

## **BROCHURE OF**

# **MYDA ADVISORS LLC**

A New York limited liability company registered with the U.S. Securities and Exchange  
Commission as an Investment Adviser  
CRD# 168658

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1067 Broadway, Suite A  
Woodmere, NY 11598

Tuesday, March 14, 2023

**THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF MYDA ADVISORS LLC (“MYDA” or the “Firm”). IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (516) 400-9757. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AUTHORITY. REGISTRATION AS AN INVESTMENT ADVISER DOES NOT IMPLY A LEVEL OF SKILL OR TRAINING.**

**ADDITIONAL INFORMATION ABOUT MYDA ADVISORS LLC ALSO IS AVAILABLE ON THE SEC’S WEBSITE AT [WWW.ADVISERINFO.SEC.GOV](http://WWW.ADVISERINFO.SEC.GOV).**

The delivery of this brochure (the “Brochure”) at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above. This Brochure will supersede all other documents containing information about Firm.

## **Item 2. MATERIAL CHANGES**

MYDA Advisors LLC last filed an other-than-annual updating amendment on January 11, 2023 to update the change of address for the Firm's office. This Brochure includes material updates in Item 4 to reflect the Firm's regulatory assets under management as of 12.31.2022 as well as an update to Items 12 and 14 related to investor referrals.

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#### **Item 4. ADVISORY BUSINESS**

MYDA Advisors LLC (the “Firm”) is a New York limited liability company, which was formed on June 30, 2010. The Firm is a U.S. Securities and Exchange Commission (“SEC”) registered investment adviser. The Firm’s Managing Member and majority owner is Mr. Jason Lieber.

The Firm currently provides investment management services to three fund structures, and a private fund. The Firm also offers investment advisory services on a discretionary basis through a separately managed account (“SMA”) and a sub-advisory relationship with a separate private fund (“Sub-Advised Account”). MYDA Advantage Ltd., along with MYDA Advantage, L.P., comprise the feeder and master funds, respectively, in one fund structure (collectively “MYDA Advantage”) and MYDA Capital Ltd., along with MYDA Capital L.P. comprise the feeder and master funds, respectively, of the second fund structure (collectively “MYDA Capital”). MYDA SPAC Select, L.P., along with MYDA SPAC Select Ltd., comprise the feeder and master funds, respectively, in the third fund structure (collectively “MYDA SPAC Select”). The Firm also provides investment management services to MYDA Short Term Strategy, LP (“MYDA Short Term”). (collectively, MYDA Advantage, MYDA Capital, MYDA Short Term, and MYDA SPAC Select are referred to as the “Funds”) (the Funds, SMA and Sub-Advised Account are collectively referred to as “Clients”). Each of the Funds is a private investment vehicle, that are offered exclusively to sophisticated investors. Investors in MYDA Advantage are qualified purchasers (as promulgated under the Investment Advisers Act of 1940, as amended) (the “Advisers Act”) and investors in MYDA Capital, MYDA Short Term, and MYDA SPAC Select are accredited investors (as defined under the Advisers Act). The SMA and Sub-Advised Account may utilize similar investment strategies as the Funds, however, they may be tailored to different objectives and may impose certain restrictions on investing in particular securities or types of securities. In all cases, such negotiated terms shall be described in detail in each SMA or Sub-Advised Account client’s investment management agreement (“IMA”) or Sub-Advisory Agreement. The specific investment objectives of the Clients are set forth in the relevant offering documents. In general, the Firm’s objective is to identify companies that it believes are growing faster than average with upside to their valuations and overvalued companies that the Firm believes will experience a slowdown in revenue and/or growth. The Firm does not hold itself out as specializing in a particular type of advisory service.

As of December 31, 2022, the Firm managed \$492,554,168 of regulatory assets under management on a discretionary basis and \$0 on a non-discretionary basis.

The information below is intended to serve as a summary of the advisory services provided by MYDA to its clients, including the Funds. This information is both supplemented and superseded by information in the private fund offering documents for each Fund. Investors in the Funds should carefully review both this form ADV and the offering documents for the Funds prior to investing.

#### **Item 5. FEES AND COMPENSATION**

The relevant offering documents of the Funds fully disclose the terms of the compensation collected by the Firm on behalf of the Funds. In general, the Firm usually charges its Clients a management fee. For example, the management fee charged to MYDA Advantage and MYDA Capital is equal to 0.5% (2.0% annualized) of their respective beginning quarterly or annualized

Net Asset Values. Regarding the SMA and Sub-Advised Account, each IMA or Sub-Advisory Agreement with the Firm will define the management fees applicable to such account. Such SMA or Sub-Advised Account fees are negotiable and may be charged monthly, quarterly, annually or in arrears. Management fees typically are charged quarterly or annually in advance at the end of each applicable quarter or year based on the Client's market value at such relevant period.

Clients may have applicable fees deducted directly by the Firm from such Client's account. SMA and Sub-Advised Accounts may choose whether the Firm directly deducts fees from their account or if fees are billed separately. In all cases, such negotiated terms shall be described in detail in each respective IMA or Sub-Advisory Agreement.

Currently, no supervised person of the Firm accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

The Firm may, in its sole discretion, waive, reduce, or rebate all or a portion of the management fee for investors, including, without limitation, principals, employees, or affiliates of the Firm,

### **Other Costs**

Clients also may incur third-party brokerage commission and other transaction costs, as explained in further detail in the **Brokerage Practices** section below. Additional third-party costs related mainly to custody, audit, administration, legal advice, tax advice and preparation, banking services, and research and consulting shall also apply for investors in the Funds and/or independent funds selected by the Firm. The fees associated with independent funds are in addition to any fees charged by the Firm as described herein. In some cases, the Funds may also be billed to reimburse the Firm for certain transaction-related travel expenses. In all cases, details concerning applicable fees and expenses are set forth in each Client's offering documents.

### **Item 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

In addition to the above management fees, the Firm shall charge an incentive allocation or performance fee ("Performance-Based Compensation"). For example, MYDA Advantage investors pay Performance-Based Compensation calculated and assessed separately with respect to each series of shares, equal to 20% of the appreciation of the Net Asset Value of a series of shares (after deduction of all expenses, including the Management Fee) in excess of its Prior High NAV (as defined below) (in each case, adjusted for subscriptions and redemptions). The specific terms of such Performance-Based Compensation are set forth in MYDA Advantage's offering documents. Performance-Based Compensation may be subject to hurdle rates and high-water marks. Each IMA or Sub-Advisory Agreement with the Firm will define the terms of any Performance-Based Compensation applicable to such account.

As the Firm offers advisory services to Clients for which it may charge Performance-Based Compensation, the Firm has an incentive to favor those Clients for which it receives Performance-Based Compensation as it would receive a greater profit from these Clients. Therefore, the Firm has an incentive to allocate investments that are expected to be more profitable to Clients from which it collects Performance-Based Compensation, on the one hand, and that are riskier on the

other hand, since in both scenarios, the Firm may receive greater fees if the investment generates a positive return. Notwithstanding the foregoing, the Firm does not favor Clients that pay Performance-Based Compensation. The Firm does not represent that the amount of Performance-Based Compensation or the manner of its calculation is consistent with other performance-related fees charged by other investment advisers under the same or similar circumstances. The Performance-Based Compensation by the Firm may be higher or lower than such fees charged by other investment advisers for the same or similar services. As described above, the Incentive Allocation or performance fee may create an incentive for the Firm to make investments that are riskier or more speculative than would be the case in the absence of such fees. With respect to the Incentive Allocation or performance fee collected, the Firm may receive increased compensation with regard to unrealized appreciation as well as realized gains in the Client's account.

## **Item 7. TYPES OF CLIENTS**

As discussed in the **Advisory Business** section above, the Firm currently provides investment management services primarily to the Funds, which in turn are offered exclusively to sophisticated investors. The Firm also intends to offer investment management services to sophisticated investors on a discretionary basis through SMAs or Sub-Advised Accounts. In particular, the Firm intends to manage separate institutional and individual client accounts on a discretionary basis, as stated above. Although the Firm generally seeks minimum account commitments from its investors in the Funds of U.S. \$250,000, some Funds may be subject to higher minimums, it can waive such minimums in its discretion. Minimums for SMAs and Sub-Advised Accounts will be subject to negotiation.

## **Item 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

The investment strategy employed by the Firm has its own set of risks, but in all cases, the Firm's strategies involve a risk of loss that clients should understand and be prepared to bear.

The Firm shall provide investment management services to Funds and may also manage other accounts and/or establish other private investment funds in the future.

The investment objective of the Firm is to identify companies that it believes are growing faster than average with upside to their valuations and overvalued companies that it believes will experience a slowdown in revenue and/or growth. The Firm will typically establish core positions which are initiated with a medium-term focus of 3 – 6 months. While the Firm's primary objective is to identify strong and weak companies and not to guess where the market is heading, it may establish either a long or short bias, and that bias will determine if the Client's portfolio is long, short or neutral. The Firm will employ shorter term trading and option strategies when it believes it is opportune to increase investment performance. The Firm intends to utilize significant amounts of leverage, with respect to certain Client accounts, as part of its investment strategy in an effort to enhance investor returns, which could cause Client investment results to be more volatile.

An investment in the Funds also involve a number of material risks, including, but not limited to: the lack of a liquid public market for interests of the Funds; restrictions on the ability of investors in the Funds to withdraw or redeem their capital; and the ability of the Firm and its investment professionals to correctly identify and assess good investment opportunities, particularly given the often early stage of development of the businesses invested in, their frequent need for additional capital and the often rapidly shifting dynamics and intense competition that characterize the industries in which they operate.

A more complete discussion of the investment strategy and the risks involved is contained in the relevant private placement memorandum for each Fund and should be read by prospective investors carefully. SMAs and Sub-Advised Accounts should refer to the risks set forth in their respective IMA or Sub-Advisory Agreement. The Firm's investment strategy involves a risk of loss that investors should understand and be prepared to bear.

## **Risk Factors**

***Purchases of Securities and Other Obligations of Financially Distressed Companies.*** The Firm may invest in securities and other obligations of companies that are experiencing significant financial or business distress. Acquired investments may include senior or subordinated debt securities, bank loans, promissory notes and other evidences of indebtedness, as well as accounts payable to trade creditors. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable 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 Firm 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 a Client invests, a Client may lose its entire investment or may be required to accept cash or securities with a value less than the Client's original investment. Under such circumstances, the returns generated from the Client's investments may not compensate adequately for the risks assumed.

***Speculative Purchases of Securities.*** The Firm may also make certain speculative purchases of securities. Such purchases may include securities which The Firm believes to be undervalued, or where a significant position in the securities of the particular company has been taken by one or more other persons or where other companies in the same or a related industry have been the subject of acquisition attempts. There can be no assurance that securities which The Firm believes to be undervalued are in fact undervalued. Nor can there be any assurances that undervalued securities will increase in value. If the Firm purchases securities in anticipation of an acquisition attempt or reorganization, and an acquisition attempt or reorganization does not in fact occur, The Firm may sell the securities at a substantial loss. Further, when securities are purchased in anticipation of an acquisition attempt or reorganization, a substantial period of time may elapse between The Firm's purchase of the securities and the acquisition attempt or reorganization.

***Credit and Counterparty Risk.*** This is the risk that the issuer or guarantor of a fixed-income security will be unable or unwilling to make timely principal and interest payments, or to otherwise honor its obligations. Credit risk associated with investments in fixed-income securities relates to

the ability of the issuer to make scheduled payments of principal and interest on an obligation. Investors in fixed income securities are subject to varying degrees of risk that the issuers of the securities will have their credit ratings downgraded or will default, potentially reducing an account's value and income level. Nearly all fixed income securities are subject to some credit risk, which may vary depending upon whether the issuers of the securities are corporations, domestic, or foreign governments, or their subdivisions or instrumentalities.

***Equity Securities.*** Market prices of equity securities generally, and of certain companies' equity securities more particularly, frequently are subject to greater volatility than prices of fixed income securities. Market prices of equity securities as a group have dropped dramatically in a short period of time on several occasions in the past, and are likely to do so again in the future. In addition, actual and perceived accounting irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities or which are the subject of rumors of accounting irregularities. Common stock and similar equity securities generally represent the most junior position in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends, only if and to the extent declared by the governing body of the issuer, out of income or other assets available after making interest, dividend and any other required payments on more senior securities of the issuer.

***Special Purpose Acquisition Company ("SPAC") Investments.*** The Firm invests in SPACs and their related securities. SPACs are companies that may be unseasoned and lack trading or operational history, a track record of reporting to investors, and widely available research coverage. SPACs may be purchased through initial public offerings which are often subject to extreme price volatility and speculative trading. Because SPACs have no operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable acquisition. There is no guarantee that the SPACs in which the Fund invests will complete an acquisition or that any acquisitions that are completed will be profitable.

***Hedging Transactions.*** The Firm may employ certain hedging techniques, directed primarily toward general market risks. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus, moderating the decline in the portfolio positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio position should increase. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary. Moreover, for a variety of reasons, the Firm may not seek or be able to establish a sufficiently accurate correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a Client from achieving the intended hedge or expose a Client to risk of loss. Hedging may be employed to limit certain market risks and credit risks. As a general matter, a Client's portfolio will still be exposed to basic event risk and other risks attendant to its investment strategy, which risks will not be generally hedged.



***Concentration of Investments.*** While the Firm currently intends to adhere to its risk control and management guidelines, the Firm may concentrate its positions. Certain Clients are not subject to any formal policies regarding diversification and may sometimes concentrate its portfolio holdings in industries, geographic regions or companies which, in light of investment considerations, market risks and other factors, the Firm believes will provide the best opportunity for attractive risk-adjusted returns. The concentration of a Client's portfolio in a small number of issuers or in any one industry would subject such a Client to a greater degree of risk with respect to the failure of one or a few issuers or with respect to economic downturns in relation to such industry.

***Highly Competitive Market for Investments.*** The business of identifying, negotiating, acquiring, monitoring, managing and selling investments is highly competitive, and involves a high degree of uncertainty. The Firm will encounter competition from other persons or entities with similar investment objectives. These competitors include other investment partnerships and corporations, small business investment companies, large industrial and financial companies investing directly or through affiliates, foreign investors of various types and individuals.

***Temporary Defensive Investments.*** In times of unusual or adverse conditions, for temporary defensive purposes, the Firm may invest outside the scope of its principal investment focus. Under such conditions, the Firm may invest without limit in money market and other investments and may not invest in accordance with a particular Client's investment objectives or investment strategies and, as a result, may not achieve its investment objectives.

***Options on Securities.*** Options trading is speculative and involves a high degree of risk. The leverage offered by trading in options could cause the value of a Client portfolio to be subject to more frequent and wider fluctuations than would be the case if the Firm did not invest in options. If the Firm purchases a put or call option, it may lose the entire premium paid. If the Firm writes a "naked" put or call option, it may incur unlimited losses (in the case of a call option) or losses limited to the strike price of the option (in the case of a put option). If the Firm writes a covered put or call option, the Firm will limit its opportunity to profit from an increase (in the case of calls) or decrease (in the case of puts) in the market value of the underlying security.

***Short Sales.*** The Firm may sell securities short. Selling securities short runs the risk of losing an amount greater than the amount invested. Theoretically, short selling may be subject to the unlimited risk of loss because there may be no limit on how much the price of a security may appreciate before the short position is closed out. In addition, the supply of securities which can be borrowed fluctuates from time to time. Clients may be subject to losses if a security lender demands return of the lent securities and an alternative lending source cannot be found or if the Firm is otherwise unable to borrow securities which are necessary to hedge its positions.

***Cybersecurity Risks.*** The Firm's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the Firm has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended

periods of time or cease to function properly, the Firm may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Firm's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Firm's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of the Firm's information, technology or security systems could have an adverse impact on its ability to manage the private investment funds and separately managed accounts referred to herein.

***General Risk Factors Related to Investing in Private Funds.*** An investment in a private fund, including the Funds, is speculative and involves a high degree of risk, which each investor must carefully consider. Returns generated from an investment in a private fund may not adequately compensate investors for the business and financial risks assumed. An investor may lose all or a substantial amount of his, her or its investment. While private funds are subject to market risks common to other types of investments, including market volatility, hedge funds employ certain trading techniques, such as the use of leveraging and other speculative investment practices that may increase the risk of investment loss. Other risks associated with private fund investments include, but are not limited to, the fact that the private funds:

- can be highly illiquid;
- are not required to provide periodic pricing or valuation information to investors;
- may involve complex tax structures and delays in distributing important tax information;
- are not subject to the same regulatory requirements as mutual funds;
- often charge higher fees and the high fees may offset the fund's trading profits;
- can have performance that is volatile;
- may have a manager who has total trading authority over the fund and the use of a single adviser applying generally similar trading programs, which could mean a lack of diversification and, consequentially, higher risk;
- may not have a secondary market for an investor's interest in a private fund and none may be expected to develop; and
- may have restrictions on transferring interests in a private fund.

***Investing in Restricted Securities and Private Equity.*** The Firm intends to invest certain assets directly or indirectly in privately-owned companies. Until such time as a portfolio company becomes a public company, such portfolio will be comprised of non-marketable securities and non-public companies. Any such securities or other acquired interests will generally have restrictions on resale and, even in the absence of such restrictions, may not be marketable. In addition, the ability to profit from many of such investments will be highly dependent upon the ability of a portfolio company to progress in its development to the point where it has a number of exit options. Numerous factors may impede or prevent a company from reaching this point, including inadequate capital, unfavorable competitive developments, inadequate management or loss of key persons, technology obsolescence, and lack of market acceptance. Such portfolio

companies may face significant capital shortfalls for a wide variety of reasons. Product development, modernization of technology or acquisition and integration of a new unit or subsidiary may prove more expensive or take more time than anticipated and the growth in revenues may be slower than expected. In any such event, investors may be asked to provide additional capital. If such investor is unable or refuses to provide the additional capital, the applicable portfolio company may obtain the needed funds from another source, diluting existing investor's earlier investment. Alternatively, the inability of a portfolio company to obtain the needed financing may result in the failure of such company and a loss of the investment. While a fund may have an advisory role in the portfolio companies in which it makes private equity investments, it will generally be dependent upon the management of such companies to manage such companies in a manner that allows it to capitalize upon its investment. In addition, other owners with controlling interests in such investments may be able to take actions which adversely affect the value of the investment or the interest therein.

***The foregoing list of risk factors does not purport to be a complete analysis or explanation of the risks associated with the Firm's investment strategies and, as applicable, with an investment in the Funds, SMAs or Sub-Advised Accounts. Prospective investors should read the Fund's offering memorandum and governing documents, SMA's IMA or Sub-Advised Account's Sub-Advisory Agreement for a more detailed list of risk factors and consult with their own advisors before deciding whether to invest.***

#### **Item 9. DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor or potential investor's evaluation of MYDA or the integrity of MYDA's management. MYDA has no disciplinary information to disclose.

#### **Item 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither the Firm nor its affiliates have an existing or pending application with a broker-dealer or a registered representative of a broker-dealer. The Firm has no existing or pending application with a Futures Commission Merchant (FCM), Commodity Pool Operator (CPO), or Commodity Trading Advisor (CTA).

The Firm has sponsored the Funds and serves as their investment adviser. MYDA SPAC Select GP, LLC, an affiliate of the Firm, serves as the general partner to MYDA SPAC Select, L.P. MYDA Capital GP LLC, an affiliate of the Firm, serves as the General Partner to MYDA Advantage, L.P., MYDA Capital L.P., and MYDA Short Term Strategy LP.

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

In recognition of the Firm's fiduciary obligations to its Clients and the Firm's desire to maintain its high ethical standards, the Firm has adopted a Code of Ethics ("Code of Ethics") pursuant to Rule 204A-1 under the Advisers Act which sets forth, among other things, policies and procedures governing employees' personal securities transactions, the giving and receipt of gifts and entertainment (including to government, union and pension representatives), political contributions, outside activities, and the treatment of confidential information (including material non-public information). The Code of Ethics establishes a standard of conduct expected of all the Firm employees and is designed to foster compliance with applicable law and regulatory requirements, and to promote a culture of high ethical standards.

### **Personal Trading**

The Firm employees may, on a limited basis, purchase or sell for themselves securities that Clients also hold or may acquire. In addition, Clients may, on a limited basis, purchase and sell securities of an issuer in which employees of the Firm also have a position or interest. The Firm employees are required to seek pre-approval for all personal investments other than investments in certain non-reportable securities in order to prevent the existence of, or appearance of any potential or actual conflicts of interest in this respect. The Code of Ethics requires employees to report personal transactions on a periodic basis, submit initial and annual personal account holdings reports, and certify their compliance with the Code of Ethics on an annual basis. The Firm monitors adherence to this policy by periodically reviewing employee account statements.

### **Gifts and Entertainment**

The Code of Ethics prohibits the Firm employees from giving a gift to, receiving a gift from, or giving or accepting entertainment to or from certain third parties if such gift or entertainment is not of de-minimis value or it deemed likely to compromise the independence of its recipient or his/her judgment and is likely to cast doubts over his/her integrity or to seem disproportionate to the business relationship. Certain limits, reporting requirements and prohibitions have been established with respect to giving and the receipt of gifts above certain thresholds.

### **Political Contributions**

The Firm places restrictions on political contributions by the firm and its employees. Political contributions are permitted only in compliance with SEC Rule 206(4)-5 under the Advisers Act (relating to pay-to-play activities) and corresponding local laws and regulations. The Firm employees are required to pre-clear all political contributions.

### **Outside Activities**

The Firm employees are encouraged to engage in worthy activities for their community or personal development. Such activities, however, should not impair the working efficiency or responsibilities of the individual. The Firm employees may from time to time be asked to serve as a director, adviser, consultant, or employee or engage in other forms of participation in other companies or organizations. Because such commitments may involve substantial responsibilities,

or they may present actual or apparent conflicts of interest, the Firm employees are required to obtain written approval prior to accepting such positions.

### **Insider Trading/Material Non-Public Information**

The Firm maintains an Insider Trading Policy that includes policies and procedures that are designed to detect and prevent the misuse of material, non-public information by the Firm and its officers, directors and employees. In accordance with these policies, to prevent trading of public securities based on material, non-public information, the Firm maintains, and updates as needed, a “restricted” securities list of companies about which the Firm employees have material, non-public information. The Firm has a separate privacy policy designed to protect the security, confidentiality, and integrity of private information of the Firm, its Clients and investors in its Funds.

### **Interests in Client Transactions**

The Firm and/or affiliates of the Firm may have an interest in one or more of the Funds. In addition, certain members, directors, officers and employees of the Firm and its affiliates are permitted to own, buy and/or sell interests in the Funds. Subject to internal compliance policies and approval procedures designed to address any conflicts of interest that may arise, the Firm may engage, from time to time, in personal trading of securities and other financial instruments, including securities and financial instruments in which a Client may invest. Please refer to the Firm’s Code of Ethics for a full description of the policies and procedures the Firm has implemented in order to address these and other conflicts of interest.

The Firm will provide a copy of the Code of Ethics to any current or prospective Client upon request.

### **Item 12. BROKERAGE PRACTICES**

The Firm has sole discretion to determine, subject to each Client’s investment objectives, policies and strategies, the securities to be purchased and sold and in what amounts, the brokers, dealers or other counterparties to use in effecting transactions and the commission rates (or mark-ups or mark-downs), if any, to be paid for such transactions. In selecting brokers, dealers and counterparties, the Firm will seek to obtain “best execution” by attempting to ensure that the total cost or proceeds of any transaction for a Client is the most favorable under the circumstances. Consistent with such duty to obtain best execution, the Firm takes into account the full range and quality of a broker-dealer’s services, including research and other services (including capital introduction services) that benefit Clients.

The full range of brokerage services applicable in a particular transaction may be considered when selecting a broker, dealer or other counterparty, which may include, but is not limited to the:

- ability of the broker/dealer to minimize costs associated with implementing investment decisions;
- communication links between the broker/dealer and the Firm;
- adequacy of the information provided to the Firm by the broker/dealer;
- accommodation of special needs by the broker/dealer;
- broker/dealer commission rates;
- the availability, as well as the quality and suitability, of electronic trading platforms and algorithms;
- administrative ability (including settlement processing);
- responsiveness of the broker/dealer;
- financial strength, reputation and stability of the broker/dealer;
- ability of the broker/dealer to handle large and/or complex transactions;
- knowledge of other buyers and sellers as well as the particular security or market in which the transaction is to occur; and
- efficiency of the broker/dealer in executing past transactions.

The Firm currently engages in soft dollar arrangements. Certain brokers, dealers and other counterparties provide the Firm with access to industry information, newsletters, seminars and conferences, but these services are provided in an effort to compete for the Firm's trading business rather than on a formal soft-dollar credit basis. This type of research does not have an identifiable value and is provided based on the Firm's total Client trading activity or by simply opening an account. Moreover, certain brokers, dealers and other counterparties may sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any counterparty may be more or less than the suggested allocations because total brokerage is allocated on the basis of all the best execution considerations described above. A broker will not be excluded from receiving business simply because it has not been identified as providing research services. The selection and use of counterparties to obtain research and brokerage products and services raises potential conflicts of interest, since the Firm will not have to pay for the products and services itself, and such products and services may benefit Clients other than the Client on whose behalf a transaction is executed. This may also create an incentive for the Firm to select or recommend a broker-dealer based on its interest in receiving those products and services and may result in higher transaction costs than would otherwise be obtainable by the Firm on behalf of its Clients. While the Firm may take into consideration whether it receives the products and services discussed in this paragraph in selecting such trading counterparties, the Firm will not allocate Client brokerage business to a particular counterparty solely on the basis of the provision of these services. Rather, the Firm's decisions to select trading counterparties requires a determination in good faith that the commissions (or mark-ups or mark-downs, to the extent they are knowable) are consistent with its obligation to seek best execution by taking into account a variety of factors pursuant to the policies and procedures described above. The Firm intends to utilize only those soft-dollar related services that would be within the safe harbor afforded by Section 28(e), such that credits generated by Clients would only be used to obtain investment research and brokerage services that provide lawful and appropriate assistance to the Firm in the performance of its investment decision-making responsibilities.

In addition, from time to time, the Firm may execute over-the-counter trades by using a broker-dealer to acquire and dispose of a security, and therefore this transaction would be subject to both

a mark-up and a mark-down. The Firm may interpose a broker-dealer for a transaction because doing so may, among other things, prevent a negative market impact and provides anonymity in connection with such transaction.

The Firm will typically seek to aggregate sale and purchase orders of securities on behalf of Clients if the Firm believes that such aggregation is reasonably likely to result in an overall benefit to the applicable Clients based on an evaluation of factors in the Firm's sole discretion. When the same investments are purchased or sold for one or more Client, the general policy is to purchase or sell the investments as a block transaction, and to allocate such investments or proceeds to the participating accounts at the price paid per unit allocated. The principles employed are: (i) allocation of each investment decision to each individual account shall be broadly determined with regard to the investment guidelines and investment policies applicable to each individual account; (ii) dealing for different Clients in the same investment at the same time shall be aggregated and traded as a block to the extent possible; and (iii) each aggregate allocation shall be allocated at the unit price paid to all participating accounts.

A Client advised by the Firm may or may not follow an investment program that is the same as or similar to the investment program of one or more other Clients. Accordingly, it is the Firm's policy to recommend the allocation of investment opportunities fairly and equitably according to each participating portfolio's size and risk profile to mitigate that risk that any Client is favored with respect to the selection of investments or timing of purchase or sale of investments over another Client. In allocating an aggregated transaction, the following is a non-exhaustive list of criteria that are taken into account: (i) the terms of the participating accounts' investment guidelines; (ii) the value of each of the participating accounts (omitting any resulting allocations that would be too small to be reasonably marketable or disproportionate to the needs of any portfolio); and (iii) the Firm's assessment of the participating accounts' tolerance for investment risk.

In addition, the Firm may, from time to time, recommend that a Client enter into a cross trade (a transaction for the purchase or sale of a security or other financial instrument) with another Client for purposes of portfolio re-balancing, or otherwise. A cross trade may be deemed a principal transaction if the Firm and certain persons associated with the Firm own a substantial portion (in excess of 25%) of one or both of the Clients participating in the cross trade. the Firm will not recommend that a Client enter into a cross trade that is deemed a principal transaction without obtaining proper approval and otherwise in accordance with applicable law.

The Firm does not contemplate engaging in agency-cross transactions. Agency cross transactions typically arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

In the event of an error in the investment or trading process, the Firm shall take steps to ensure that the error is corrected as soon as possible, and with as minimal an impact to Clients as possible. Absent willful misconduct, fraud, gross negligence, or bad faith, however, Clients will not be reimbursed should there be a loss as a result of a trade or investing error. Such errors are generally classified as either trade errors or operational errors. Examples of trade errors including an allocation to an incorrect account, issuing a duplicate trade ticket, processing a buy when a sell was intended (or vice versa), noting an incorrect broker on a trade ticket, or purchasing the

incorrect security. Operational errors are those errors that generally occur after a trade has been executed. These operational errors include trade fails due to incorrect information, programming errors, or late delivery instructions, among other things. For an error which either: (1) is not corrected on, or reasonably soon after, trade date, or (2) requires material remedial action to be taken by the Firm, such errors are to be (i) resolved with the input from the operations and investment teams as quickly as practicable and in a manner that attempts to mitigate or prevent any loss to the Client, and (ii) promptly reviewed by certain the Firm management who shall determine the appropriate course of action with respect to any trade or investing errors. A trade error file is maintained by the Firm that contains all documentation necessary to substantiate the actions taken with respect to each error.

**Brokerage for Client Referrals:** The Firm will at times place transactions with a broker-dealer that provides the Firm or its affiliates with the opportunity to participate in capital introduction events sponsored by the broker-dealer or refers investors to the Funds advised by the Firm or an affiliate. Because such referrals, if any, could benefit the Firm and its affiliates, the Firm would have a conflict of interest with the Funds when allocating Fund brokerage business to a broker who has referred investors to the Funds. To prevent Client brokerage commissions from being used to pay for investor referral fees, the Firm will not allocate Client brokerage business to a referring broker in sole recognition of the opportunity to participate in such capital introduction events or referral of investors, but rather, will determine in good faith that the commissions payable to such broker is consistent with its obligation to seek best execution.

**Rebalancing Cross Trades:** A cross trade is a trade in which securities are sold or purchased directly between two of the Firm's advisory clients, as opposed to the clients purchasing the securities on the open market. The benefits of a cross trade to the clients are the elimination of brokerage costs. Also, clients may save on market impact costs or adverse movements in the stock due to the trade if it is a large block trade. Custody costs and transfer taxes may also be saved.

Periodically, the Firm may seek to adjust or rebalance investment accounts or portfolios in a manner consistent with investment objectives and strategy by effecting cross trades between or among investment accounts. Rebalancing of an account is usually necessary as a result of cash inflows or outflows but can be necessitated by other factors, including but not limited to when two clients use the same trading strategy. In such cases, the Firm may use an omnibus account structure to implement the trading. The executions are allocated to the two-sub accounts based on a predetermined fixed ratio in a "pari passu" (i.e. average price) fashion. This predetermined ratio changes in proportion to the cash inflows and outflows from both accounts respectively. When the fixed ratio changes, the Firm rebalances positions in the two sub-accounts so that the new position amounts are consistent with the new allocation ratio.

In effecting such cross trades, the Firm seeks to reduce the transaction costs to its clients of such account adjustments. All such cross trades will be consistent with the investment objectives and policies of each investment account involved in the trades and will be affected at the closing market price for the security for the day upon which the cross trade is executed. Investment accounts involved in such cross trades will not pay any brokerage commissions or mark ups in connection with the trades, but may pay customary transfer fees (i.e., aggregate ticket charges) that are assessed through any unaffiliated broker dealers through which the trades are affected.



The Firm does not receive any compensation, other than its advisory fees as a result of engaging in a cross trade. The Firm does not sell securities to clients nor does it purchase securities from clients.

### **Item 13. REVIEW OF ACCOUNTS**

Client accounts are reviewed by Mr. Jason Lieber on a daily or monthly basis, depending on activity in the account and the frequency of client reporting. Investors in the Funds receive written statements containing individual net asset values on a monthly or quarterly basis, either from the Firm directly or from the Client's independent fund administrator, as set forth in the terms of the relevant private placement memorandum or limited partnership agreement. Clients with SMAs or Sub-Advised Accounts generally receive monthly statements directly from their custodian broker or administrator.

### **Item 14. CLIENT REFERRALS AND OTHER COMPENSATION**

The Firm does not receive any monetary compensation or any other economic benefit from a non-client for the Firm's provision of investment advisory services to a Client.

As described in Item 12, the Firm may receive investor referrals from broker-dealers providing services to its clients. Further, Item 12 discusses how the Firm receives certain research or other products or services from broker-dealers through "soft-dollar" arrangements.

### **Item 15. CUSTODY**

The Firm is considered to have custody of client assets as a result of its affiliates acting as either general partners or managing members to the Funds. Actual custody of client assets, however, is at a broker-dealer, bank or other qualified custodian. Regarding SMAs and Sub-Advised Accounts, clients should carefully review all account statements and compare those received from the Firm with those received directly from their custodian broker or administrator. Regarding the MYDA Capital, MYDA Advantage, MYDA Short Term, and MYDA SPAC Select funds, the Firm will send annual audited financial statements, prepared in accordance with GAAP, to each fund investor within 120 days after its fiscal year end (December 31).

The Firm does not have custody over the assets of the SMA and Sub-Advised Account.

### **Item 16. INVESTMENT DISCRETION**

As an investment adviser, the Firm generally has discretionary authority over clients' accounts to determine securities bought and sold and in what quantities, the amount of leverage employed, the broker-dealer used and the commission rates to pay, among other things. The specific terms of the

scope of such investment discretion is detailed in the relevant client's offering documents, IMA or Sub-Advisory Agreement.

#### **Item 17. VOTING CLIENT SECURITIES**

The Firm shall have the responsibility for voting proxies of fund related clients. The Chief Compliance Officer will be responsible for determining how to vote all proxy statements received by the Firm with respect to securities held by the funds. The Firm will not maintain authority to vote proxies on behalf of SMA or Sub-Advisory clients unless agreed upon in such client's IMA or Sub-Advisory Agreement. Proxy votes are reviewed by Chief Compliance Officer or his delegate for adherence to this policy. The Firm monitors potential conflicts of interest between the fund related clients and their own within the proxy voting process. If a material conflict is identified, The Firm will seek to resolve the conflict and vote in the client's best interest.

#### **Item 18. FINANCIAL INFORMATION**

The Firm does not require or solicit prepayment of management fees six or more months in advance. The Firm has no financial condition to disclose that is reasonably likely to impair its ability to meet contractual commitments to its clients. Additionally, the Firm has not been the subject of a bankruptcy petition during the past ten years.

For questions or requests for additional information, please contact the Mr. Jason Lieber at the number or address listed on the cover of this brochure.

#### **Item 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS: Not Applicable.**