

## Patrick J. Kelly

San Diego, CA | 619-261-5802 | pjkellywit@gmail.com

### Expert Witness Services

Mr. Kelly provides expert analysis in complex financial matters involving fiduciary duty, conflicts of interest, valuation, fee disputes, disclosure practices, and regulatory compliance, and is available for analysis, consulting, and testimony. His hedge fund management, regulatory, and fiduciary experience, combined with his engineering background, provides a disciplined analytical approach to complex financial matters.

### Hedge Funds, Securities, Fiduciary Duties, and Regulatory Compliance

Mr. Kelly is a Registered Investment Adviser (RIA) representative and former hedge fund founder and manager with experience in derivatives, valuation, fiduciary duty, and regulatory compliance. He oversaw all aspects of hedge fund operations, including fund structuring, governance, offering and disclosure documents, portfolio management, financial reporting, investor communications, and fund wind-down.

He completed three routine regulatory examinations, including two National Futures Association (NFA) examinations and one California Department of Financial Protection and Innovation (DFPI) examination.

Areas of expertise include:

- Fiduciary duty, standard of care, and conflicts of interest
- Investment fund structure, governance, compliance, and investor reporting
- Pooled fund operations, capital account valuation, NAV calculations, and fee allocation
- Management fees, incentive allocations, expense allocation, and carried interest
- Due diligence and investor suitability standards (Accredited Investor, Qualified Client, and Qualified Eligible Person (QEP))
- Offering and disclosure documents, including PPMs, subscription agreements, Form ADV filings, operating agreements, side letters
- Regulatory compliance involving NFA, CFTC, and California DFPI requirements
- Soft dollars and best execution
- Anti-money laundering (AML), know your customer (KYC), and investor onboarding procedures

Additional Financial Experience:

- Proprietary investment and trading experience across equities, FX, fixed income, options, futures, and commodities
- Private credit and lending structures
- Employee compensation structures including ESOPs, RSUs, stock options, pensions, and profit-sharing plans

### Professional Experience

#### Next Alpha Capital, LLC

##### Founder & Hedge Fund Manager / Investment Advisor

San Diego, CA | Jun 2016 – Present

*Active fund management period: Mar 2017 – Jun 2024*

Mr. Kelly is a Registered Investment Adviser (RIA) representative registered with the California Department of Financial Protection and Innovation (DFPI). He founded and managed a derivatives-based private hedge fund, serving

as the Managing Member of its general partner entity. Through that role he had discretionary authority over the fund's operations and was responsible for the formation, management, and oversight of the fund, including:

- Engagement and management of outside legal counsel for fund formation, GP/LP structuring, operating agreements, and offering documentation
- Review and approval of fund formation, operating, and offering documents, including PPMs, subscription agreements, side letters, valuation procedures, fee calculations, risk disclosures, conflicts of interest disclosures, and investor suitability standards
- Design, implementation, and oversight of derivatives-based trading strategy and execution
- Coordination with fund administrator, auditor, legal counsel, and tax professionals across operational, reporting, and compliance functions
- Development and maintenance of risk management documentation and procedures
- Investor onboarding, due diligence, subscriptions and redemptions
- Oversight of investor reporting, and review and approval of financial statements, investor statements, and tax filings
- Ongoing regulatory compliance, fiduciary oversight, and completion of routine regulatory examinations (1 DFPI examination and 2 NFA examinations)
- Orderly wind-down and final investor reporting

### **Motorola Solutions | 1990 – 2021**

Previously, Mr. Kelly held engineering and project management roles at Motorola Solutions, applying technical expertise, disciplined analysis, and structured problem-solving to complex client-facing technical and operational matters. He prepared written responses to numerous large requests for proposals (RFPs) and delivered technical presentations, communicating technical concepts clearly to non-technical stakeholders.

### **Licenses & Registrations**

Registered Investment Adviser (RIA) Representative | California DFPI | CRD No. 6726033 | Feb 2017 – Present

Approved Principal and Associate Member | NFA | Nov 2016 – Dec 2024

Series 65, Uniform Investment Adviser Law Examination | NASAA | Jun 2016 – Present

Series 3, National Commodities Futures Examination | NFA | Jul 2016 – Dec 2026

### **Education**

MBA, Finance & Entrepreneurship, San Diego State University

Bachelor of Science (BS), Electrical Engineering, Marquette University