CEDAR CREEK PARTNERS, LLC

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

February 13, 2012

Subject: Cedar Creek Partners January 2012 Unaudited Results

Dear Partner:

The market rose sharply in January, led by technology (Nasdaq) and small caps (Russell 2000). The fund rose 6.1%, net of fees and expenses, which exceeded the performance of the S&P500 and DJIA, but was slightly less than the Nasdaq and Russell 2000.[1]

	Jan '12	2011	Inception	Ave. Annual
Cedar Creek	**6.1%**	**-1.2%**	**166.6%**	**17.6%**
DJIA	3.5%	8.4%	35.6%	5.2%
Russell 2000	7.1%	-4.2%	21.3%	3.2%
Nasdaq	8.0%	-1.8%	21.4%	3.3%
S&P 500 (SPY)	4.6%	1.9%	15.4%	2.4%

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

January Month Details

The fund's top two positions had nice gains in January. Mind CTI (MNDO) an Israeli-based billing and software provider to the telecommunications industry rose 32%. Monument Mining (MMY.TO), a Canadian gold mining company with low cost operations in Malaysia, rose nearly 24% in the month. Other notable gains were achieved from Janus Capital (JNS) up 25%, Gravity (GRVY) up 23%, Sandstorm Gold (SSL.TO) up 20%, and Dell (DELL) up 18%.

The most notable decliners in January were Aberdeen International (AAB.TO) and Teton Advisors (TETAA.PK) each down 6%, and CTM Media (CTMMB.PK) and Butler National (BUKS.PK) down 5% respectively for the month.

[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 under-valued securities, than an index holding a far greater number of securities. Index returns as reported on Yahoo! Finance, Dow Jones, and Russell (see DISCLAIMER for more information).

Cash Levels and New Positions in the Fund

The fund's cash levels, excluding short credits, finished the month at 16%, which is significantly above our general target of 10%. We expect this to be transitory; it is not based on our judgment of short term market expectations (we have none). We did decide to play a little less defense and more offense; so we reduced or eliminated some minor positions that while attractive, were not as attractive as other positions in the portfolio, and increased our positions in the most attractive opportunities.

The biggest uses of cash were additional purchases of Monument Mining (MMY.TO) and Fieldpoint Petroleum (FPP) along with the initiation of two new positions, one of which is a major position, and is detailed below. Sources of cash were the elimination of our positions in Armanino Foods (AMNF), Asta Funding (ASFI), Goldgoup Mining (GGA.TO), and Microsoft (MSFT), along with minor reductions in a number of positions.

Poseidon Concepts – How to Value a Better Mouse Trap?

During January, we came across an interesting company named **Poseidon Concepts (PSN.TO)**. We built it up to a 5% position in the fund and it rose in price by 8% to $14.79, from our average purchase price of $13.68. Poseidon is essentially the maker of a better mouse trap. Not literally of course. Poseidon manufactures above ground fluid storage tanks for the oil and gas industry. Essentially they make very large above ground swimming pools that the drillers store water used in fracture drilling.

Poseidon manufactures three basic models which it leases to customers - the Triton, Poseidon, and Atlantis, with capacities of 9,000 bbls., 18,000 bbls., and 41,000 bbls., respectively. Prior to Poseidon developing the above ground storage most drillers used numerous 500 bbl. steel tanks which were expensive to transport and heat, or a lined open pit, which many states ban due to the risk of leaks going undetected.

It would seem that anyone could produce similar tanks and that it would be a commodity business. This is largely true; however, Poseidon was the first to bring the product to market and has a process that is already patented in Canada and pending approval in the U.S. that is boltless. This saves significant time and cost in mobilization. They rented their first tank in the summer of 2010. Growth has been phenomenal as they ended 2011 with 240 tanks. Management, which has consistently exceeded their projections, has announced a target of 400 tanks by the end of June 2012.

We believe that management is approaching the business intelligently. They are taking advantage of being first in the space. They are locking in multi-year deals and making as many tanks as they can in order to lock in customers before anyone else can come to market with a similar product. To date, the company has enjoyed incredible economics. Management has priced the new system at nearly the same as what steel tanks were costing. This allowed the drillers to save the setup costs. A 41,000 bbl. Poseidon tank takes two truckloads and 4-12 hours to set up. A comparable 80 steel tank farm (at 500 bbls. each) takes 50 truckloads and a 3-5 day set up time.

Poseidon's tanks are reported to cost approximately $200,000 to $300,000 to manufacture and rent for $600,000 to $1 million per year, depending on size. Due to minimal operating costs, the company is currently enjoying EBITDA margins of 90%. Eventually pricing will fall. The questions are how quickly and by how much? We assumed pricing would steadily fall from a conservative $600,000 per year per tank to

$360,000 by 2017. Based on industry margins, we think the steel tank option would lose money on a cash basis at the $360,000 figure. By 2015 Poseidon should have a fleet of 1,150 tanks, which would give it a market share of 35%, and stabilize pricing.

Obviously competition could prove stronger and pricing may fall further and faster. By taking advantage of its first mover status the company should be able to make tons of money before that might happen. Our estimate of future earnings results in the company earning more over the next six years than what we paid for the stock. In addition the company has chosen to pay a healthy nine cent monthly dividend which means shareholders will retain some of the profits along the way minimizing overall return risk.

Is this the perfect business? Of course not. You may recall the four metrics we use to determine whether a business is in an attractive industry - pricing power, minimal capital requirements, high margins, and sales growth. Poseidon scores exceptionally well over the next few years in terms of high margins and sales growth; however, within a few years sales growth will fall back to industry levels, and margins will compress. While there is obviously a capital requirement to build the tanks, it is currently very low in relation to the rental rates the tanks generate. Where Poseidon scores lowest is pricing power. It is exceptional right now, but that will only serve to attract other entrants, and it is certain to decline.

For many value investors the company would be placed in the too risky pile. Our opinion is just because we cannot be precise as to where the business will be in five years, doesn't mean we should forgo purchasing it. At the price the market was offering we feel we were more than being compensated for the associated risks. We paid less than eight times our estimate of 2012 earnings for a business growing at over 100% annually.

Room for New Members and/or Additional Funds

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
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DISCLAIMERS

Fund Performance

The financial performance figures for 2011 and 2012 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.

Forward Looking Statements

This letter and the accompanying discussion include forward-looking statements. All statements that are not historical facts are forward-looking statements, including any statements that relate to future market conditions, results, operations, strategies or other future conditions or developments and any statements regarding objectives, opportunities, positioning or prospects. Forward-looking statements are necessarily based upon speculation, expectations, estimates and assumptions that are inherently unreliable and subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements are not a promise or guaranty about future events.