securities in foreign markets may be higher than in the United States and clearance procedures may be less efficient.

Company Risks

Transferability and Withdrawal Restrictions. Interests are subject to restrictions with respect to redemption, withdrawal, assignment and transfer under the Operating Agreement. Members may redeem their Interests in the Company on an annual basis following the Initial Lock-Up Period, but their rights of redemption may be suspended or delayed in certain circumstances as described herein. Members will not have the right to liquidate their investment in the Company in the event of an emergency or for any other reason. The Manager has the sole discretion to permit a withdrawal at a time other than at the end of a calendar year following the applicable lock-up period. An investment in the Company therefore provides limited liquidity.

Limited Rights of Members. Members, other than the Manager, cannot exercise any management or control functions with respect to the Company's operations, although they have limited rights and duties as set forth in the Operating Agreement.

Reserves May Affect Withdrawals. The Manager may find it necessary, from time to time, to establish a reserve for contingent liabilities. Such reserve would be an asset of the Company but would diminish the amount of capital available to Company redemptions and withdrawals.

Illiquidity of Interests. The Interests may be acquired for investment purposes only and not with a view to their resale or other distribution. The Interests will not be registered under the Securities Act in reliance on an exemption under Section 4(a)(2) of the Securities Act and

Regulation D promulgated thereunder. The Operating Agreement substantially restricts the transferability or assignability of the Interests or redemption from the Company. The Manager's consent is a condition to any transfer or assignment, and such consent is within its sole discretion. If, as a result of some change in circumstances, arising from an event not presently contemplated, a Member wishes to transfer all or part of its Interest, and even if all conditions to such a transfer are met, such Member may find no transferee for its Interest due to market conditions or the general illiquidity of the Interests.

Limitations on the Obligations of the Principals of the Manager. The principals of the Manager will devote only such time to Company matters as they, in their sole discretion, deem appropriate. The Manager will have the sole right to conduct the operations of the Company in such manner, as it deems proper. The other Members will have no such authority and will be dependent upon the judgment and skill of the Manager.

Risks Associated With the Carried Interest. The Manager is an associate of the Investment Manager. The Carried Interest could encourage the Investment Manager to make investments on behalf of the Company that are riskier or more speculative than it would if the Manager were receiving only a flat fee. Further, the Manager will receive the Carried Interest as to unrealized gains that may never be realized and will not return a Carried Interest allocated for a period in which there is a profit, even if in a subsequent period the Company does not earn a profit or suffers a loss. As a result, the Carried Interest may be greater than it would be if it were based solely on realized gains.

Effect of Substantial Withdrawals. Substantial withdrawals by Members within a short period of time could require the Company to liquidate positions more rapidly than would otherwise be desirable, possibly reducing the value of the Company's assets and/or disrupting the Investment Manager's investment strategy. Reducing the size of the Company could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Company's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Potential Mandatory Withdrawal. The Manager may, in its sole discretion at any time on written notice, require a Member to withdraw all or a portion of its Interest(s). Such mandatory redemption could result in adverse tax and/or economic consequences to such Member.

Other Risks

Tax Risks. For a discussion of income tax risks associated with an investment in the Company, see the discussion below under "Certain Federal Income Tax Considerations."

Tax Exempt Investors; Limitations on Investments. Certain

prospective Members may be subject to Federal and state laws, rules and regulations which may regulate their participation in the Company, or their engaging directly, or indirectly through an investment in the Company, in investment strategies of the types which the Company may utilize from time to time. While the Company believes its investment program is generally appropriate for tax-exempt organizations for which an investment in the Company would otherwise be suitable, each type of exempt organization may be subject to different laws, rules and regulations, and prospective Members should consult with their own advisers as to the advisability and tax consequences of an investment in the Company. In particular, exempt organizations should consider the applicability to them of the provisions relating to "unrelated business taxable income." Investments in the Company by entities subject to ERISA, and other tax-exempt entities require special consideration.

Regulatory Matters.

Investment Company Regulation. Section 3(c)(1) of the Act excludes from regulation issuers (i) whose outstanding securities are beneficially owned by not more than 100 persons, and (ii) who are not making and do not presently propose to make a public offering of their securities. The Manager believes that, by virtue of section 3(c)(1) of the Act the Company should not be deemed to be an "investment company" and, accordingly, should not be required to register as such under the Act.

Should private investment company exclusions cease to be available to the Company, the Company and the Manager could be subject to legal action by the SEC and others, possibly resulting in financial losses to the Company and the termination of the Company's business.

Private Offering Exemption. The Company intends to offer Interests on a continuing basis without registration under any securities laws in reliance on an exemption for "transactions by an issuer not involving any public offering." While the Manager believes reliance on such exemption is justified, there can be no assurance that factors such as the manner in which offers and sales are made, concurrent offerings by other companies, the scope of disclosure provided, failures to make notice filings, or changes in applicable laws, regulations, or interpretations will not cause the Company to fail to qualify for such exemption under Federal or one or more states' laws. Failure to so qualify could result in the rescission of sales of Interests at prices higher than the current value of those Interests, potentially materially and adversely affecting the Company's performance and business.

Further, even non-meritorious claims that offers and sales of Interests were not made in compliance with applicable securities laws could materially and adversely affect the Manager's ability to conduct the Company's business.

Compliance with ERISA. If the assets of the Company were to become "plan assets" subject to ERISA and Section 4975 of the Code, certain investments made or to be made by the Company in the normal course of its operations might result in non-exempt prohibited transactions and might have to be rescinded (see "Certain ERISA Considerations"). If at any time the Manager determines that assets of the Company may be deemed to be "plan assets" subject to ERISA and Section 4975 of the Code, the Manager may take certain actions it may determine to be necessary or appropriate, including requiring one or more investors to redeem or otherwise dispose of all or part of their Interests in the Company or terminating and liquidating the Company.

Other. The Company and the Manager will be subject to various other securities and similar laws and regulations that could limit some aspects of the Company's operations or subject the Company or the Manager to the risk of sanctions for noncompliance.

THE FOREGOING LISTS OF RISK FACTORS DO NOT PURPORT TO BE A COMPLETE EXPLANATION OF THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL INVESTORS MUST READ THE ENTIRE MEMORANDUM, THE OPERATING AGREEMENT AND THE SUBSCRIPTION DOCUMENTS BEFORE DETERMINING WHETHER TO INVEST IN THE COMPANY. ALL POTENTIAL INVESTORS MUST OBTAIN PROFESSIONAL GUIDANCE FROM THEIR TAX AND LEGAL ADVISERS IN EVALUATING ALL OF THE TAX IMPLICATIONS AND RISKS INVOLVED IN INVESTING IN THE COMPANY.

IRS Circular 230 Notice. To ensure compliance with requirements imposed by the IRS, we are required to inform you that any U.S. federal tax advice contained in this document is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter that is contained in this document.

ADDITIONAL INFORMATION

Each offeree and/or his or its advisor(s) will be offered an opportunity, prior to the consummation of a sale of an Interest to such offeree, to ask questions of, and receive answers from, the Manager concerning the terms and conditions of this offering and to obtain any additional information, to the extent the Manager possesses such information or can acquire it without unreasonable effort or expense, necessary to verify the accuracy of the information set forth herein

NOTICES

NOTICES FOR U.S. INVESTORS

JURISDICTIONAL NOTICES

The National Securities Markets Improvement Act (“NSMIA”) amended Section 18 of the Securities Act of 1933 to exempt from state regulation any offer or sale of covered securities exempt from registration pursuant to Commission rules or Regulations issued under Section 4(2) and 4(6) of the Securities Act of 1933. The Company claims qualification pursuant to Section 18(b)(4)(d) and/or Section 18(b)(3) of the Federal Securities Act of 1933, as amended (the “Act”) and, as such, these securities are considered to be “covered securities” pursuant to the Act.

NASAA UNIFORM LEGEND

In making an investment decision, investors must rely on their own examination of the person or entity creating the securities and the terms of this offering, including the merits and risks involved. These securities have not been recommended by federal or state securities commissions or regulatory authorities. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense. These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the securities act, and the applicable state securities laws pursuant to registration or exemption therefrom. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

BLUE SKY NOTICES

It is anticipated that the securities described herein may be offered for sale in several states. The securities blue sky laws of some of those states require that certain conditions and restrictions relating to the offering be disclosed. A description of the relevant conditions and restrictions required by the states in which the company may offer its securities for sale is set forth below, or attached.

STATE NOTICE REQUIREMENTS

NOTICE REQUIREMENTS IN STATES WHERE SHARES MAY BE SOLD ARE AS FOLLOWS:

1. For Alabama residents: these securities are offered pursuant to a claim of exemption under the Alabama securities act. A registration statement relating to these securities has not been filed with the Alabama securities commission. The commission does not recommend or endorse the purchase of any securities, nor does it pass upon the accuracy or completeness of any private placement memorandum. Any representation to the contrary is a criminal offense. The purchase price of the interest acquired by a non-accredited investor residing in the state of Alabama may not exceed 20% of the purchaser’s net worth.
2. For Alaska residents: the securities offered have not been registered with the administrator of securities of the state of Alaska under provisions of 3 AAC 08.500-3 AAC 08.506. The investor is advised that the administrator will make only a cursory review of the registration statement and has not reviewed this document since the document is not required to be filed with the administrator. The fact of registration does not mean that the administrator has passed in any way upon the merits, recommended, or approved the securities. Any representation to the contrary is a violation of a. S. 45.55.170. The investor must rely on the investor’s own examination of the person or entity creating the securities and the terms of the offering, including the merits and risks involved, in making an investment decision on these securities.
3. For Arizona residents: the securities offered have not been registered under the securities act of Arizona, as amended, and are offered in reliance upon an exemption from registration pursuant to A.R.S. section 44-1844(1). The securities cannot be resold unless registered under the act or pursuant to an exemption from registration.
4. For Arkansas residents: these securities are offered pursuant to a claim of exemption under section 14(b)(14) of the Arkansas securities act and section 4(2) of the securities act of 1933. A registration statement relating to these securities has not been filed with the Arkansas securities department or with the Securities and Exchange Commission. Neither the department nor the commission has passed upon the value of these securities, made any recommendations as to their purchase, approved or disapproved the offering, or passed upon the adequacy or accuracy of this memorandum. Any representation to the contrary is unlawful. The purchase price of the interest acquired by an unaccredited investor residing in the state of Arkansas may not exceed 20% of the purchaser’s net worth.
5. For California residents: these securities have not been registered under the securities act of 1933, as amended, or the California corporations code, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.
6. For Colorado residents: these securities have not been registered under the securities act of 1933, as amended, or the Colorado securities act of 1981, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

7. For Connecticut residents: these securities have not been registered under section 36-485 of the Connecticut uniform securities act and therefore cannot be resold unless they are registered under such act or unless an exemption from registration is available. Connecticut has adopted the accredited investor exemption. A single form must be filed within 15 days after the first sale in the state.

8. For Delaware residents: these securities have not been registered under the Delaware securities act and are offered pursuant to a claim of exemption under section 7309(b)(9) of the Delaware securities act and rule 9(b)(9)(11) thereunder. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered under the act or an exemption is available.

9. For District of Columbia residents: these securities have not been registered under the District of Columbia securities act since such act does not require registration of securities issues. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

10. For Florida residents: these securities have not been registered under the securities act of 1933, as amended, or the Florida securities act, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or exemption from registration is available.

The securities referred to herein will be sold to, and acquired by, the holder in a transaction exempt under section 517.061 of the Florida securities act. The Shares have not been registered under said act in the state of Florida. In addition, all Florida residents shall have the privilege of voiding the purchase within three (3) days after the first tender of consideration is made by such purchaser to the issuer, an agent of the issuer, or an escrow agent or within three (3) days after the availability of that privilege is communicated to said purchaser, whichever occurs later.

11. For Georgia residents: these securities have not been registered under securities act of 1933, as amended, or section 10-5-5 of the Georgia securities act of 1973 and are being sold in reliance upon exemption s therefrom. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available. The investment is suitable if it does not exceed 20% of the investor's net worth.

12. For Hawaii residents: these securities have not been registered under the securities act of 1933, as amended, or the Hawaii uniform securities act (modified), by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

13. For Idaho residents: these securities have not been registered under the Idaho securities act (the "act") and may be transferred or resold by residents of Idaho only if registered pursuant to the provisions of the act or if an exemption from registration is available. The investment is suitable if it does not exceed 10% of the investor's net worth.

14. For Illinois residents: these securities have not been approved or disapproved by the secretary of state of Illinois or the state of Illinois, nor has the secretary of state of Illinois or the state of Illinois passed upon the accuracy or adequacy of this memorandum. Any representation to the contrary is a criminal offense.

15. For Indiana residents: these securities have not been registered under section 3 of the Indiana blue sky law and are offered pursuant to an exemption pursuant to section 23-2-1-2(b)(10) thereof and may be transferred or resold only if subsequently registered or if an exemption from registration is available. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time. Indiana requires investor suitably standards of a net worth (exclusive of home, furnishings, and automobiles) of three times the investment but not less than \$75,000 or a net worth (exclusive of home, furnishings, and automobiles) of twice the investment but not less than \$30,000 and gross income of \$30,000.

16. For Iowa residents: these securities have not been registered under the Iowa uniform securities act (the "act") and are offered pursuant to a claim of exemption under section 502.203(9) of the act requiring sales to accredited investors only. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

17. For Kansas residents: these securities have not been registered under the securities act of 1933, as amended, or the Kansas securities act, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

18. For Kentucky residents: these securities have not been registered under the securities act of 1933, as amended, or the securities act of Kentucky, by reason of specific exemptions thereunder relating to an exemption for accredited investors. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

19. For Louisiana residents: these securities have not been registered under the securities act of 1933, as amended, or the Louisiana securities law, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available. The investment is suitable if it does not exceed 25% of the investor's net worth.

20. For Maine residents: these securities are being sold pursuant to an exemption from registration with the bank superintendent of the state of Maine under section 10502(2)(r) of title 32 of the Maine revised statutes. These securities may be deemed restricted securities and as such the holder may not be able to resell the securities unless pursuant to registration under state or federal securities laws or unless an exemption under such laws exists.

21. For Maryland residents: these securities have not been registered under the securities act of 1933, as amended, or the Maryland securities act, by reason of specific exemptions thereunder relating to an exemption for accredited investors. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

22. For Massachusetts residents: these securities have not been registered under the securities act of 1933, as amended, or the Massachusetts uniform securities act, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

23. For Michigan residents: these securities have not been registered under section 451.701 of the Michigan uniform securities act (the “act”) and may be transferred or resold by residents of Michigan only if registered pursuant to the provisions of the act or if an exemption from registration is available. The investment is suitable if it does not exceed 10% of the investor’s net worth.

24. For Minnesota residents: the securities represented by this memorandum have not been registered under chapter 80a of the Minnesota securities laws and may not be sold, transferred, or not otherwise disposed of except pursuant to registration or an exemption therefrom.

25. For Mississippi residents: the securities, if offered, must be offered pursuant to a certificate of registration issued by the secretary of state of Mississippi pursuant to rule 477, which provides a limited registration procedure for certain offerings. The secretary of state does not recommend or endorse the purchase of any securities, nor does the secretary of state pass upon the truth, merits, or completeness of any offering memorandum filed with the secretary of state, any representation to the contrary is a criminal offense.

26. For Missouri residents: these securities have not been registered under the securities act of 1933, as amended, or the Missouri uniform securities act, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

27. For Montana residents: these securities have not been registered under the securities act of 1933, as amended, or the securities act of Montana, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

28. For Nebraska residents: these securities have not been registered under the securities act of 1933, as amended, or the securities act of Nebraska, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

29. For Nevada residents: these securities have not been registered under the securities act of 1933, as amended, or the Nevada securities act, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

30. For New Hampshire residents: these securities have not been registered under the securities act of 1933, as amended, or the New Hampshire uniform securities act, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available. The investment is suitable if it does not exceed 10% of the investor’s net worth.

31. For New Jersey residents: the attorney general of the state of New Jersey has not passed on or endorsed the merits of this offering. Nor has this document reflecting the within offering been filed with the bureau of securities or the department of law and public safety of the state of New Jersey. Any representation to the contrary is unlawful.

32. For New Mexico residents: these securities have not been approved or

disapproved by the securities bureau of the New Mexico department of regulation and licensing, nor has the securities bureau passed upon the accuracy or adequacy of this memorandum, any representation to the contrary is a criminal offense.

33. For New York residents: these securities have not been registered under the securities act of 1933, as amended, or the New York fraudulent practices (“martin”) act, by reason of specific exemptions thereunder relating to the limited availability, or otherwise disposed of to any person or entity unless subsequently registered under the securities act of 1933, as amended, or the New York fraudulent practices (“martin”) act, if such registration is required. This private offering memorandum has not been filed with or reviewed by the attorney general prior to its issuance and use. The attorney general of the state of New York has not passed on or endorsed the merits of this offering. Any representation to the contrary is unlawful. Purchase of these securities involves a high degree of risk. This private offering memorandum does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading; it contains a fair summary of the material terms of documents purported to be summarized herein.

34. For North Carolina residents: these securities have not been approved or disapproved by the Securities and Exchange Commission nor has the Securities and Exchange Commission or any state securities commission passed on the accuracy or adequacy of this memorandum. Any representation to the contrary is a criminal offense. In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including merits and risks involved. The securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or adequacy of this document. Any representation to the contrary is a criminal offense. The securities are subject to restrictions or transferability and resale and may not be transferred or sold except as permitted under the securities act of 1933, as amended, and the applicable statute securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time. All purchasers must be purchasing for investment.

35. For North Dakota residents: these securities have not been approved or disapproved by the securities commissioner of the state of North Dakota nor has the commissioner passed upon the accuracy or adequacy of this memorandum. Any representation to the contrary is a criminal offense.

36. For Ohio residents: these securities have not been registered under the securities act of 1933, as amended, or the Ohio securities act, by reason of specific exemptions thereunder relating limitations in who may purchase those securities offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

37. For Oklahoma residents: the securities represented by this certificate have not been registered under the securities act of 1933, as amended, or the Oklahoma securities act. The securities have been acquired for investment and may not be sold or transferred for value in the absence of an effective registration of them under the securities act of 1933, as amended, and/or the Oklahoma securities act, or an opinion of counsel satisfactory to the issuer that such registration is not required under such act or acts.

38. For Oregon residents: the securities offered have not been registered with the corporation commissioner of the state of Oregon under provisions of oar 815 divisions 36. This document is not required to be filed with the commissioner. The investor must rely on the investor’s own examination of the company creating the securities and the terms of the offering, including

the merits and risks involved in making an investment decision on these securities.

39. For Pennsylvania residents: the Shares offered hereby have not been registered under section 201 of the Pennsylvania securities act of 1972 (the “act”) and may be resold by residents of Pennsylvania only if registered pursuant to the provisions of that act or if an exemption from registration is available. Each person who accepts an offer to purchase securities exempted from registration by section 203(d),(f),(p), or (r), directly from an issuer or affiliate of an issuer, shall have the right to withdraw his acceptance without incurring any liability to the seller, underwriter (if any), or any other person within two business days from the date of receipt by the issuer of his written binding contract of purchase or, in the case of a transaction in which there is no written binding contract of purchase, within two business days after he/she makes the initial payment for the securities being offered. Neither the Pennsylvania securities commission nor any other agency has passed on or endorsed the merits of this offering, and any representation to the contrary is unlawful.

40. For Rhode Island residents: these securities have not been registered under the securities act of 1933, as amended, or the blue sky law of Rhode Island, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

41. For South Carolina residents: in making an investment decision, investors must rely on their own examinations of the person or entity creating the securities and terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense. These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the securities act of 1933, as amended, and the applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time.

42. For South Dakota residents: these securities have not been registered under chapter 47-31 of the South Dakota securities laws and may not be sold, transferred, or otherwise disposed of for value except pursuant to registration, exemption therefrom, or operation of law. Each South Dakota resident purchasing one or more Shares must warrant that he has either (1) minimum net worth (exclusive of home, furnishings and automobiles) of \$30,000 and a minimum annual gross income of \$30,000 or (2) a minimum net worth (exclusive of home, furnishings and automobiles) of \$75,000. Additionally, each investor who is not an accredited investor or who is an accredited investor solely by reason of his net worth, income or amount of investment, shall not make an investment in the program in excess of 20% of his net worth (exclusive of home, furnishings and automobiles).

43. For Tennessee residents: these securities have not been registered under the securities act of 1933, as amended, or the Tennessee securities act of 1980, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

44. For Texas residents: these securities have not been registered under the securities act of 1933, as amended, or the Texas securities act, by reason of specific exemptions thereunder relating to the limited availability of the

offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available. The investment is suitable if it does not exceed 10% of the investor’s net worth.

45. For Utah residents: these securities have not been registered under the securities act of 1933, as amended, or the Utah uniform securities act, by reason of specific exemptions thereunder relating to the limited liability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

46. For Vermont residents: these securities have not been registered under the securities act of 1933, as amended, or the Vermont securities act, by reason of specific exemptions hereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

47. For Virginia residents: these securities have not been registered under the securities act of 1933, as amended, or the Virginia securities act, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

48. For Washington residents: this offering has not been reviewed or approved by the Washington securities administrator, and the securities offered have not been registered under the securities act (the “act”) of Washington chapter 21.20 RCW and may be transferred or resold by residents of Washington only if registered pursuant to the provisions of the act or if an exemption from registration is available. The investor must rely on the investor’s own examination of the person or entity creating the securities and the terms of the offering, including the merits and risks involved, in making an investment decision on these securities.

49. For west Virginia residents: these securities have not been registered under the securities act of 1933, as amended, or the west Virginia uniform securities act, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

50. For Wisconsin residents: these securities have not been registered under the securities act of 1933, as amended, or the Wisconsin uniform securities law, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available.

51. For Wyoming residents: these securities have not been registered under the securities act of 1933, as amended, or the Wyoming uniform securities act, by reason of specific exemptions thereunder relating to the limited availability of the offering. These securities cannot be sold, transferred, or otherwise disposed of to any person or entity unless they are subsequently registered or an exemption from registration is available. Wyoming requires investor suitability standards of \$250,000 net worth (exclusive of home, furnishings, and automobiles), and an investment that does not exceed 20% of the investor’s net worth.

ATTACHEMENTS

Subscription Agreement

Operating Agreement (available upon request)

SUBSCRIPTION AGREEMENT