

Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of New Generation Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 978-704-6200. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about New Generation Advisors, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

New Generation Advisors, LLC is registered with the SEC as an investment adviser under the Investment Advisers Act of 1940. However, this does not imply any particular level of expertise, skill or training.

Item 2: Material Changes

Thomas J. Hill, formerly a vice president, director and minority owner of New Generation Advisors, LLC retired as an officer, director and full-time employee of the firm effective March 16, 2012. He will have an ongoing consulting relationship with the firm, but is withdrawing as an equity owner effective March 31, 2012.

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Item 4: Advisory Business

New Generation Advisors, LLC (NGA) or its predecessor company has been managing investments primarily focused on “distressed securities” since 1990. Distressed securities include defaulted debt, certain high yield debt and equity securities of troubled companies. At December 31, 2011, NGA provided these services as the general partner of two limited partnerships and as the investment advisor to three managed accounts. NGA has full investment discretion over the assets in those partnerships and managed accounts. NGA’s total assets under management at December 31, 2011 was \$754,658,000.

NGA was formed on November 6, 2007. On June 30, 2008 it succeeded to the investment advisory business of New Generation Advisors, Inc. New Generation Advisors, Inc. was incorporated on August 8, 1988, and it began offering investment management services in 1990.

The majority owner of NGA is George Putnam, III. Carl E. Owens has a significant minority stake, and six other employees have smaller minority stakes. All of the owners of the firm are full-time employees.

Item 5: Fees and Compensation

NGA typically charges a management fee and also receives a performance allocation or fee based on the appreciation in the fund or account.

For managing the two limited partnerships for which it is the general partner, NGA charges a 1.0% annual management fee, payable quarterly in arrears, and it receives a performance allocation equal to 15% of gains, payable annually in respect of the prior 12 months. There is a “high water mark” such that if the partnership’s value declines, no performance allocation is earned until the value rises back above the level where the previous performance allocation was made.

For managed accounts, NGA’s standard fee is a 1.0% management fee, payable quarterly in arrears, and a performance fee equal to 15% of annual gains, subject to a high water mark as described above. For one managed account, NGA charges a “fulcrum fee” with a base management fee of 2.0% per annum (payable quarterly in arrears) which is subject to an increase or decrease of 1.0% depending on the account’s performance versus a specified index and Treasury Bills. The fees for managed accounts are negotiable.

The management fees are typically deducted from the client account quarterly. Performance allocations and fees are typically deducted from the client account annually. Upon request NGA will bill the client for direct payment.

Typically, custody fees and auditing fees (where applicable) are charged to the client. In addition, when NGA incurs legal fees directly related to the restructuring of a particular security held in a client account, those fees are charged to the client account. Also, brokerage

commissions and similar transaction costs are borne by the client accounts. For more information on NGA's brokerage practices, see Item 12, below.

Neither NGA nor any of its members or employees receives any compensation relating to the sale of securities or other products.

Item 6: Performance-Based Fees and Side-By-Side Management

As described in the preceding Item, all clients pay performance based fees. As described above, the method for calculating the performance base fees varies somewhat from account to account (with the biggest difference being the fulcrum fee arrangement for one managed account). However, NGA believes that the basic incentives are essentially the same across all of its fee structures, and there are no incentives to favor one account over another.

Moreover, NGA has a formal Portfolio Trading Policy governing the allocation of trades among accounts. Generally, this policy requires that all security positions be allocated among accounts pro rata based on the assets in the respective accounts. There are exceptions to this general rule which are carefully monitored by NGA's chief compliance officer. Examples of these exceptions are: liquidity of the security (where trading is thin, the security may be allocated only to smaller accounts); tax effects and specific tax positions of different accounts; and specific restrictions imposed by the client on a managed account. NGA's Portfolio Trading Policy is available on request. (See also Item 13: Review of Accounts.)

Item 7: Types of Client

NGA provides investment management services to two limited partnerships. The limited partners in those partnerships consist of high net worth individuals, family offices, endowments and other institutions and "funds-of-funds." The funds-of-funds are pooled investment vehicles unrelated to NGA that are formed to invest in a diversified group of partnerships and hedge funds. NGA usually does not know the identity of the underlying investors in a fund-of-funds. All of the limited partners in NGA's partnerships are either "qualified clients" or "qualified purchasers" as defined in the rules promulgated by the SEC under the Investment Advisors Act of 1940 and the Investment Company Act of 1940. The minimum initial investment in one partnership is \$500,000 and in the other is \$1,000,000, although the general partner has the discretion to accept smaller amounts.

One of the limited partners in one of the partnerships is a British Virgin Islands corporation affiliated with NGA. The underlying investors in the corporation are non-U.S. investors with similar characteristics to those described in the preceding paragraph. This type of corporate vehicle is sometimes referred to as a "feeder fund."

All of NGA's managed account clients are fund-of-funds or similar pooled vehicles, and each of them has total assets in excess of \$100 million.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

All of NGA's client accounts are invested in the same manner. All are invested in well diversified portfolios of distressed securities. The portfolios will hold a mix of long and short positions in distressed securities.

These distressed securities consist of both debt and equity securities. The debt securities are typically in default or judged to be in danger of default – or have been issued to cure a default. They may be bonds, bank debt, trade claims or other forms of debt, but typically most of the debt securities in client accounts are publicly traded bonds. The equity securities may be common stocks, preferred stocks or warrants. The issuers of the equity securities are typically experiencing financial or operating difficulties (or are recovering from such difficulties) or have recently emerged from a bankruptcy proceeding or a similar form of restructuring. Client accounts may also hold small quantities of exchange traded options and other derivative securities, but those securities have only been used infrequently.

In analyzing these distressed securities NGA employs what is generally termed “fundamental analysis.” NGA looks at the assets, cash flow and earning potential of the subject company to try to ascertain the likelihood of the company recovering from its difficulties and the potential value of the company's securities if it does recover. NGA often also considers the liquidation value of the company's assets. After reaching a judgment as to the company's future value, NGA then evaluates the company's capital structure to determine which class of securities has the greatest return potential if that value is realized. NGA also considers the likely time frame for reaching that value and the risk that the company may be unable to recover.

NGA also seeks out companies that it believes are heading for default or restructuring. If it believes that the price of the company's securities does not reflect the risk of default or restructuring, NGA may sell those securities short.

Investing in any form of security involves the risk of loss that clients should be prepared to bear. For example, the markets for both equity and debt securities can be subject to substantial fluctuations caused by economic forces, geopolitical events, investor perceptions and other factors.

Investing in distressed securities has particular risks in addition to those found in more conventional securities. NGA tries to minimize those risks through careful analysis and broad portfolio diversification, but those risks can nonetheless be significant. The risks specific to distressed securities include the following:

- 1) The securities of troubled companies may be more volatile than comparable securities of healthier companies.
- 2) By nature, bankruptcy and restructuring proceedings can be very complex, and investors in distressed securities may be subject to legal and other considerations not typically found in other types of investing that could significantly affect the value of a company's securities.

- 3) The trading market for a particular distressed security may become relatively illiquid for a period of time.
- 4) When the market for a security becomes less liquid, it may be difficult to obtain an accurate price for such security.
- 5) The markets for distressed securities are often less transparent than the markets for more conventional securities, which can lead to high transaction costs.
- 6) While most of the securities in client accounts are issued by U.S. companies, client accounts may also hold securities of foreign issuers. These present additional risks. Among other things, the bankruptcy laws vary significantly from country to country. Also, securities denominated in currencies other than U.S. dollars are subject to fluctuations in the foreign exchange markets.

In addition, NGA engages in short selling for client accounts. In a short sale the account borrows a security that it does not own and sells it in anticipation that the security will drop in price. However, if the security rises in price, the losses from such a transaction are theoretically unlimited. Moreover, if the party lending the security sold short calls for its return, the account may be forced to close out the short position at an inopportune time causing a loss.

Potential clients considering an investment in one of the partnerships managed by NGA should consult the Private Placement Memorandum for such partnership, which contains a more detailed discussion of the risks of investing in the partnership.

Item 9: Disciplinary Information

Neither NGA nor any of its principal employees have been involved in any material disciplinary, criminal or civil actions.

Item 10: Other Financial Industry Activities and Affiliations

As discussed above, NGA serves as the general partner of two limited partnerships. Also, George Putnam and Carl Owens, President and Vice President respectively of NGA, serve as directors of New Generation Turnaround Fund Ltd. , a British Virgin Islands corporation (mentioned above in Item 7, above, and Item 12 below) that serves as a “feeder fund” for one of the partnerships managed by NGA.

In addition, George Putnam, President of NGA, also serves as an independent trustee of the Putnam Group of Mutual Funds and as an outside director of the Boston Family Office, a registered investment advisor that serves individuals and family groups. In addition, Mr. Putnam also serves as Chairman of New Generation Research, Inc., which publishes information about bankrupt companies. One of the newsletters published by New Generation Research sometimes

discusses the investment merits of securities that are held in NGA client accounts. New Generation Research and NGA have formal procedures in place to properly address any conflicts of interest relating to the publications that may arise.

While these outside activities do take a portion of Mr. Putnam's time, they do not present any conflict of interest. Moreover, he believes that they enhance his understanding of the securities markets in general and high yield and distressed securities in particular.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

NGA has a Code of Ethics that applies to all employees. The key aspects of the Code are that all employees must at all times act in the best interests of clients, avoid conflicts of interests, comply with all laws and regulations and observe the highest standards of professionalism. Among other things, the Code limits the value of gifts and entertainment that NGA employees may accept from brokers and other providers of services to the firm. The Code of Ethics is overseen and enforced by NGA's Chief Compliance Officer. Copies of the Code of Ethics are available on request.

NGA personnel are not permitted to buy for client accounts any security of a company in which they, or any other NGA employees, have a material financial interest. NGA personnel are permitted to purchase or sell securities for their own account that are held in client portfolios, but only after prior written approval from the President of NGA. The President does not permit the trading of any security in a personal account if the firm is actively considering any action with respect to such security for client accounts. NGA has a Personal Trading Policy which is overseen and enforced by NGA's Chief Compliance Officer. Copies of the Personal Trading Policy are available on request.

Item 12: Brokerage Practices

NGA uses many different broker-dealers to trade securities for client accounts. None of these brokers have any affiliation with NGA.

In placing orders for the purchase and sale of securities, NGA uses its best efforts to obtain the best available price and execution. Where more than one broker offers the same price and execution capability, NGA will consider some or all of the following factors in deciding which broker to use: 1) the broker's knowledge about the particular security being bought or sold (as many of the securities followed by NGA are not actively followed); 2) other research services provided by such brokerage firm; and 3) other services provided by such brokerage firm to NGA. As an example of the last factor, NGA sometimes trades with one of the broker-dealers that provides custody and "prime brokerage" services to NGA's clients, so long as NGA feels that such broker will be able to achieve best execution. (See Item 15 below for more on custody and prime brokerage.)

NGA does not use any brokerage commissions to pay for research or other products provided by third parties (a practice known as “soft dollars”).

Whenever possible, NGA tries to aggregate transactions across all client accounts. Typically, NGA will purchase (or sell) one block of bonds (or stock) and then allocate the securities across client accounts *pro rata* based on the assets in the respective accounts.

Item 13: Review of Accounts

Because it is NGA’s policy to keep all client accounts as nearly identical as possible, NGA is continuously reviewing all accounts. In addition, NGA has a formal review of all accounts approximately monthly to assure that no account gets significantly out of line with the other accounts (or if an account does have different holdings, that there is a good reason for it).

NGA provides clients with written reports quarterly. These reports discuss the actions taken during the immediately preceding quarter and give the firm’s outlook for the future. The reports also list all security positions in the account. In addition, the two limited partnerships and the feeder fund managed by NGA also provide audited financial statements annually. Additional reporting is available upon request.

Item 14: Client Referrals and Other Compensation

NGA has engaged several unaffiliated organizations (“third-party marketers”) to provide marketing services to NGA. These third-party marketers are all compensated solely based on assets that they bring to NGA. Typically, they are paid directly by NGA and not out of client assets. The usual arrangement is that NGA will pay to the third-party marketer a portion of the management fees and performance allocations or fees that NGA receives in respect of client assets referred by that marketer. The typical compensation for the third-party marketer is 30% of the management fee and 25% of the performance allocation or fee received by NGA, but this fee can be subject to negotiation.

The only exception to this payment structure is for New Generation Turnaround Fund Ltd., the feeder fund to one of NGA’s partnerships (which is also discussed above in Items 7 and 10). This feeder fund pays a distribution fee from fund assets, either directly to the third-party marketer or to NGA, who in turn compensates the marketer. The distribution fee is equal to one-third of the performance allocation charged to the fund.

All of the third-party marketers engaged by NGA for referrals of U.S. clients are affiliated with broker-dealers that are registered with the SEC, FINRA or other appropriate regulatory body. In other countries, the third-party marketers have the responsibility for assuring that they have the proper licenses to refer clients to NGA.

Item 15: Custody

All client securities and funds are held by one of two prime brokers, Goldman Sachs & Co. and JP Morgan Clearing Corp.

Managed account clients receive monthly statements directly from the prime brokers, and the clients should carefully review those statements.

The partnerships for which NGA is the general partner (and the feeder fund described above) provide their investors with audited financial statements within 120 days after the end of each fiscal year.

Item 16: Investment Discretion

NGA has full discretionary investment authority over all client accounts. However, NGA will occasionally accept an account that has certain restrictions on the types of securities that can be purchased for the account.

All clients for managed accounts must execute an investment management agreement with NGA, which spells out NGA's authority and typically gives NGA a power of attorney for certain kinds of matters. All limited partners in the partnerships managed by NGA must execute subscription agreements, which similarly spell out NGA's authority and give NGA (as general partner) a power of attorney for certain kinds of matters.

Item 17: Voting Client Securities

NGA has the authority to vote client securities, and the firm has adopted a formal Proxy Voting Policy, a brief summary of which is as follows:

NGA's Chief Financial Officer (CFO) oversees the proxy voting process. Generally, the CFO will vote routine matters as recommended by management. Non-routine matters will be voted on a case by case basis after consultation with the NGA's President or his designee. Non-routine matters include: contested votes; plans of reorganization; exchange offers; mergers and acquisitions; compensation plans or other transactions that could significantly dilute current equity holders; actions that could significantly reduce liquidity or reporting requirements; and changes to terms of debt securities.

The Proxy Voting Policy also requires the maintenance of a proxy voting record and contains a detailed procedure for dealing with conflicts of interests. In summary, whenever NGA identifies a conflict of interest in voting a client account, it must either: consult with other clients who do not have the conflict and vote the conflicted account in the manner recommended by the non-conflicted accounts; or consult with an independent proxy advisory firm and follow its advice.

NGA will supply the full text of its Proxy Voting Policy to any client or prospective client that requests it. Clients may also review the proxy voting record that applies to their account upon request to the President or CFO of NGA.

Item 18: Financial Information

Because NGA follows the custody procedures described in Item 15, above, and does not require prepayment of fees, NGA is not required to include a balance sheet with this Form ADV.