

FORM D

1231294

Notice of Exempt Offering of Securities

U.S. Securities and Exchange Commission

Washington, DC 20549

(See instructions beginning on page 5)

OMB APPROVAL	
OMB Number: 3235-0076	
Expires: December 31, 2008	
Estimated average burden hours per response: 4.00	

Intentional misstatements or omissions of fact constitute federal criminal violations. See 18 U.S.C. 1001.

Item 1. Issuer's Identity

Name of Issuer: Penn Distressed Fund, L.P.

Jurisdiction of Incorporation/Organization: DE

Year of Incorporation/Organization (Select one): Over Five Years Ago Within Last Five Years (specify year) Yet to Be Formed

Previous Name(s): None

Entity Type (Select one): Corporation Limited Partnership Limited Liability Company General Partnership Business Trust Other (Specify)

(If more than one issuer is filing this notice, check this box and identify additional issuer(s) by attaching Items 1 and 2 Continuation Page(s).)

Item 2. Principal Place of Business and Contact Information

Street Address 1: 457 Haddonfield Road, Suite 210

Street Address 2:

City: Cherry Hill State/Province/Country: NJ ZIP/Postal Code: 08002 Phone No.: 856.910.8181

Item 3. Related Persons

Last Name: Hocker First Name: Richard Middle Name: A.

Street Address 1: 457 Haddonfield Road, Suite 210

Street Address 2:

City: Cherry Hill State/Province/Country: NJ ZIP/Postal Code: 08002

Relationship(s): Executive Officer Director Promoter

Clarification of Response (if Necessary): of the General Partner

Barcode: 09039669

(Identify additional related persons by checking this box and attaching Item 3 Continuation Page(s).)

Item 4. Industry Group (Select one)

Agriculture Business Services Construction

Banking and Financial Services Energy REITS & Finance

Commercial Banking Electric Utilities Residential

Insurance Energy Conservation Other Real Estate

Investing Coal Mining Retailing

Investment Banking Environmental Services Restaurants

Pooled Investment Fund Oil & Gas Technology

If selecting this industry group, also select one fund type below and answer the question below:

Hedge Fund Biotechnology Computers

Private Equity Fund Health Insurance Telecommunications

Venture Capital Fund Hospitals & Physicians Other Technology

Other Investment Fund Pharmaceuticals Other Travel

Is the issuer registered as an investment company under the Investment Company Act of 1940? Yes No

Other Banking & Financial Services Manufacturing Real Estate Commercial Other

SEC Mail Processing Section

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Item 5. Issuer Size (Select one)

Revenue Range (for issuer not specifying "hedge" or "other investment" fund in Item 4 above)

- No Revenues
- \$1 - \$1,000,000
- \$1,000,001 - \$5,000,000
- \$5,000,001 - \$25,000,000
- \$25,000,001 - \$100,000,000
- Over \$100,000,000
- Decline to Disclose
- Not Applicable

OR

Aggregate Net Asset Value Range (for issuer specifying "hedge" or "other investment" fund in Item 4 above)

- No Aggregate Net Asset Value
- \$1 - \$5,000,000
- \$5,000,001 - \$25,000,000
- \$25,000,001 - \$50,000,000
- \$50,000,001 - \$100,000,000
- Over \$100,000,000
- Decline to Disclose
- Not Applicable

Item 6. Federal Exemptions and Exclusions Claimed (Select all that apply)

- | | | |
|------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------|
| <input type="checkbox"/> Rule 504(b)(1) (not (i), (ii) or (iii)) | <input checked="" type="checkbox"/> Section 3(c)(1) | <input type="checkbox"/> Section 3(c)(9) |
| <input type="checkbox"/> Rule 504(b)(1)(i) | <input type="checkbox"/> Section 3(c)(2) | <input type="checkbox"/> Section 3(c)(10) |
| <input type="checkbox"/> Rule 504(b)(1)(ii) | <input type="checkbox"/> Section 3(c)(3) | <input type="checkbox"/> Section 3(c)(11) |
| <input type="checkbox"/> Rule 504(b)(1)(iii) | <input type="checkbox"/> Section 3(c)(4) | <input type="checkbox"/> Section 3(c)(12) |
| <input type="checkbox"/> Rule 505 | <input type="checkbox"/> Section 3(c)(5) | <input type="checkbox"/> Section 3(c)(13) |
| <input checked="" type="checkbox"/> Rule 506 | <input type="checkbox"/> Section 3(c)(6) | <input type="checkbox"/> Section 3(c)(14) |
| <input type="checkbox"/> Securities Act Section 4(6) | <input type="checkbox"/> Section 3(c)(7) | |

Item 7. Type of Filing

- New Notice **OR** Amendment

Date of First Sale in this Offering: **OR** First Sale Yet to Occur

Item 8. Duration of Offering

Does the issuer intend this offering to last more than one year? Yes No

Item 9. Type(s) of Securities Offered (Select all that apply)

- | | |
|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| <input type="checkbox"/> Equity | <input checked="" type="checkbox"/> Pooled Investment Fund Interests |
| <input type="checkbox"/> Debt | <input type="checkbox"/> Tenant-in-Common Securities |
| <input type="checkbox"/> Option, Warrant or Other Right to Acquire Another Security | <input type="checkbox"/> Mineral Property Securities |
| <input type="checkbox"/> Security to be Acquired Upon Exercise of Option, Warrant or Other Right to Acquire Security | <input type="checkbox"/> Other (Describe) |

Item 10. Business Combination Transaction

Is this offering being made in connection with a business combination transaction, such as a merger, acquisition or exchange offer? Yes No

Clarification of Response (if Necessary)

Item 11. Minimum Investment

Minimum investment accepted from any outside investor \$ 100,000 (subject to waiver)

Item 12. Sales Compensation

Recipient

SMH Capital Inc.

Recipient CRD Number

20580

No CRD Number

(Associated) Broker or Dealer None

(Associated) Broker or Dealer CRD Number

No CRD Number

Street Address 1

600 Travis Street

Street Address 2

City

Houston

State/Province/Country

TX

ZIP/Postal Code

77002

States of Solicitation All States

- Grid of state checkboxes: AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY, PR

(Identify additional person(s) being paid compensation by checking this box and attaching Item 12 Continuation Page(s).)

Item 13. Offering and Sales Amounts

(a) Total Offering Amount \$ Indefinite

(b) Total Amount Sold \$ 15,224,510

(c) Total Remaining to be Sold (Subtract (a) from (b)) \$ Indefinite

Clarification of Response (if Necessary)

Item 14. Investors

Check this box if securities in the offering have been or may be sold to persons who do not qualify as accredited investors, and enter the number of such non-accredited investors who already have invested in the offering:

Enter the total number of investors who already have invested in the offering: 42

Item 15. Sales Commissions and Finders' Fees Expenses

Provide separately the amounts of sales commissions and finders' fees expenses, if any. If an amount is not known, provide an estimate and check the box next to the amount.

Sales Commissions \$ 0 Estimate

Clarification of Response (if Necessary)

Finders' Fees \$ 66,000 Estimate

Item 16. Use of Proceeds

Provide the amount of the gross proceeds of the offering that has been or is proposed to be used for payments to any of the persons required to be named as executive officers, directors or promoters in response to Item 3 above. If the amount is unknown, provide an estimate and check the box next to the amount.

\$ 0

Estimate

Clarification of Response (if Necessary)

[Empty box for clarification of response]

Signature and Submission

Please verify the information you have entered and review the Terms of Submission below before signing and submitting this notice.

Terms of Submission. In Submitting this notice, each identified issuer is:

Notifying the SEC and/or each State in which this notice is filed of the offering of securities described and undertaking to furnish them, upon written request, in accordance with applicable law, the information furnished to offerees.*

Irrevocably appointing each of the Secretary of the SEC and the Securities Administrator or other legally designated officer of the State in which the issuer maintains its principal place of business and any State in which this notice is filed, as its agents for service of process, and agreeing that these persons may accept service on its behalf, of any notice, process or pleading, and further agreeing that such service may be made by registered or certified mail, in any Federal or state action, administrative proceeding, or arbitration brought against the issuer in any place subject to the jurisdiction of the United States, if the action, proceeding or arbitration (a) arises out of any activity in connection with the offering of securities that is the subject of this notice, and (b) is founded, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these statutes; or (ii) the laws of the State in which the issuer maintains its principal place of business or any State in which this notice is filed.

Certifying that, if the issuer is claiming a Rule 505 exemption, the issuer is not disqualified from relying on Rule 505 for one of the reasons stated in Rule 505(b)(2)(iii).

* This undertaking does not affect any limits Section 102(a) of the National Securities Markets Improvement Act of 1996 ("NSMIA") [Pub. L. No. 104-290, 110 Stat. 3416 (Oct. 11, 1996)] imposes on the ability of States to require information. As a result, if the securities that are the subject of this Form D are "covered securities" for purposes of NSMIA, whether in all instances or due to the nature of the offering that is the subject of this Form D, States cannot routinely require offering materials under this undertaking or otherwise and can require offering materials only to the extent NSMIA permits them to do so under NSMIA's preservation of their anti-fraud authority.

Each identified issuer has read this notice, knows the contents to be true, and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person. (Check this box [] and attach Signature Continuation Pages for signatures of issuers identified in Item 1 above but not represented by signer below.)

Issuer(s)

Penn Distressed Fund, L.P.

Name of Signer

Gerald M. McBride

Signature

Gerald M. McBride

Title

Chief Financial Officer

Number of continuation pages attached:

3

Date

March 3 2009

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

Item 3 Continuation Page

Item 3. Related Persons (Continued)

Last Name: Hocker, First Name: Marcia, Middle Name: A.
Street Address 1: 457 Haddonfield Road, Suite 210, Street Address 2:
City: Cherry Hill, State/Province/Country: NJ, ZIP/Postal Code: 08002
Relationship(s): Executive Officer Director Promoter
Clarification of Response (if Necessary): of the General Partner

Last Name: Green, First Name: Eric, Middle Name: J.
Street Address 1: 457 Haddonfield Road, Suite 210, Street Address 2:
City: Cherry Hill, State/Province/Country: NJ, ZIP/Postal Code: 08002
Relationship(s): Executive Officer Director Promoter
Clarification of Response (if Necessary): of the General Partner

Last Name: Noyes, First Name: Christian, Middle Name: M.
Street Address 1: 457 Haddonfield Road, Suite 210, Street Address 2:
City: Cherry Hill, State/Province/Country: NJ, ZIP/Postal Code: 08002
Relationship(s): Executive Officer Director Promoter
Clarification of Response (if Necessary): of the General Partner

Last Name: Schumacher, Sr., First Name: Scott, Middle Name: D.
Street Address 1: 457 Haddonfield Road, Suite 210, Street Address 2:
City: Cherry Hill, State/Province/Country: NJ, ZIP/Postal Code:
Relationship(s): Executive Officer Director Promoter
Clarification of Response (if Necessary): of the General Partner

Item 3 Continuation Page

Item 3. Related Persons (Continued)

Last Name: Hocker First Name: Kristen Middle Name: A.

Street Address 1: 457 Haddonfield Road, Suite 210 Street Address 2:

City: Cherry Hill State/Province/Country: NJ ZIP/Postal Code: 08002

Relationship(s): Executive Officer Director Promoter

Clarification of Response (if Necessary): of the General Partner

Last Name: Hocker First Name: Kimberly Middle Name: A.

Street Address 1: 457 Haddonfield Road, Suite 210 Street Address 2:

City: Cherry Hill State/Province/Country: NJ ZIP/Postal Code: 08002

Relationship(s): Executive Officer Director Promoter

Clarification of Response (if Necessary): of the General Partner

Last Name: McBride First Name: Gerald Middle Name: M.

Street Address 1: 457 Haddonfield Road, Suite 210 Street Address 2:

City: Cherry Hill State/Province/Country: NJ ZIP/Postal Code: 08002

Relationship(s): Executive Officer Director Promoter

Clarification of Response (if Necessary):

Last Name: First Name: Middle Name:

Street Address 1: Street Address 2:

City: State/Province/Country: ZIP/Postal Code:

Relationship(s): Executive Officer Director Promoter

Clarification of Response (if Necessary):

(Copy and use additional copies of this page as necessary.)

Item 12 Continuation Page

Item 12. Sales Compensation (Continued)

Recipient

Phillips & Company Securities Inc.

(Associated) Broker or Dealer None

Street Address 1

1300 SW 5th Street, Suite 2100

City

Portland

State/Province/Country

OR

ZIP/Postal Code

97201

Recipient CRD Number

35800

No CRD Number

(Associated) Broker or Dealer CRD Number

No CRD Number

Street Address 2

States of Solicitation All States

- AL AK AZ AR CA CO CT DE DC FL GA HI ID
- IL IN IA KS KY LA ME MD MA MI MN MS MO
- MT NE NV NH NJ NM NY NC ND OH OK OR PA
- RI SC SD TN TX UT VT VA WA WV WI WY PR

Recipient

Stanford Eagle - Texas

(Associated) Broker or Dealer None

Street Address 1

5051 Westheimer, 14th Floor

City

Houston

State/Province/Country

TX

ZIP/Postal Code

77506

Recipient CRD Number

No CRD Number

(Associated) Broker or Dealer CRD Number

No CRD Number

Street Address 2

States of Solicitation All States

- AL AK AZ AR CA CO CT DE DC FL GA HI ID
- IL IN IA KS KY LA ME MD MA MI MN MS MO
- MT NE NV NH NJ NM NY NC ND OH OK OR PA
- RI SC SD TN TX UT VT VA WA WV WI WY PR