GATOR
CAPITAL MANAGEMENT

March 12, 2014

Dear Investors:

This is Gator Financial Partners, LLC's (the "Fund") 4th Quarter 2013 investor letter. The Fund had good performance in the 4th Quarter. In this letter, we will briefly review the Fund's investment performance during the quarter, review the investment thesis of an existing position, and update you about the Fund's current net exposure and positioning by sub-sector.

Review of Fourth Quarter Performance

Gator Financial Partners had solid investment performance in the 4th Quarter with a net gain of 12.97%. The overall market and the Financial sector was up as well. There were four main drivers of the Fund's performance during the quarter: 1) GSE preferred shares continued to march higher, 2) the Fund's TARP warrant positions in Comerica and Zions (*see below*) performed well during the 4th Quarter 3) the Fund's largest position, Genworth Financial, was up 21% in the quarter, and 4) the Fund's index hedge position offset some of the gains from the Fund's long positions.

	2013 Q4	2013 YTD	Total Return Since Inception	Annualized Return Since Inception
Gator Financial Partners, LLC	12.97%	37.76%	484.84%	37.87%
S&P 500 Total Return Index[1]	10.51%	32.39%	63.21%	9.32%
SPDR Financial Select Sector ETF	10.30%	35.56%	23.83%	3.96%

The Fund's inception date was July 1, 2008. Past performance is not indicative of future results. Performance is presented net of fees and expenses. Please see Appendix A for additional disclaimers.

[1] The market index shown has been selected for purposes of comparing the performance of an investment in the Gator Financial Partners, LLC with certain well-known equity benchmarks. The statistical data regarding the indices has been obtained from Bloomberg and the returns are calculated assuming all dividends are reinvested. The indices are not subject to any of the fees or expenses to which the funds are subject and may involve significantly less risk than Gator Financial Partners, LLC (the "Fund"). The Fund is not restricted to investing in those securities which comprise this index, its performance may or may not correlate to this index and it should not be considered a proxy for this index. The S&P 500 Total Return Index is a market cap weighted index of 500 widely held stocks often used as a proxy for the overall U.S. equity market. An investment cannot be made directly in an index. The Financial Select Sector SPDR® Fund (XLF) is an exchanged traded fund designed to track the financial stocks in the S&P 500 Index. Gator Financial Partners, LLC consists of securities which vary significantly from those in the benchmark indices listed above. Accordingly, comparing results shown to those of such indices may be of limited use.

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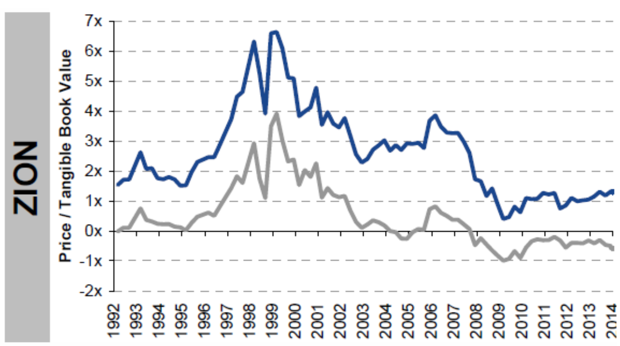
Review of Investment Thesis – Zions Bancorporation Warrants

The fund has owned warrants in Zions Bancorporation (Zions or "ZION") for a little over a year. While the price of the warrants is very volatile, we believe they present an interesting asymmetrical risk/reward situation that could produce high returns. We originally purchased ZIONZ when the Treasury auctioned their holding into the market. Since then, we have added to the position as the Fund has had in-flows. Zions actually has two warrant issues outstanding: ZIONW and ZIONZ. Both are listed on the NYSE.

Here is our investment thesis:

1. ZION stock on a stand-alone basis is interesting and the related warrants are a way to use non-recourse leverage to participate in the upside potential of ZION stock.
2. ZION has a compelling valuation. ZION has a tangible book value of $23.88 and is estimated to earn $1.83 in 2014 and $2.03 in 2015. On 3/7/14, ZION closed at $31.57, which is a Price-to-Tangible Book (or P/TB) of 1.3x and a P/E of 17.2x. Because we believe ZION is reporting earnings well below its actual earnings power, we will focus on the Price-to-Tangible Book measures. In the chart below from Morgan Stanley, ZION's historical Price-to-Tangible Book is represented by the blue line. The grey line represents ZION's P/TB versus its regional bank peer group. From 2002 to 2007, ZION traded around 3x P/TB. So, we think it is reasonable to consider the possibility that ZION may again trade up to 2x P/TB. Also, we can see that ZION trades at a discount to its regional bank peers. Peers trade at a median 1.9x P/TB.



Source: Morgan Stanley

3. ZION has two sources of hidden earnings power:
   a. ZION holds $8.5 billion or 16% of its balance sheet in cash versus its peers; holding just 1% of their balance sheet in cash. ZION earns 0.25% on this cash. Management does this because they fear the potential losses if they invested in bonds and rates rose. We agree with this decision. However, this positioning hurts current earnings. If ZION moved $8 billion of its cash to 15-year MBS and earned a current yield of 1.5%, the bank would generate an additional $65 million of income or $0.35 per share.
   b. ZION is also the regional bank most leveraged to higher interest rates due to their floating rate loans and high cash balances. Management estimates that if interest rates rose 2% gradually that net interest income at the bank would rise 17% or about $200 million after-tax. This is more than $1 per share of hidden earnings power.

4. Least exposed to bond losses among peers – As discussed above, ZION has a higher percentage of its balance sheet invested in cash vs. its peers. The slide below is taken from a ZION investor presentation. As you can see, the low securities balances will protect ZION from recording unrealized losses when rates eventually rise. ZION management's aversion to mortgage-backed securities (MBS) is particularly noteworthy because the duration of MBS will extend with increases in rates.

Source: Zions Bancorporation

5. Attractive branch footprint – ZION has an attractive branch footprint with a dominant position in Utah and significant operations in Southern California, Houston, Las Vegas, Phoenix and Denver. Of its peers, ZION's branch footprint has the highest expected GDP growth.
6. Potential Loan Growth – ZION's earnings will benefit if loan growth can accelerate. Recently, they have seen evidence of stronger loan growth through both increased demand from banking customers and fewer payoffs through refinances. Importantly, ZION's management has seen evidence of loan demand from small business customers. Small business loans are priced with wider margins than middle-market loans. Loan growth is the best possible use of the excess cash that ZION has on its balance sheet.
7. Potential upside of the ZIONW issue – The ZIONW warrant issue has a potential 5x upside. The ZIONW warrant issue was recently trading for $6.80. Tangible book value ("TBV") of ZION stock is ~$24 per share. The stock price was traded recently around $31, so it is priced at 1.3x TBV. The median P/TBV of ZION's regional banking peers is 1.9x TBV. There are 6.25 years until the warrant's expiration, and the strike is $36.63. At expiration, ZION's tangible book value per share should increase to ~$36 and the stock could trade at 2x tangible or ~$72. If it did, the warrant would be worth ~$35 or 5x the current market price.

Risks:

1. Loan growth – A significant portion of this investment thesis is dependent on ZION working down its excess cash balance by growing its loan portfolio. If loan growth is disappointing, we think the potential 2x tangible book ratio six years from now will be difficult to achieve.

2. Interest rates stay low for an extended period of time – If interest rates, especially short-term interest rates, stay at the current low levels for the next six years, ZION will not benefit from its asset sensitive balance sheet. There is precedent that rates can stay at low levels for extended periods, so we will have to monitor the Federal Reserve's monetary policy decisions closely.
3. The Fund's ZION warrant position is at risk if the bank sells for cash prior to expiration – If ZION is sold for cash prior to the warrant expiration, warrant holders will not get the benefit of the additional time left on the warrants. If ZION is bought by another bank in a stock swap, the warrants will probably convert into warrants of the acquiring bank. Currently, there appears to be one cash acquirer lurking in the western U.S., UnionBanCal. UnionBanCal is a wholly owned subsidiary of Mitsubishi UFJ Financial Group and has made a few acquisitions of banks in the western U.S. and has paid cash. If UnionBanCal purchased ZION for cash, we would not benefit as much as expected from the warrant position. We think ZION selling is unlikely in the next six years as the CEO, Harris Simmons, is only 58 and has worked his entire career at the bank. His father ran the bank before him, so we believe it would be unlikely for him to sell the bank before he was ready to retire.

With the ZION warrants, we have a leveraged way to participate in a regional bank trading at a discount to its peers. At the same time, they are one of the banks best positioned for higher interest rates.

Portfolio Analysis

Below are the Fund's largest common equity long and short positions. All data is as of December 31, 2013.

Largest Common Equity Positions

Long	Short
Genworth	Westamerica
Virtus Investment	Taubman Centers
ING U.S.	Cohen & Steers
Zions	Mack-Cali Realty
SunTrust	People's Bank-CT

From this list, we exclude ETFs and fixed income instruments such as preferred stock.

Sub-sector Weightings

Below is a table showing the Fund's positioning within the Financial sector as of December 31st:

	Long	Short	Net
Alt Asset Managers	10.5%	0.0%	10.5%
Asset Managers	5.2%	-1.4%	3.7%
Banks (large)	23.8%	-6.7%	17.1%
Banks (small)	23.7%	-13.0%	10.7%
Broker-Dealers	4.6%	0.0%	4.6%
Exchanges	0.0%	0.0%	0.0%
Life Insurance	12.8%	-0.3%	12.5%
Non-Bank Lenders	10.7%	0.0%	10.7%
P&C Insurance	7.7%	-1.7%	5.9%
Processors	0.0%	0.0%	0.0%
Real Estate	3.4%	-5.7%	-2.3%
Index Hedges	0.0%	-33.8%	-33.8%
Non-Financials	0.5%	0.0%	0.5%
Common Equity-only	103.0%	-62.6%	40.3%

The Fund's gross common exposure is 165% and its net exposure is 40%. Ninety-eight percent of the Fund's positions are in finance-related companies. The non-finance related positions are the Kinder Morgan warrant position and a position in PAGP which are both included in the Alternative Asset Manager sub-sector in the table above. From this table, we exclude fixed income instruments such as preferred stock. Preferred stock positions account for an additional 9% of the portfolio.

Organizational Changes

We are starting two additional sleeves of the Fund. In our current 3(c)1 version of the Fund, we have 65 investors and are limited to 99. We are launching a 3(c)7 sleeve, which will allow us to have 499 investors, but each investor must have $5 million of investable assets. We are also launching an offshore feeder. If you are a non-U.S. investor or a non-taxable investor and would like to move your investment into the offshore feeder, please contact myself or Erik Anderson at (813) 381-5394 or erik.anderson@gatorcapital.com.

Conclusion

We are pleased with the Fund's performance in the 4th Quarter and for the entire year of 2013, and are looking forward to 2014. Thank you for entrusting us with a portion of your wealth. On a personal level, I remain the Fund's largest investor with significantly more than 50% of my liquid net worth invested in the Fund.

As always, we are available by phone whenever you want to discuss the Fund, our other products, or investing in general.

Sincerely,

Derek S. Pilecki

Derek S. Pilecki
Managing Member of Gator Capital Management, LLC, which is the
Managing Member of Gator Financial Partners, LLC

Appendix A

Additional Disclaimers and Notes to Performance Results

The performance results shown on the first page of this letter are presented on a net-of-fees basis and reflect the deduction of, among other things: management fees, brokerage commissions, administrative expenses, and accrued performance allocation, if any. Net performance includes the reinvestment of all dividends, interest, and capital gains; it assumes an investor has been in the fund since their respective inception dates and participated in any “new issues”. Depending on the timing of a specific investment and participation in “new issues”, net performance for an individual investor may vary from the net performance as stated herein. Performance data for 2013 is estimated and unaudited.

The inception date for Gator Financial Partners, LLC was July 1, 2008. The performance data presented on the first page of this letter for the market indices under “since inception” is calculated from July 1, 2008. The returns represented encompass a market and economic period of extreme volatility which may not repeat itself.

The market indices shown on the first page of this letter have been selected for purposes of comparing the performance of an investment in the Gator Financial Partners with certain well-known equity benchmarks. The statistical data regarding the indices has been obtained from Bloomberg and the returns are calculated assuming all dividends are reinvested. The indices are not subject to any of the fees or expenses to which the funds are subject. The funds are not restricted to investing in those securities which comprise any of these indices, their performance may or may not correlate to any of these indices and it should not be considered a proxy for any of these indices.

Past performance is not necessarily indicative of future results. All investments involve risk including the loss of principal. This letter is confidential and may not be distributed without the express written consent of Gator Capital Management, LLC and does not constitute a recommendation, an offer to sell, or a solicitation of an offer to purchase any security or investment product. Any such offer or solicitation may only be made by means of delivery of an approved confidential private offering memorandum.

This letter contains information and analyses relating to some of the Gator Financial Partners’ positions during the period reflected on the first page. Gator Capital may currently or in the future buy, sell, cover or otherwise change the form of its investment in the companies discussed in this letter for any reason. Gator Capital hereby disclaims any duty to provide any updates or changes to the information contained here including, without limitation, the manner or type of any Gator Capital investment.

Gator Financial Partners, LLC

GATOR CAPITAL MANAGEMENT

Derek Pilecki, CFA
Portfolio Manager

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	8.26%	3.97%	4.11%	3.80%	5.89%	(3.78%)	2.70%	(3.51%)	(0.71%)	5.06%	4.73%	2.68%	37.76%
2012	4.55%	1.65%	7.51%	(1.37%)	(0.67%)	3.99%	1.94%	(1.57%)	2.40%	7.61%	1.72%	3.01%	34.87%
2011	14.03%	9.26%	(4.00%)	1.20%	6.43%	1.32%	0.36%	(5.00%)	(5.34%)	2.76%	(0.41%)	(4.34%)	15.34%
2010	(2.97%)	6.01%	4.55%	5.77%	(3.00%)	(17.98%)	3.93%	(6.65%)	7.03%	7.73%	5.61%	5.13%	12.39%
2009	22.60%	7.00%	19.23%	11.00%	17.19%	20.93%	7.90%	15.28%	(0.50%)	(12.63%)	(0.87%)	8.65%	186.31%
2008	-	-	-	-	-	-	(1.89%)	(7.24%)	(21.90%)	16.63%	(7.93%)	11.02%	(15.26%)

Net of fees. Past Performance is not indicative of future results.

Fund Overview

Gator Financial Partners, LLC is a long/short equity hedge fund focused on the Financial sector. The Fund is run with variable net common exposure in an attempt to produce investment returns that are independent of the market direction of the Financial sector.

The Fund's portfolio is built by performing intensive bottoms-up fundamental research on both long and short positions. The Fund's portfolio is concentrated on the portfolio manager's highest conviction ideas. The Fund never sells options but will purchase warrants and LEAPs as stock replacements.

The Fund favors small companies and companies with less research coverage from the sell-side. There are 1,600-plus publicly traded companies in the Financial sector. In addition, the sector requires specialized knowledge to correctly analyze the companies. Therefore, the portfolio manager believes there are regular opportunities for specialized investors doing fundamental research in the sector.

The Fund's goal is to maximize total return without using leverage while accepting short-term periods of volatility due to the portfolio's concentration.

Fund Structure

Fund Description	Long/Short Equity Financials
Date Launched	July 1, 2008
Contributions	Monthly
Organization	Delaware LLC
Management Fee	1%
Incentive Allocation	20%
High Water Mark	Yes

Fund AUM[1]	$24.6 million
Strategy AUM	$36.1 million
Firm AUM	$63.3 million
Redemptions	Monthly, no lock-up
Minimum Investment	$100,000

Performance Statistics

	GFP	S&P 500[2]	XLF
Avg. Monthly Return	3.03%	0.88%	0.69%
Highest Monthly Return	22.60%	10.93%	21.76%
Lowest Monthly Return	(21.90%)	(16.80%)	(26.17%)
Monthly Comp. Return	2.71%	0.74%	0.32%
Ann. Comp. Return	37.87%	9.32%	3.96%
Cumulative Return	484.84%	63.21%	23.83%
Profitable Percentage	66.7%	66.7%	59.1%
Max Drawdown	(28.92%)	(42.62%)	(63.89%)

Quantitative Statistics

	GFP	S&P 500	XLF
Annualized Return	37.87%	9.32%	3.52%
Standard Deviation	28.00%	17.79%	29.48%
Sharpe Ratio	1.13	0.45	0.09
Sortino Ratio	2.15	0.71	0.18
Downside Deviation	15.14%	13.13%	21.23%

Correlation to Benchmark Trailing 36 Months

	S&P 500	XLF
Alpha (annualized)	18.1%	21.9%
Beta	0.624	0.452
R^2	0.262	0.3239

[1] "Fund AUM" is defined as assets under management in Gator Financial Partners, LLC. "Strategy AUM" is defined as assets under management (both in the Fund and in SMAs) using the same investment strategy as Gator Financial Partners, LLC. "Firm AUM" is defined as all assets under management by Gator Capital Management, LLC.

[2] The market indices shown have been selected for purposes of comparing the performance of an investment in the Gator Financial Partners, LLC with certain well-known equity benchmarks. The statistical data regarding the indices has been obtained from Bloomberg and the returns are calculated assuming all dividends are reinvested. The indices are not subject to any of the fees or expenses to which the funds are subject and may involve significantly less risk than Gator Capital strategies. The funds are not restricted to investing in those securities which comprise any of these indices, their performance may or may not correlate to any of these indices and it should not be considered a proxy for any of these indices. The S&P 500 Total Return Index is a market cap weighted index of 500 widely held stocks often used as a proxy for the overall U.S. equity market. An investment cannot be made directly in an index. An investment cannot be made directly in an index. The Financial Select Sector SPDR® Fund (XLF) is an exchanged traded fund designed to track the financial stocks in the S&P 500 Index. Gator Financial Partners, LLC consists of securities which vary significantly from those in the benchmark indexes listed above. Accordingly, comparing results shown to those of such indexes may be of limited use. The source of the index and XLF price data is Bloomberg.

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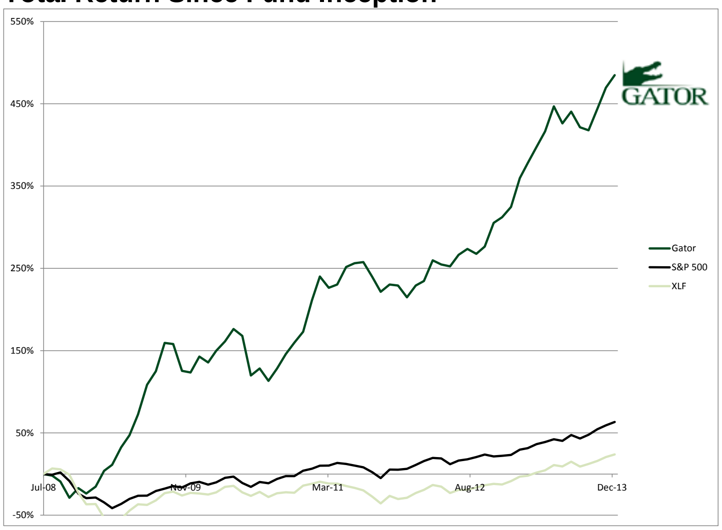
Gator Financial Partners, LLC

Service Providers

Fund Administrator	Cortland Fund Services
Prime Broker	Interactive Brokers Jefferies
Legal Counsel	Davis Gillett Mottern & Sims
Auditor	Kaufman Rossin

Total Return Since Fund Inception



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Portfolio Manager Biography

Derek Pilecki, CFA

In 2008, Derek Pilecki founded Gator Capital Management. At Gator, Pilecki has the ultimate responsibility for all investment decisions. He manages a long/short equity hedge fund focused on the Financials sector.

From 2002 through 2008, Pilecki was a member of the Goldman Sachs Asset Management (GSAM) Growth Equity Team, which had AUM of $28 billion. While at GSAM, Pilecki was the co-Chair of the Investment Committee for the Growth Team and was a Portfolio Manager. He was also a member of the portfolio management team responsible for the Goldman Sachs Capital Growth Fund, and provided primary analyst coverage of the Financial sector for the Growth Team.

Prior to GSAM, Pilecki was an Analyst at Clover Capital Management in Rochester, NY and Burridge Growth Partners in Chicago, IL and covered the Financial sector at both firms. Before entering graduate school, Pilecki worked at Fannie Mae providing interest rate risk analysis for the company's mortgage investment portfolio.

Pilecki holds an MBA with honors in Finance and Accounting from the University of Chicago and a BA in Economics from Duke University.

Risk Management

Initial Position Size – L/S	2-4% / 1-2%
Maximum Position Size	10% at cost
Gross Exposure Target	Less than 200%
Net Exposure Target	+/- 25%
# of Positions – L/S	30-50 / 30-50

The Fund's advisor is registered with the SEC as a Registered Investment Advisor.[3]

Pilecki's largest personal asset is his investment in the Fund and comprises more 50% of his liquid net worth.

[3] This does not denote any special skill by the advisor nor any status conferred by the registering entity.

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Appendix C
Review of the Gator Financial Partners Strategy and Goals

The Fund is a long/short equity fund focused on the Financial sector. We use a bottoms-up fundamental analysis to make investments and build the portfolio, one stock at a time. We attempt to own (or go long) undervalued securities and sell short securities that are overvalued. We generally keep the Fund close to market neutral (+/- 25% net exposure) because we believe returns from stock selection may be more consistent than returns from over-weighting or under-weighting the sector at the appropriate time.

One competitive advantage of the Fund is the deep focus on the Financial sector. The Financial sector has many sub-industries: money center banks, regional banks, trust banks, community banks, thrifts, broker-dealers, non-bank financials, REITs (commercial, apartment, industrial, retail, mortgage, etc.), P&C insurance, life insurance, insurance brokers, asset managers, exchanges and financial technology companies. While many of the major hedge funds are positive on Financials, they generally express their view in the liquid, large-cap banks. While these may be fine positions over time and we own some of these same banks, we add most of our value by going several layers deeper to find attractive values among the less popular or well-known companies in the sector.

Seventy-five percent of the Fund's positions must be in companies in the Financial sector or in companies with a significant stake (33% of revenues, profits or allocated capital) in financial services operations. Examples of companies with significant financial services operations are General Electric with GE Capital and eBay with PayPal. Historically, 90 to 95% of the fund's positions have qualified as a member of the Financial sector or financial services related. The non-financial services positions tend to be special situations such as spin-offs, initial public offerings or short positions in former fad or concept stocks.

There are two other distinguishing characteristics of the Fund: a concentrated portfolio and a focus on opportunities with asymmetrical risk/reward (this is code for: "We swing for the fences when we believe the odds are in our favor."). We run the Fund with a concentrated portfolio for several reasons. We believe a concentrated portfolio creates discipline in weeding out bad ideas. Another benefit of a concentrated portfolio is a focus on best ideas. One of my mentors from GSAM taught me that any stock worth buying is worth buying in size. Positions with asymmetrical risk/reward are important because markets often price in average moves and do not anticipate how frequently extreme price moves can occur. We find these asymmetrical opportunities in beaten down stocks, long-term warrants and/or LEAPs, and companies with significant operating leverage. One day when the Fund is of the appropriate size, we may also find opportunities in purchasing credit default swaps on companies we want to short. In the brief history of the Fund, these characteristics (a concentrated portfolio and positions with asymmetrical risk/reward) explain the large volatility in the Fund's monthly returns. Most of this volatility has been to the positive, but there have been, and will be, times when the fund will be out of sync with the market. Please do not expect the Fund to produce steady returns; instead, we hope the Fund will produce a superior total return over the long-run.

Appendix D
Gator Financial Partners Operational Characteristics

Given the events of 2008 and the common criticisms of hedge funds (limited liquidity, opaque portfolios and self-administration); we have structured the Fund to be more investor friendly than a typical hedge fund. The Fund does not employ lock-ups. There is monthly liquidity and only 10 business days' notice is required to redeem investments at month-end. We disclose the entire portfolio to current investors upon request and to prospective investors prior to investment. The Fund has hired independent auditors, Kaufman Rossin based in Miami, who specialize in hedge funds, to perform the Fund's annual audit. The Fund has also hired an independent third-party administrator, Cortland Fund Services based in Chicago, for fund accounting. As an additional financial control, we cannot authorize a release of money from the Fund's checking account at JP Morgan unless Cortland also approves the withdrawal. We want to continue to improve the Fund's structure and terms to remain investor friendly. If you have suggestions, please contact us.

We do offer separate accounts with a $5 million minimum. While we prefer investors to invest directly in the Fund, we will invest separate accounts *pari passu* with the Fund. The trade-off is that a separate account imposes a greater accounting and tax reporting burden on the client. Whether our investors come through the Fund or through a separate account, we feel strongly that the money is the investor's money, the investor has given us the privilege of managing their money, the investor has the right to know how their money is invested, and they have the right to access their money.