Managing Member – Tim Eriksen *Eriksen Capital Management, LLC*

April 15, 2010

Subject: Cedar Creek Partners 2010 First Quarter Unaudited Results

Dear Partner:

The general market indices performed strongly during the first quarter. Our results were largely in line with those of the general indices, which we consider satisfactory since we were less than fully invested for much of the quarter. The fund returned 4.9%, net of fees and expenses in the first quarter of 2010. Below is a chart comparing Cedar Creek's results to the major indices:[1]

	Q1 '10	Since Inception*	Ave. Annual Return
Cedar Creek (net return)	**4.9%**	**111.8%**	**19.52%**
DJIA	4.8%	11.0%	2.51%
Nasdaq	5.7%	3.5%	0.82%
Russell 2000	8.9%	1.5%	0.34%
S&P 500	5.0%	-0.9%	-0.22%

* Fund inception date was January 15, 2006

Our primary goals are to generate average annual returns in excess of 20% and to outperform the general market indices over a normal market cycle, which we would estimate as four to five years. Having completed just over four full years we believe we can examine the fund's performance fairly. We are very pleased with our outperformance versus the indices and fairly pleased with our absolute performance. Like many, we would love to have a "do-over" for 2008. Of course we realize that the carnage of 2008 is what created the potential for unusually high returns in 2009.

First Quarter Highlights

Our performance in the first quarter was led by our asset managers, Diamond Hill (DHIL) and Highbury Financial (HBRF), as well as a handful of other positions such as Seneca Foods (SENEA), Peerless Systems (PRLS), China MediaExpress (CCME) and Tutor Perini (TPC). We saw declines in the market price of Fremont Michigan Insurance (FMMH), and Jiangbo Pharmaceutical (JGBO).

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[1] While, no single index is directly comparable to Cedar Creek Partners, we believe that it is important to compare our performance to a passively managed approach. At the core of our investment philosophy is the belief that we can generate superior risk-adjusted returns by holding a more concentrated portfolio of undervalued securities, than an index holding a far greater number of securities. Index returns as reported on Yahoo! Finance, Dow Jones, and Russell (see the DISCLAIMER for more information).

Not surprisingly, our short positions were a modest drag on returns. Most of our short positions were in higher priced asset managers, which continued up in price as the market rose during the quarter. We knew that would likely occur if the market went higher.

Risk Management

As I briefly mentioned in our 2009 year end letter, market action in 2008 caused us to spend a lot of time looking at our risk management. Our goal in the process was to reduce the frequency and severity of negative return years. In order to do that, we formalized a risk management policy and established general guidelines for the portfolio.

The most important risk that must be addressed is the risk of permanent loss of capital. It is why one of Warren Buffett's more famous quotes on investing is, "Rule No. 1: Never lose money. Rule No. 2: Never forget rule No. 1." We are all familiar with stories of funds that have blown up or suffered significant permanent losses. Typically such failures resulted from a combination of factors that include: concentrated bets, significant leverage, an unexpected outcome, and insufficient liquidity.

Does this mean that we should never have a large position? No. What it means is that we shouldn't bet the farm on one or two ideas, especially if those ideas may be correlated, lack liquidity, or involve the use of significant leverage at either the company or portfolio level. It is our opinion that holding a number of 10% plus positions is not only acceptable, but preferable, as long as we have performed proper analysis of the potential risk of permanent capital loss.

Unlike some managers, we don't adhere to a fixed allocation percentage for all new investments. Individual position sizes are determined based on the overall attractiveness of the investment, which includes a risk assessment of the individual security as well as any correlation it may have with other securities in the fund.

General Guidelines effective February 1, 2010:

1. We limit individual long positions to no more than 15% of the fund at cost and 25% of the fund at market.
2. We limit net sector exposure to 35% of the fund at market.
3. Total long positions are limited to 110% of fund assets at market.
4. No more than 5% of the fund at cost, or 10% at market, can be in illiquid positions, defined as no public market and no trading volume.
5. No more than 25% of the fund at market can be in stocks that are "liquidity challenged", defined as ownership in excess of 5 days of average trading volume, at the time of purchase. Positions will be tested quarterly to see if they remain "liquidity challenged", or need to be moved to the liquid or illiquid category.
6. Total short exposure is limited to 40% of fund assets at market.
7. We limit individual short positions to no more than 4% of the Fund at the time of transaction. ETFs and other baskets are not under the 4% restriction. If options are used, they will be analyzed on a look-through basis.
8. In a merger arbitrage scenario the short position is sized appropriately in relation to the long position, and thus is not subject to the 4% limitation.
9. If an individual short position suffers a loss that impacts the fund by 150 basis points we review the position and either reduce it back to its original size, or cover completely.

10. Total gross exposure is limited to 150% of fund assets at market (110% long limit plus 40% short limit).
11. The fund can borrow no more than 10% of its net assets.

I do want to point out that the General Guidelines have, and may change over time; however, any significant changes will be communicated to you. If you have any questions regarding our risk management, please call or email me.

New Members

We currently have fifteen members in the partnership, with two more set to join on May 1. We have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals.

Should you have any questions regarding the fund, please don't hesitate to call me at (360) 354-3331.

Sincerely,

Tim Eriksen
Manager
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enclosures

Managing Member – Tim Eriksen *Eriksen Capital Management, LLC*

June 11, 2010

Subject: Cedar Creek Partners May 2010 Unaudited Results

Dear Partner:

As you are well aware, the market took quite a tumble in May. Barron's described it as the "worst May in half a century." While in hindsight we didn't have as much short exposure as we would have liked, our cash position was around 20% of assets and our long portfolio held up very well. The fund declined 1.6% in the month, versus a loss of 8.2% for the S&P 500 and 7.7% for the Russell 2000.

It is not surprising to us when our results do not correlate with the larger market indices. Cedar Creek is primarily a small and micro-cap focused fund. For example, the median market capitalization of stocks in the fund was just under $93 million at the end of May.[2] As we know, the most prominent market indices are measuring companies that are significantly larger in size.

Fishing Where the Big Boys Can't

The main reason we spend most of our time fishing for opportunities in the small and micro-cap arena is that it is the most inefficient area in the market (i.e. subject to the greatest mis-pricing). This inefficiency is due to a host of reasons, with the primary one being that micro-cap companies are unable to "move the needle" for someone managing huge sums of capital, and are thus ignored by large investors. Add to that the fact that micro-caps rarely trade in sufficient volume to warrant analyst coverage, and you are left with a terrific environment for the enterprising investor to find stocks trading below their intrinsic value.

Cedar Creek is certainly not the first fund focused on this niche, nor likely the last. We do however think we bring to the table the ideal background and approach needed to successfully navigate the micro-cap arena. Before launching the fund, I

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[2] Interestingly, the average market capitalization in the fund was $20 billion. This was due to the fund holding three large cap names with market caps over $100 billion – Exxon Mobil, Vodafone and Apple. Maybe I am the only one who finds it interesting, but then again, I wrote a paper in college on the misuse of statistics.

spent a number of years researching and investing in small stocks for my own portfolio. In 2004, I started working with Walker's Manual, a publisher of investment books focused on high-quality unlisted stocks, micro-cap stocks, and community banks. That experience gave me an in-depth lesson in what to look for and what to avoid. This isn't taught in an MBA program, nor would you learn it at any large securities firm.

The key to generating high annual returns is finding companies where management is working for the shareholders versus themselves. A number of unlisted stocks appear very cheap at first glance, but on further inspection it becomes clear the insiders are slowly milking the company of its value and shareholders will be lucky to get much in the end. It drives me crazy when management owns most of the stock then votes themselves stock options and when things go well large bonuses as well. I politely call it "triple-dipping," and it rarely turns out well for the outside shareholder.

As we have stated in past letters, the ideal investment opportunity involves three aspects:

1. a stock price well below our estimate of intrinsic value,
2. a management focused on creating shareholder value, and
3. a near-term catalyst to unlock that value.

When all three aspects are present, we can reap excellent returns. These are rare, and generally we will have to settle for holding stocks that do not have a near term catalyst, but are nonetheless solid investments that we believe should generate 15% plus annual returns over our holding period.

Reading International - a Near-Term Catalyst Example

A current position in the fund that we believe has a near-term catalyst to push its share price higher is Reading International (RDI). Reading is in the business of owning and operating cinemas, and owning and developing real estate in the U.S., Australia and New Zealand. We have followed the company for more than a year, without owning any shares. What got our attention was its announcement of the sale of its Burwood property in Melbourne, Australia. It is a 50 acre property they purchased in 1996 for $47 million.

Originally the Burwood property was a rock quarry. Since purchased it has been up-zoned from industrial to residential and business use. They already have an approved development plan for 1,000 residences, and it is possible that the number of residential units may be increased further. We have looked at the analysis of one of Reading's long-term investors, Andrew Shapiro with Lawndale Capital, and we believe that a sale could bring close to $100 million, or a $50 million pre-tax gain.

Reading has 22.7 million shares outstanding, trades at $3.85 and has a book value of $4.85. We believe a sale would increase book value by $1.50 per share. More importantly instead of the balance sheet having a $47 million non-revenue

generating asset, it would now have $80 million in cash, after taxes, which would likely be used to reduce debt, develop other parcels, and repurchase stock.

The company has set June 28 has the deadline for indications of interest in the property, and Reading will short-list the candidates by July 5. What is amazing to us is that the shares are cheaper now than before the announcement that the property was for sale.

New Members

We currently have twenty members in the partnership, up from 12 at the start of the year. We have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments can be for less than $50,000.

Administration Changes

We have decided to change from Charles Schwab to BTIG as our broker. We think BTIG will provide better trade execution, service and reporting. BTIG uses Goldman Sachs as custodian. What this means is that we will be sending out a revision to our fund documents and our subscription agreement in a few weeks.

In addition to changing the broker for the fund, we are also adding an independent representative, Tom Vance at the law offices of Vance & Blair LLP, in Del Mar, California. An independent representative reviews and signs off on all disbursements from the fund prior to their occurrence. While the fund is not required to use an independent representative, since all of the fund's assets are held by a custodian and the fund is fully audited under GAAP, we decided that it will be worth the additional cost.

Should you have any questions regarding the fund, please don't hesitate to call me at (360) 354-3331.

Sincerely,

Tim Eriksen
Manager
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Managing Member – Tim Eriksen *Eriksen Capital Management, LLC*

July 12, 2010

Subject: Cedar Creek Partners 2010 Second Quarter Unaudited Results

Dear Partner:

The general market indices tumbled in the second quarter, with most indices registering losses of 10% or more. The fund declined 4.9%, net of fees and expenses in the second quarter of 2010. While our results were better than those of the general indices, we still incurred a loss, which we find disappointing. Below is a chart comparing Cedar Creek's results to the major indices:[3]

	Q2 '10	2010	Inception*	Ave Annual Return
Cedar Creek	**-4.9%**	**0.1%**	**102.0%**	18.19%
Russell 2000	-9.9%	-1.9%	-8.6%	-2.12%
DJIA	-9.1%	-5.0%	0.6%	-0.18%
S&P 500	-11.4%	-6.6%	-12.0%	-3.00%
Nasdaq	-12.0%	-7.0%	-9.0%	-2.21%

* Fund inception date was January 15, 2006. Results are net of fees and expenses.

Our primary goals are to generate average annual returns in excess of 20% and to outperform the general market indices over a normal market cycle, which we would estimate as four to five years. Having completed nearly four and a half years we believe we can examine the fund's historical performance fairly. We are very pleased with our outperformance versus the indices and fairly pleased with our absolute performance. But that is all about the past. What matters to us is the future.

We certainly don't know what direction the market is headed in the near future. In fact, we don't try to figure it out. We do look at the overall economic conditions to get an understanding of what risks the economy in general and certain industries

[3] While, no single index is directly comparable to Cedar Creek Partners, we believe that it is important to compare our performance to a passively managed approach. At the core of our investment philosophy is the belief that we can generate superior risk-adjusted returns by holding a more concentrated portfolio of undervalued securities, than an index holding a far greater number of securities. Index returns as reported on Yahoo! Finance, Dow Jones, and Russell (see the DISCLAIMER for more information).

face. We then incorporate that into our risk analysis of individual securities and in our analysis of our overall portfolio risk.

At present, we all know the economy is struggling. The threat of a double dip recession is real. We don't know whether it will occur or not. What we do know, is that we need to consider the possibility and what impact it would have on our portfolio. When we look at our portfolio, we like what we own. Very few of our positions have much in the way of debt, and most have significant cash balances. In addition, they tend to be low cost providers and should rise sharply if pricing improves in their respective industries.

As we have stated many times, the ideal investment opportunity involves three aspects:

1. a stock price well below our estimate of intrinsic value,
2. a management focused on creating shareholder value, and
3. a near-term catalyst to unlock that value.

These are rare. Typically we have to give a little in one of the three areas. Most often the area we give in on is the presence of a near-term catalyst. This makes sense, for it is the lack of a near-term catalyst that often creates the favorable price. Archon Corporation, a 2.5% position in the fund, is a good example of a company that lacks a near-term catalyst, but nevertheless provides compelling value.

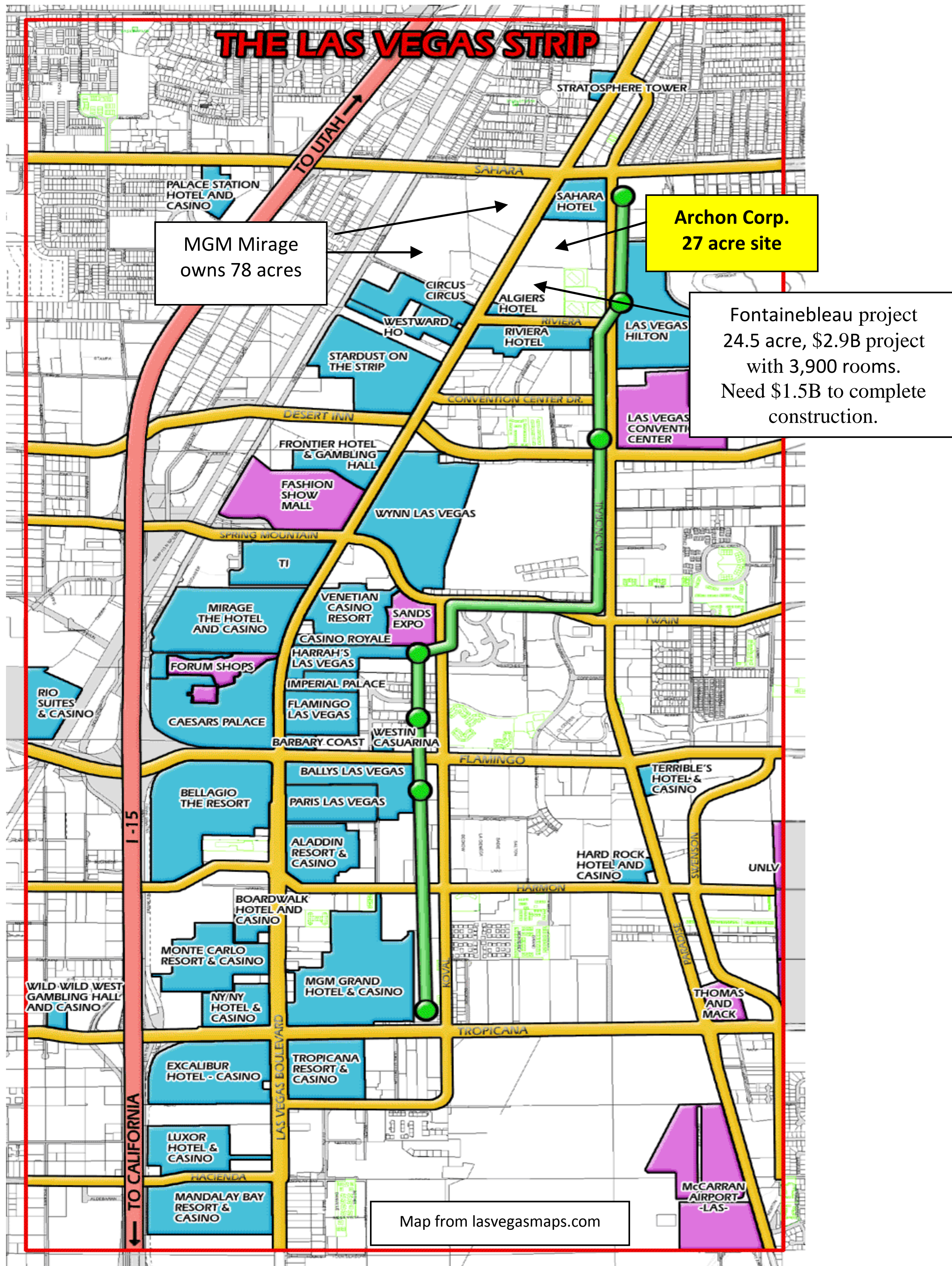
Archon Corporation – A Free Call Option on Las Vegas Strip Land Value

Archon only has six million shares outstanding, and an $85 million market cap. Management owns 5.1 million shares. We believe we are getting the value of a rare Las Vegas strip property for free.

Archon operates the Pioneer Hotel & Gambling Hall in Laughlin, Nevada, and owns two large commercial properties. In 1995 they sold the Sahara Hotel and Casino on the Las Vegas strip in return for cash, an older casino and an adjacent 27 acre property on the Las Vegas strip. In 2000 they sold an off-strip casino for $205 million and used the gains to buy two large commercial properties, one of which they recently agreed to sell. It looks like the sale will result in a $3 per share gain to the company. That would bring current book value of $8.40 up to around $11.40. If the remaining property in Boston has appreciated similarly, then adjusted book value is closer to $14, or the current share price.

The reason we own the stock is that the company still owns the 27 acre parcel on the Las Vegas strip (see map below). The parcel used to be a Wet 'n Wild waterslide park. The book value of the parcel is $21.5 million. In 2006 they granted an interested buyer the option to purchase the property for $450 million. Unfortunately the deal was terminated in June 2008. In December 2008 they agreed to sell the parcel for $618 million ($100 per share before taxes); however, that deal also fell through and land prices plummeted. Prices have stabilized in Las Vegas and while they are unlikely to reach 2007-2008 peak prices of $25 to $30

million per acre in the near future, there is still significant potential value to the company from this land.



In January 2009 the company repurchased nearly 300,000 shares for $13.50 per share. On June 23 Archon announced authorization for the repurchase of an additional 225,000 shares (25% of remaining float), so obviously we aren't the only ones who see value at these prices.

Administration Changes

As we mentioned in our May letter, we have decided to change from Charles Schwab to BTIG as our broker. We think BTIG will provide better trade execution, service and reporting. BTIG uses Goldman Sachs as custodian. What this means is that we will be sending out a revision to our fund documents and our subscription agreement once everything is completed.

In addition to changing the broker for the fund, we are also adding an independent representative, Tom Vance at the law offices of Vance & Blair LLP, in Del Mar, California. An independent representative reviews and signs off on all disbursements from the fund prior to their occurrence. While the fund is not required to use an independent representative, since all of the fund's assets are held by a custodian and the fund is fully audited under GAAP, we decided that it will be worth the additional cost.

New Members

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Sincerely,

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enclosures

Managing Member – Tim Eriksen *Eriksen Capital Management, LLC*

September 10, 2010

Subject: Cedar Creek Partners August 2010 Unaudited Results

Dear Partner:

The fund declined 2.5% net of fees and expenses in August versus -4.5% for the S&P 500, -3.9% for the DJIA, and -6.2% for the Nasdaq. Year to date the fund is up 0.1% net versus -4.7% for the S&P 500, -2.1% for the DJIA, and -6.8% for the Nasdaq.[1]

	August	'10 YTD	Inception*	Ave Annual Return
Cedar Creek	**-2.5%**	0.1%	**102.1%**	16.44%
DJIA	-3.9%	-2.1%	3.7%	0.78%
Nasdaq	-6.2%	-6.8%	-8.8%	-1.96%
Russell 2000	-7.4%	-3.0%	-9.6%	-2.15%
S&P 500	-4.5%	-4.7%	-10.3%	-2.32%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

In recent update letters we have tried to provide insight into our thought process by including a look at individual securities. This month, we are going to look at the fund's holdings in the oil and gas industry.

Cedar Creek's Oil and Gas Holdings

At present oil and gas exploration and production companies are the largest sector in the fund. This is not due to a prediction of rising prices in the future; rather, it is based on the attractiveness of the individual securities. The fund has four positions in the sector, which are presented below alphabetically. As a reminder, the fund has a small/micro-cap focus, so be prepared for companies you are not familiar with.

Exxon Mobil (XOM) – Okay we have all heard of Exxon Mobil. It's huge, with a market cap of $300 billion. What we see is a company that is just not

exciting enough for many investors, but appears safe and steady to us. The company trades at less than nine times 2010 expected earnings and has nearly a 3% yield. In addition, we occasionally sell some out of the money calls to gain additional return.

Spindletop (SPND) - Spindletop is a tiny oil and gas producer based in Texas. Current market cap is approximately $13 million. Most of their production is natural gas from the Barnett shale. They have 14 years of reserves, 86% are developed, which is very good. Insiders own 77% of the company, and West Coast Asset Management owns another 9%.

Book value is $1.78 per share, and the shares last traded at $1.60. Spindletop has $1.13 per share in cash and is profitable, having earned 7 cents per share in the first half of the year. Natural gas prices are currently very low. Eventually the pricing environment will change and Spindletop is nicely leveraged to any positive change. For example, in 2008, the company earned 46 cents per share due to natural gas prices averaging $8.40 per mcf, and the shares briefly traded for over $10 per share. With 70% of the share price backed by cash, we believe we are basically getting a "non-expiring" free call option on higher natural gas prices.

Texas Vanguard (TVOC) – Texas Vanguard is also based in Texas. Shares trade over the counter. The company has a $10 million market cap. Book value is over $7.50 per share and the company has $5.29 per share in cash and no debt. At current oil and gas prices the company should earn 50 cents per year, with cash flow of 80 cents per year. Shares trade at $7. Essentially, we have another call option on oil and gas prices. What we particularly find attractive is that the company has posted a profit in all but three calendar quarters since 2002. Shares are not very liquid and most of the shares are owned by management.

Trek Resources (TRKX) - Trek Resources trades in the pink sheets. Trek deregistered with the SEC in 2005 due to the high costs of Sarbanes-Oxley compliance. The fund has owned shares since 2006. What is amazing about Trek is how cheap the stock is. The stock currently has a $170 bid and $250 ask. Market cap is $12 million. Management owns 75% fully diluted. As of June 2010, book value was about $490 per diluted share, but we believe that significantly understates the company's true value.

For example, in November 2009 they sold 13% of their producing properties for $12.8 million, which was $10.5 million more than their carrying cost. The auditors instructed Trek that under the full cost method of accounting they were to reduce Property & Equipment by $10.5 million, thus showing no book value gain on the deal. In our opinion due to the impact on the depreciation cost pool it should have been reflected in the balance sheet showing a $140 per share gain, after creation of a deferred tax liability.

More important than the debate over accounting methods, is the fact that they sold only 13% of their production for more than the entire company is

valued at in the market. While that sale was at a rich price, it reinforces the point that the stock is cheap.

Not only is the stock cheap on an asset basis, it is also cheap on an operating basis as well. Diluted EPS for the first nine months of their 2010 fiscal year were $41 per share, and cash flow, defined as net income plus depreciation and excluding changes due to derivatives (hedges), was $81 per share. Thus the $175 bid valuation is approximately three times annualized earnings and one and a half times annualized cash flow. The $250 asking price is less than five times annualized earnings and two and a half times annualized cash flow.

In sum, we see exceptional value in the micro cap oil and gas names in the fund, and a solid, stable company in Exxon Mobil. While overall, the sector is just under 20% of the fund we are very comfortable with that exposure level due to the low debt levels and high cash balances at the companies.

A Note on Valuation

The holdings in the fund are valued in a conservative manner. All listed stocks are valued at their most recent sale. Non-listed stocks such as the three micro-cap oil and gas names mentioned above are valued at the most recent bid price. Thus a company like Trek Resources is valued in the fund at $175 per share, and not the most recent sale price of $249 per share.

The obvious benefit to this approach to valuation is that it greatly reduces the chance of a material over-valuation in the portfolio. On the negative side, it also makes it difficult to build a position in a stock with a large bid/ask spread because anytime we pay more than the bid price, we have to immediately mark the holding down to the bid price, thus incurring a short-term loss in the portfolio.

Election Year Thoughts

The 2010 election is looking a lot like 1994, where Republicans made significant gains after President Clinton botched his health care proposal. Conventional wisdom is that the Republicans are likely to take over the House but fall a few seats short in the Senate. After Democrats lost the House and Senate in 1994, Clinton moved toward the center for the rest of his presidency. His repositioning was not surprising, as he had undergone a similar shift while Governor of Arkansas as well.

If current trends hold and Republicans do take over the House and possibly the Senate as well, it will be interesting to see what President Obama's response will be. Regardless of how the President responds, a Republican victory would stop the trend toward bigger government and tax rates would be less likely to rise, which should help improve the economy.

The federal government needs to tackle the deficit issue sooner, rather than later. Nearly everyone outside of Washington knows that deficits do matter. The current low interest rate environment is masking the true danger of an increasing debt burden. Hopefully some sense of fiscal sanity will rise up in Washington, but we are not holding our breath.

Why anyone would want to lend money to the US government for ten years for less than three percent seems crazy to us. What this means for the fund is that we will continue to avoid US government bonds, and focus on companies with minimal debt and downside risk.

New Members

We currently have twenty members in the partnership, up from 12 at the start of the year. We have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments can be for less than $50,000.

Should you have any questions regarding the fund, please don't hesitate to call me at (360) 354-3331.

Sincerely,

Tim Eriksen
Manager
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Managing Member – Tim Eriksen *Eriksen Capital Management, LLC*

October 12, 2010

Subject: Cedar Creek Partners Third Quarter 2010 Unaudited Results

Dear Partner:

The fund rose 6.5% net of fees and expenses in the third quarter of 2010, which was less than the major indices (as shown below). Year to date the fund is up 6.6%, net of fees and expenses, which is ahead of the major indices, except for the Russell 2000.[1]

	Q3 '10	YTD	Inception*	Ave Annual Return
Cedar Creek	**6.5%**	**6.6%**	**115.2%**	**17.70%**
DJIA	11.1%	5.6%	11.8%	2.40%
Nasdaq	12.3%	4.4%	2.2%	0.47%
Russell 2000	11.3%	9.1%	1.7%	0.36%
S&P 500	11.2%	3.9%	-2.2%	-0.48%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

As we have mentioned before, due to the fund being more concentrated than the indices, our returns will likely be choppier; however, we believe that we can outperform the indices over three to five year time periods by adhering to a bottom-up value approach to investing.

In recent update letters we have tried to provide insight into our thought process by including a look at individual securities. Last month we looked at the fund's holdings in the oil and gas industry. This month, we are going to look at some low-priced securities – securities that trade for less than a dollar.

Cedar Creek's Dollar Store

In other parts of the world it is common for stocks to trade for under a dollar, even large established companies may initiate stock splits in order to maintain a low share price. In the U.S., stocks below a dollar have a horrible reputation, which honestly, is fairly well deserved. Most are over-hyped junk, but not all. We are willing to sift through the scrap heap in search of treasure.

Before you panic thinking the fund is full of penny stocks, we only own three, and one has actually risen to more than a dollar since month end. We have a steady high yield play, a highly speculative play, and an exciting free call option play:

Armanino Foods of Distinction (AMNF) – With a name like that, how can you not be interested? Armanino Foods manufactures and markets frozen Italian specialty food items such as pestos, sauces, and filled pastas, primarily on the West Coast. The company has a $20 million market cap, revenues of $22 million, and trailing net income of $2.0 million, or 5.6 cents per share. The current share price is about 59 cents, or 10 times earnings. Sales have been increasing at a high single digit percentage rate, although they did jump by 15% in the most recent quarter.

What is unusual for a penny stock is that the company has paid quarterly dividends for over 10 years. And not just token dividends either. In 2008 Armanino paid 3 cents per share in dividends. In 2009 it rose to 3.9 cents per share. For 2010 the company has declared dividends totaling 4.125 cents per share. Thus, the current dividend yield is 7%. That is very nice in this interest rate environment. The company also recently announced a share repurchase authorization.

Obviously due to its size it will never be a large position in the fund, but we think it offers solid value and a great yield. We will gladly hold the stock as they continue to grow and pay out a majority of earnings as dividends. Some day it will likely be bought out by a larger firm and should result in a nice premium to the share price. In the meantime we truly are getting paid to wait.

Advanced Technologies Group (AVGG) – We'll start with the good news. Advanced Technologies is a tiny little company that is selling well below its cash and investments. The current bid is 1.4 cents and the current ask is 5 cents. Book value, as of July 31, was $16 million, or 78 cents per diluted share. Cash and short term investments totaled $11.9 million, or 57 cents per share as of July 2010. The company has no revenues and is looking to make an acquisition.

In 2009 the company sold its 25% interest in FX Direct Dealer (a foreign currency trading platform) for $26 million. Part of the sale involved a $17 million subordinated note, of which $9.4 million is still yet to be paid. They are to receive $1.4 million per quarter for the next seven quarters. The interest on the note nearly covers operating expenses, thus their cash balance is growing 4 to 5 cents per quarter as the note is paid down. By the end of 2011 the company should have about 75 cents per share in cash and a similar book value, assuming all deferred taxes are paid. Insiders own 52% of the company.

Now for the bad news. The story changed dramatically on June 24 when the company announced that the SEC had filed a civil enforcement action against

both the CEO and President of the company alleging violations of the Securities Act of 1933 regarding certain security offerings of the company between 1996 and 2007, seeking preliminary and permanent injunctive relief, disgorgement and civil monetary penalties. The share price plummeted to about 5 cents. Obviously the risk/reward relationship changed upon the announcement, but we chose to buy more.

We view the position as an extremely high risk/high reward investment and not a net/net, even though it trades at a substantial discount to cash (which is restricted due to the SEC charges). The company may have to pay out penalties and it is possible that existing shareholders get completely wiped out; however, since that only hurts current shareholders, who are not guilty of any wrongdoing, it is possible that any penalties will only be paid by the CEO and President personally, which could leave the potential 70 to 75 cent valuation in a year. The position amounts to less than 2/10ths of a percent of the fund.

The third under a dollar stock is an exciting free call option play. The stock recently moved above a dollar, but we think it has the potential for much more. The problem is we are still in the process of buying, and thus we don't want any additional buyers out there. We do look forward to giving you more details on it in the future.

New Members

We currently have twenty members in the partnership, up from 12 at the start of the year. We have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments can be for less than $50,000.

Should you have any questions regarding the fund, please don't hesitate to call me at my home office (360) 393-3019, or on my cell at (360) 354-3331.

Sincerely,

Tim Eriksen
Manager
Cedar Creek Partners LLC
tim@eriksencapital.com

Managing Member – Tim Eriksen *Eriksen Capital Management, LLC*

November 08, 2010

Subject: Cedar Creek Partners October 2010 Unaudited Results

Dear Partner:

The fund rose 5.5% net of fees and expenses in October, which was better than most of the major indices (as shown below). Fund performance was led by China MediaExpress (CCME) and Armanino Foods (AMNF), up 52% and 20% respectively. Year to date the fund is up 12.5%, net of fees and expenses, which is ahead of the major indices, except for the Russell 2000.[1]

	Oct '10	YTD	Inception*	Ave Annual Return
Cedar Creek	**5.5%**	**12.5%**	**127.1%**	**18.68%**
DJIA	3.2%	9.0%	15.4%	3.03%
Nasdaq	5.9%	10.5%	8.2%	1.66%
Russell 2000	4.1%	13.6%	5.9%	1.20%
S&P 500	3.8%	7.8%	1.5%	0.31%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

As we have mentioned before, due to the fund being more concentrated than the indices, our returns will likely be choppier; however, we believe that we can outperform the indices over three to five year time periods by adhering to a bottom-up value approach to investing.

In recent update letters we have tried to provide insight into our thought process by including a look at individual securities. Last month we looked at the fund's holdings in securities priced less than a dollar. This month, we are going to look at our holdings in the asset management industry.

Cedar Creek's Asset Management Holdings

The asset management industry is one of our favorite industries to invest in. It has historically enjoyed excellent profit margins and operating leverage. There is also little need for capital investment, which means earnings approximate free cash flow. This enables an asset manager to use all of its earnings for dividends, debt

reduction, share repurchases, or acquisitions.

Many value investors focus on buying companies that trade near or below tangible book value. The thinking is that this provides the value investor with a margin of safety in case the business performs poorly. In that scenario, it is assumed that the company could always liquidate, and if the investor paid less than liquidation value he would have negligible risk of permanent capital loss.

As noted above, assets managers are not capital intensive. Very little equity is needed to support the business. From a liquidation-value approach it means there is a higher risk of capital loss if the business begins to lose money since there are few assets to sell off. Conversely, the lack of need for much in the way of equity to sustain and grow the business creates the ideal business – one that generates cash in excess of what it needs to sustain its competitive position.

When looking at an asset manager it is vital that both their assets under management and their employees are sticky. If the key employees walk out the door, many of the firm's clients may soon follow them. Thus compensation needs to be appropriate. Too low and you risk employees leaving, too high and there may not be enough left for shareholders. Thus we look for companies that have both long-term employees and investors. This is what allows us to value the companies based on their earnings.

Cedar Creek has long positions in four asset managers, and is short two others. The short positions are stocks that we think are overpriced, and are also a way to hedge overall exposure. Due to space we will just profile the asset managers that we have long positions in. They will be presented alphabetically:

Calamos Asset Management (CLMS) – Calamos Asset Management is a diversified investment firm offering equity, convertible, defensive equity, fixed income and alternative investment strategies. Current assets under management are approximately $30 billion. Calamos has an unusual structure in that the publicly traded company owns 21.7% of Calamos Holdings LLC. The remaining 78.3% of Calamos Holdings LLC is privately held, and reflected on the income statement as non-controlling interest. If the non-controlling interest were converted into shares it would result in approximately 92 million total shares outstanding.

The company's balance sheet shows a net cash position of $303 million, or $3.25 per share. It is important to note that as of September 30, $34.4 million in cash and $79.3 million in deferred tax assets are at the holding company and owned solely by the public shareholders. This amounts to approximately $5.50 per share. If a 12% discount rate is used on the deferred tax assets then it results in a net present value (NPV) of around $4.05 per share (see Calamos' 9/30/10 10-Q - Other Information). The rest of the cash is in Calamos Holdings LLC.

Using the current share price of $12, and subtracting the $4 NPV per share of the cash and tax deferred assets, leaves a remaining value of $8 per share.

That is the per share value that a buyer of shares is effectively paying for an interest in Calamos Holdings LLC. If we subtract the $34 million in cash from the balance sheet that was only attributable to the publicly traded shares, it leaves Calamos Holdings LLC with $269 million in net cash plus investments. As we noted, there are 92 million fully diluted shares, which equates to $2.90 per share of net cash at the holding company.

So the buyer of Calamos public shares is able to essentially pay $5.05 per share for Calamos Holdings LLC, which has pre-tax operating income of $30 million per quarter, or $0.33 per share, based on 92 million fully diluted shares. That equates to just over six times proforma after-tax earnings of 80 cents per share ($0.33 per quarter times 4 quarters, less 39% tax rate).

Calamos Asset Management		
Share Price	$	12.00
Less CLMS cash	$	(1.73)
Less CLMS tax assets (NPV)	$	(2.32)
Calamos Holdings	$	7.95
Less cash at holding co.	$	(2.90)
Effective net price	$	5.05
After-tax Operating EPS	$	0.80
Effective P/E ratio		6.3

Thus what on the surface looks like a modestly cheap asset manager trading at 13 times annualized earnings of ninety cents per share, is actually much cheaper. The buyer at $12 per share is effectively only paying six times earnings net of cash and the NPV of the tax-deferred assets.

I would argue that the complicated structure that obscures the true value of the shares is unlikely to fully go away. Thus Calamos may not trade as close to full value as other asset managers; however, it should certainly trade significantly higher than six times earnings net of cash and investments. Currently the average earnings multiple for the industry is 17 times. Calamos should trade at a slight discount due to not having the breadth of offerings that a Franklin Resources or T Rowe Price has. (Note - T Rowe Price and Eaton Vance trade at 19 times earnings net of cash, and Franklin Resources trades at 16.5 times). If we place a 13 multiple on earnings and add back the value of the cash and tax deferred assets, it results in a value of $17.35 per share ($10.40 for earnings plus $2.90 for cash/investments at the LLC level plus $4.05 for the NPV of cash and tax deferred assets at the public company level). That is more than a 40% premium to the current price.

We started accumulating in June when the share price fell below $9. At $9 per share we paid about three times normalized earnings of $0.80 per year, net of the NPV of cash and deferred tax assets at the holding and public company levels. While we did not know if the market was headed higher, we felt that paying around three times earnings, net of cash, for a non-capital intensive business was very attractive.

Diamond Hill Investment Group (DHIL) – Diamond Hill is a value-based asset manager that has grown its AUM from just $107 million at the end of 2002 to nearly $8 billion at the end of October. What we like is the fact that Diamond Hill is a cash generating machine. Due to part of their compensation being paid in stock in order to retain talent, Diamond Hill's free cash flow actually exceeds reported earnings. This allowed the company to pay out $10 special dividends in 2008 and 2009. DHIL recently announced a $13 special dividend payable this December.

At $80 the stock trades at about 13 times our estimate of annualized earnings after the dividend is paid out. Last month they commenced a sub-advisory agreement which increased its AUM by $800 million. This is an important step for the company as their near term plans involve being selected to manage funds for Ohio's pension plans. Diamond Hill is based in Columbus, Ohio.

We think the company has the potential to continue to increase AUM, and that the stock could be a ten or twenty year holding that generates 20% annual returns similar to what Eaton Vance and Franklin Resources did over the last twenty years. Based on current AUM we think Diamond Hill can generate $8 of free cash flow per year, and if it chose to, could continue to pay annual dividends of $8 per share. Based on that we think the stock could easily trade in excess of $100 per share.

Our $100 figure assumes zero growth and no margin expansion. Based on their history we think growth is likely to continue, although not at the pace of the last eight years. Additionally, management has stated in the past that at $10 billion in AUM it would target 40% operating margins versus the current 30%.

Hennessy Advisors (HNNA) –
Hennessy is an equity asset management firm that offers quantitatively managed portfolios as well as a small number of sub-advised, actively managed funds. The company has 5.7 million shares outstanding, and they currently trade for $2.50. The company has about 80 cents per share in net cash, and pays an annual dividend of 9 cents per share (just under 4% yield). Hennessy's current run rate for earnings is about 20 cents per share. Thus shares are trading at under 9 times earnings net of cash.

Due to the ability to amortize the purchase price of the management contracts for the mutual funds that they have acquired, annual cash flow is running about 9 cents per share better than reported EPS. Thus Hennessy is trading at just under 6 times cash flow, net of cash. While we are not a big fan of the quantitative style of investing it has shown decent results, and could do well when other value investing styles are not. In addition, we like the approach of buying small funds and then sub-advising them out. Hennessy could become like Highbury Financial, a management company

that had numerous sub-advised funds. As you may recall, Highbury was a very successful investment for the fund in 2009, and was recently bought by Affiliated Managers Group (AMG).

Teton Advisors (TETAA) - Teton is a small asset manager, trading on the pinksheets, which was recently spun-off from Gamco (GBL). Gamco is run by legendary investor Mario Gabelli. Teton manages around $600 million and has 1.2 million shares outstanding. The stock last traded at $8.50 per share, resulting in just a $10 million market cap. Trailing earnings are $0.55 per share, which makes the valuation richer than we would like, but we think there is significant growth potential. Based on our analysis, a 15% growth in assets along with a little margin expansion would result in earnings over a $1 per share.

We figure Gamco didn't go through all the trouble of spinning off the unit just so it could be ignored. So there must be some ambitious plans. It will be a small part of the fund due to its small size and liquidity issues, but we continually watch for opportunities to pick up shares cheap. When the stock was first spun-off we actually bought some shares at under $3. While that is unlikely to happen again, the stock occasionally has some sales around $7 per share.

New Members

We currently have twenty members in the partnership, up from 12 at the start of the year. We have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments can be for less than $50,000.

Should you have any questions regarding the fund, please don't hesitate to call me at my home office (360) 393-3019, or on my cell at (360) 354-3331.

Sincerely,

Tim Eriksen
Manager
Cedar Creek Partners LLC
tim@eriksencapital.com

Managing Member – Tim Eriksen *Eriksen Capital Management, LLC*

December 13, 2010

Subject: Cedar Creek Partners November 2010 Unaudited Results

Dear Partner:

The fund rose 6.3% net of fees and expenses in November, which was better than all of the major indices (as shown below). Year to date the fund is up 19.5%, net of fees and expenses, which is also better than all the major indices. More importantly we have significantly outperformed the general market indices since our inception nearly five years ago.[1]

	Nov '10	YTD	Inception*	Ave Annual Return
Cedar Creek	**6.3%**	**19.5%**	**141.3%**	**19.82%**
DJIA	-0.6%	8.3%	14.7%	2.85%
Russell 2000	3.5%	17.5%	9.5%	1.89%
Nasdaq	-0.4%	10.1%	7.8%	1.56%
S&P 500	0.0%	7.8%	1.5%	0.30%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

Fund performance during November was led by China MediaExpress (CCME),which we exited with a nice profit, Trek Resources (TRKX), Diamond Hill (DHIL), Aberdeen International (AAB.TO), which is profiled below, and a position that we are not disclosing, which was up 34%.

In recent update letters we have tried to provide insight into our thought process by including a look at individual securities. Last month we looked at the fund's holdings in the asset management industry. This month, we are going to look at a couple of natural resource holdings.

A Couple of Cedar Creek's Natural Resource Plays

Many fund managers have poured money into natural resource stocks based on their belief in higher inflation. While we would agree that higher inflation is very likely, we still look for companies that can be prosperous in a non-inflationary environment as well. The two natural resource companies profiled below are not

Cedar Creek's only positions in the sector. For example, in August we profiled our oil and gas holdings. This month we are profiling Aberdeen International and Pardee Resources.

Aberdeen International (AAB.TO) – Aberdeen trades on the Toronto Stock Exchange. It is a global investment and merchant banking company focused on small cap companies in the resource sector. It will seek to acquire significant equity participation in pre-IPO and/or early stage public resource companies with undeveloped or undervalued high-quality resources. Aberdeen's focus is on companies that: (i) are in need of managerial, technical and financial resources to realize their full potential; (ii) are undervalued in foreign capital markets; and/or (iii) operate in jurisdictions with moderate local political risk. Aberdeen's intention is to optimize the return on its investment over an 18 to 24 month investment time frame.

Aberdeen trades at a significant discount to its net asset value (NAV), which as of July 31 was comprised of publicly traded companies (35% of NAV), private and other investments (14%), loans (18%), and two gold royalty streams (33%). There is a legal dispute regarding a $10 million loan, which is equal to about 10 cents per share. From what I have read, the company's case appears strong.

The current share price is approximately 64 cents. As of July, Aberdeen's NAV (including deferred taxes) was $1.12 per share. In a recent press release the company announced that its investment portfolio rose in value by 30 cents per share in the October quarter. After adjusting for proforma taxes and fees, we estimate the October month end NAV to be $1.25 to $1.30 per share.

Since the value of Aberdeen's royalty and loan holdings don't fluctuate much, we can track Aberdeen's publicly traded investments in order to give us an approximate NAV on a daily basis. Since the end of October the portfolio has continued to rise significantly. We estimate that Aberdeen's investment portfolio is up another 25 cents per share since the end of October. After adjusting for proforma taxes and fees, we estimate current NAV to be near $1.40 per share. Thus current buyers are paying less than 50 cents on the dollar for a basket of micro-cap resource companies and a gold royalty stream. We think that is an excellent investment proposition.

Pardee Resouces (PDER) – Pardee Resouces, listed on the pink sheets, is a diversified natural resources company that owns, acquires, manages and develops land and natural resource properties. The Company owns significant timber, coal and oil & gas properties located in the Appalachian region, including West Virginia, Kentucky, and Virginia, as well as other parts of the U.S. including Colorado and the Gulf Coast.

Pardee has 713,000 shares outstanding at a current price of $250 per share, resulting in a market cap of nearly $175 million. In the last twelve months

the company has earned $29.60 per share, although $6.35 per share was due to a non-recurring lease option payment. What we like about the company is that it is a cheap way to gain exposure to coal, timber, natural gas, and undeveloped land.

Pardee has 350 million tons of coal on its properties, of which, 80 million is permitted. Approximately 20% of its reserves are metallurgical coal, which sells for a substantial premium to normal Appalachian coal. Instead of mining its own coal, the company collects royalties that vary with the market price. Currently they collect about $3.50 per ton on average. We would note that the company collects around $2 per ton for standard coal and $6 to $8 per ton on metallurgical coal.

In the past twelve months, approximately 10 million tons of coal were mined and Pardee realized gross profits of $25 million. Based on 35 years of reserves, we would argue that the $175 million market capitalization doesn't fully reflect the value of Pardee's coal royalties, let alone the value of the timber, natural gas, and undeveloped land. Even if one allocated all of the company's $5 million in annual G&A costs to the coal operations, the market is valuing the coal at 9 times pre-tax profits.

In addition, much of Pardee's operations are based in West Virginia, which has begun to draw significant attention due to the presence of the Marcellus Shale, the second biggest US gas shale, which runs from West Virginia up through Pennsylvania and eastern Ohio and into New York (see map). Pardee owns roughly 200,000 acres of land, most of which is in West Virginia, thus there is the potential for significant future oil and natural gas royalties as well.

The recent economic downturn has hurt Pardee's timber operations. For a few years they were earning $3 to $4 million in gross annual profits from timber sales. Currently timber operations are at breakeven. Of course the good thing about timber is even if you don't harvest it, the trees continue to grow resulting in additional value.

The company has historically paid a dividend of approximately 30% of annual earnings. Currently the annual dividend is only $4.40 per share. We think the dividend is likely to be increased in the coming months. Pardee did pay

an additional $1.10 per share dividend in December. In addition, Pardee undertook tender offers for shares in both 2007 and 2008 at $187 and $220 per share, respectively.

In summary, Mr. Market is valuing Pardee Resources at around ten times earnings, which we think is too low for a company with high quality assets. On a per acre basis, it works out to only $900 per acre, for land with substantial resources attached to it. While we still believe the stock is attractive at current prices, we would note that we entered our position in early summer at approximately $186 per share ($663 per acre).

Room for New Members and/or Additional Funds

We have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments can be for less than $50,000.

Should you have any questions regarding the fund, please don't hesitate to call me at my home office (360) 393-3019, or on my cell at (360) 354-3331.

Sincerely,

Tim Eriksen
Manager
Cedar Creek Partners LLC
tim@eriksencapital.com

Managing Member – Tim Eriksen *Eriksen Capital Management, LLC*

January 17, 2011

Subject: Cedar Creek Partners 2010 Unaudited Results

Dear Partner:

The fund rose 5.4% net of fees and expenses in December, which was slightly less than most of the major indices (as shown below). For the year, the fund was up 26.0%, net of fees and expenses, which was significantly better than all the major indices, except for the Russell 2000.[1] We are pleased with our results for the year, especially in light of the fact that the fund maintained, on average, a 15% cash position throughout the year.

	Dec '10	YTD
Cedar Creek	**5.4%**	**26.0%**
DJIA	5.3%	14.1%
Russell 2000	7.9%	26.9%
Nasdaq	6.2%	16.9%
S&P 500	6.7%	15.7%

* Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

Our primary goal is to outperform the general market indices over a normal market cycle, which we would estimate as four to five years. Having completed nearly five full years we believe we can examine the fund's performance fairly. As the chart below notes our average annual return, net of fees and expenses, is in excess of 20%, and we have outperformed the other indices by nearly 17% per year. Both numbers are very satisfactory.

	Inception*	Ave Annual Return
Cedar Creek	**154.4%**	**20.72%**
DJIA	20.8%	3.88%
Russell 2000	18.2%	3.44%
Nasdaq	14.5%	2.77%
S&P 500	8.3%	1.62%

* fund inception January 15, 2006. Index Returns as reported on Yahoo! Finance, Morningstar, Dow Jones and Russell.

In recent update letters we have tried to provide insight into our thought process by including a look at individual securities. Last month we looked at a couple of the fund's natural resource holdings. This month, we are going to look at a mega cap and a micro cap.

A Mega Cap and a Micro Cap

This month we are profiling Cisco Systems and Conrad Industries.

Cisco Systems (CSCO) – Cisco designs, manufactures, and sells Internet protocol (IP)-based networking and other products related to the communications and information technology industry worldwide. It was founded in 1984. Cisco's market capitalization is nearly $120 billion.

We have never owned Cisco before, but obviously were aware of it and had reviewed its financials. What got our attention was the sharp drop in price when the company announced that sales growth was slowing from an expected 15% to a 9 to 12% range. The stock, which we thought was reasonably attractive before the announcement, suddenly became very attractive after it declined by 20%.

Cisco had over $24 billion, or $4.25 per share, in net cash as of the end of October 2010. The company currently generates about $9 billion, or $1.60 per share, in free cash flow each year. Thus the market was saying that net of its cash, the company was only worth about 10 times its free cash flow. A 10% free cash flow return (net of cash) for a company growing at nearly 10% per year should trade at a multiple closer to twenty in this interest rate environment.

Essentially the market was giving us an attractive earnings yield and not requiring us to pay anything for future growth in Cisco's free cash flow. We love stocks that grow revenue and earnings; we just don't like to pay for it just in case it doesn't materialize. In this case, Mr. Market is generously not requiring that we pay for any future growth. We would not be surprised to see Cisco trade above $25 within a few months and possibly reach fair value, which we put above $30 within the next twelve months.

Conrad Industries (CNRD) – Conrad Industries engages in the construction, conversion, and repair of various steel and aluminum marine vessels (barges, tugboats, ferries, crew/supply vessels) for commercial and governmental customers in the United States. Conrad was founded in 1948, and has four shipyards based in Texas and Louisiana. The company deregistered with the SEC in 2005 due to the high costs of Sarbanes-Oxley compliance, and is currently listed on the pink sheets. Members of the Conrad family own just over 50% of the company.

Conrad has 6.4 million shares outstanding at a current price of $11 per share, resulting in a market cap of just $70 million. Book value as of the end of September 2010 was nearly $12 per share, and cash was $5.80 per share. In the last twelve months the company has earned $1.52 per share, as both revenue and operating margins declined due to the recession and decreased offshore oil/gas drilling. Peak earnings were recorded in 2008 when they

earned $3.30 per share. In 2008 they repurchased 800,000 shares at approximately $12 per share.

We have followed the company since it deregistered in 2005 and by late summer were amazed at how cheap the market was pricing its shares. Due to the poor economy Conrad's backlog had been declining; however, on August 26 they announced that their backlog had risen from $41 million at the end of June to $70 million, which we knew was not that far from a historical peak.

We started buying in September at under $8 per share, which was nearly equal to current assets, which consisted mostly of cash and receivables, minus all liabilities. Essentially the market was offering to sell the business for nothing. We have continued buying as the stock has risen to over $11 per share and it is currently a 4% position in the fund. Since we started buying shares, the company has continued to report an improvement in its backlog, and also announced a $5 million share repurchase plan.

Based on the continued improvement in its balance sheet, backlog, and its share repurchase plan, we definitely think the stock should trade above its historical peak of $18 per share. Using Conrad's five year historical average EPS of $1.75 and giving it just a ten multiple and adding back excess cash gives a value of $22.50 per share, which is twice the current share price.

Room for New Members and/or Additional Funds

A number of our partners have invested additional funds in recent months, for which we are grateful. We still have plenty of room for existing partners to increase their investment and for others to join. Please consider referring friends of yours who may be potential new investors. The basic requirements are 1) that each invests a minimum of $50,000 and 2) that new members are accredited (high net worth) individuals. Subsequent investments must be a minimum of $10,000.

Should you have any questions regarding the fund, please don't hesitate to call me at my home office (360) 393-3019, or on my cell at (360) 354-3331.

Sincerely,

Tim Eriksen
Manager
Cedar Creek Partners LLC
tim@eriksencapital.com

DISCLAIMERS

While, no single index is directly comparable to Cedar Creek Partners, we believe that it is important to compare our performance to a passively managed approach. At the core of our investment philosophy is the belief that we can generate superior risk-adjusted returns by holding a more concentrated portfolio of undervalued securities, than an index holding a far greater number of securities. Index returns as reported on Yahoo! Finance, Dow Jones, and Russell.

Fund Performance

The financial performance figures for 2010 presented in this report are un-audited estimates based on the best information available at the time of the letter, and are subject to subsequent revision by the Fund's auditors. Past performance may not be indicative of future results and no representation is made that an investor will or is likely to achieve results similar to those shown. All investments involve risk including the loss of principal.

Net Return reflects the experience of an investor who came into the Fund on inception and did not add to or withdraw from the Fund through the end of the most recently reported period. The reported net return figures will therefore include the impact of high water marks in the cumulative return. Individual investor returns will vary depending upon the timing of their investment, the effects of additions and withdrawals from their capital account, and each individual's high water mark figure, if any.

Index Returns

The S&P500 Index returns are reported using the S&P500 Depository Receipt Trust (SPDR) which trades under the ticker symbol SPY. Reinvested dividends are included in these figures. A spreadsheet showing the SPY performance versus the fund since inception is available upon request.

Nasdaq performance excludes dividends, which are generally immaterial to the total return of that index.

Russell 2000 performance is from data reported on Russell's website, and includes reinvested dividends.

DJIA is from Yahoo! Finance and Dow Jones and includes dividends.

Index returns are provided as a convenience to the reader only. The Fund's returns are likely to differ substantially from that of any index, and there can be no assurance that the Fund will achieve results that are superior to such indices.