

**PART 2A OF FORM ADV – FIRM BROCHURE**

**Restoration Capital Management, LLC**

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**March 30, 2012**

**This brochure provides information about the qualifications and business practices of Restoration Capital Management, LLC (“RCM”). If you have any questions about the contents of this brochure, please contact us at 203-769-5800. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about RCM also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT RCM OR ANY PRINCIPALS OR EMPLOYEES OF RCM POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.**

## **Material Changes**

This brochure is a new document prepared according to the SEC's new requirements and rules. As such, this document is materially different in structure and requires a substantial amount of new information that our previous brochure did not require. Future versions of this brochure, which may be obtained from RCM upon request, will include a summary of any material changes to RCM's business in this section

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## **Advisory Business**

RCM is a Delaware limited partnership formed in 2001. The founders of RCM are Pamela M. Lawrence and Ivona Smith. The principal owners of RCM are Pamela M. Lawrence and Distressed Line Partners, L.P. Distressed Line Partners, L.P. is controlled by Douglas Bratton.

RCM primarily provides advice to six private investment funds (the “RCM Funds”) focusing on distressed and special situation investments. RCM may in the future advise other funds and other managed accounts.

RCM is generally granted broad investment authority with respect to the management of the accounts of its clients. RCM’s investment objective is to maximize total return through capital appreciation from long or short investments in obligations of companies experiencing financial difficulties, including companies that may be subject to, or threatened with, bankruptcy, reorganization or liquidation proceedings, companies in default of outstanding obligations to creditors, and companies experiencing decreasing revenues or earnings or other financial difficulties. Typical instruments include public and private debt securities, bank loans, trade creditor obligations, derivatives, options, and preferred and common stock, with a focus on investing in senior secured and senior unsecured claims.

RCM tailors its advisory services to the specific investment objectives and restrictions of each client. RCM may agree in the investment management agreement with each client to investment restrictions or guidelines with respect to the types or amounts of securities or other financial instruments that may be purchased or sold for the client’s account. RCM may pursue different investment strategies for different clients.

Investors and prospective investors in each RCM Fund should refer to the confidential private placement memorandum, limited liability company operating agreement and other governing documents for each RCM Fund (the “Governing Documents”) for more complete information on the investment objectives and investment restrictions with respect to a particular RCM Fund.

RCM may enter into “side letters” or similar agreements with certain investors in the RCM Funds granting the investor certain specific rights, benefits, or privileges that are not made available to investors generally.

RCM does not participate in any wrap fee programs.

RCM manages all assets on a discretionary basis. As of December 31, 2011, the amount of assets RCM manages on a discretionary basis is \$155,000,000. RCM may in the future provide advisory services, either on a discretionary or non-discretionary basis, to other managed accounts on behalf of clients.

## **Fees and Compensation**

### *Compensation and Fee Schedules*

All investors should review the Governing Documents for each RCM Fund for more complete information about the fees and compensation payable with respect to a particular RCM Fund. A brief summary of those fees is provided below.

The basic fees generally charged to clients and investors in the RCM Funds are a fixed annual management fee equal to 1.5% of net assets, generally payable quarterly in advance, and an annual performance allocation equal to 20% of the amount by which the net value of each account as of the end of each calendar year exceeds the net market value of the account as of the beginning of the year, subject to a “high water mark”.

In certain circumstances, the advisory fees payable to RCM by individual clients or investors in each RCM Fund may be negotiable.

### *Timing and Deduction of Fees*

RCM is authorized under the Governing Documents to charge and deduct advisory fees directly from the assets of the RCM Funds. The management fee is usually deducted directly from the assets of each account as such fee becomes payable, which is generally quarterly in advance. The performance allocation is payable annually in arrears, or upon termination of a client account or withdrawal of capital from any RCM Fund. Upon termination of any client account, all management fees accrued as of the date of termination will be payable.

### *Other Fees and Expenses*

The clients of RCM are responsible for all costs and expenses incurred in connection with the investments in their accounts, including brokerage commissions; clearing and settlement charges; interest on margin accounts and other indebtedness; borrowing charges on securities sold short; custodial fees; bank service fees; costs of any outside appraisers, accountants, attorneys or other experts or consultants engaged by RCM; research and data service costs; withholding and transfer taxes; expenses in connection with proposed transactions (including transactions that fail to close); and any legal fees and costs (including settlement costs) arising in connection with any litigation or regulatory investigation instituted against RCM or any client. The RCM Funds also pay all of their operating costs, including administrative, legal, accounting, auditing and insurance costs and expenses, as described in greater detail in the Governing Documents of each RCM Fund.

Clients of RCM will also incur brokerage expenses as described under “Brokerage Practices” below.

### *Transaction-Based Compensation*

Neither RCM nor its supervised persons will receive any compensation with respect to the purchase or sale of securities or other investment products by any client.

### **Performance-Based Fees and Side-by-Side Management**

#### *Performance-Based Fees*

RCM, or an affiliate of RCM, ordinarily receives a performance-based fee or a special allocation of profits from each of its clients (including the RCM Funds) as described above under “Fees and Compensation.” Different client accounts may be subject to different performance-based compensation arrangements. The performance-based compensation arrangements discussed above comply with Rule 205-3 under the Investment Advisers Act of 1940 (the “Advisers Act”).

Performance-based compensation arrangements may create an incentive for RCM to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. The performance allocation payable to RCM with respect to the RCM Funds will be payable with respect to both realized and unrealized gains.

#### *Side-by-Side Management*

If RCM is entitled to receive a higher percentage of the net profits of the account of one client than the percentage that RCM receives from another client, then RCM may have an incentive to favor, or to allocate certain riskier or more speculative investments to, the client that is subject to the higher percentage.

RCM will allocate all investment opportunities among its clients in a manner that it considers fair and equitable to all clients, considering all factors potentially applicable to each client. Among the factors that may be considered by RCM in allocating trades among client accounts are: investment policies, guidelines or restrictions applicable to each specific client; tax considerations; cash availability; liquidity requirements for payment of redemptions or other purposes; risk tolerances; restrictions under ERISA or other applicable laws or regulations; available credit lines; counterparty arrangements; account size; benchmark sector weightings; industry and security weightings; and hedging objectives and activity.

### **Types of Clients**

#### *Types of Clients*

RCM provides advice to the RCM Funds. The investors in the RCM Funds may include corporations, endowments, foundations, trusts, estates, individuals and pension and profit sharing plans. RCM may also provide investment management and supervisory services to separate account clients.

### *Minimum Investment Requirements*

The RCM Funds are offered in the United States to accredited investors as defined under Regulation D under the Securities Act of 1933, as amended (the “Securities Act”), and to qualified purchasers as defined under Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Investment Company Act”), and are therefore not required to register as investment companies under the Investment Company Act in reliance upon certain exemptions available to the RCM Funds whose securities are not publicly offered. Generally, investors must invest a minimum dollar amount of \$1,000,000 to invest in each RCM Fund. RCM or the board of directors of each RCM Fund may waive the minimum investment amount.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

#### *Methods of Analysis*

RCM typically invests in the obligations of financially troubled companies at significant discounts to their intrinsic values. RCM may use long and short positions in an effort to mitigate risk or benefit from securities which RCM perceives as being over or undervalued. RCM relies on a strict due diligence process to identify and evaluate prospective portfolio companies.

RCM may also invest in publicly traded and private debt and equity securities; hybrid securities such as convertible debentures, convertible preferred stock and debt with warrants attached; and privately held obligations of, in most cases, public companies, including loans, credit paper, loan participations and accounts and notes receivable and payable held by trade or other creditors. RCM may also utilize leverage in its investment program.

These descriptions of specific strategies that are or may be engaged in by RCM on behalf of its clients are a summary only, and RCM has broad discretion to employ investment strategies not described above that RCM may, from time to time, consider appropriate.

RCM’s principal sources of information include quarterly and annual reports, personal interviews with directors and officers of companies, visits to companies, SEC and other public filings, general industry knowledge, and contacts with other participants in the relevant industry and financial markets.

#### *Material Risks*

Although distressed and special situation investments may result in significant returns to the clients of RCM, they also involve a substantial degree of risk. RCM generally accepts only clients that are able to bear the financial risk of the investment strategy for an indefinite period of time and are able to sustain the loss of all or a significant part of their investment.

Prospective clients and investors in the RCM Funds should carefully review the risks described in the Governing Documents for the relevant RCM Fund, and should evaluate the merits and risks of an investment in the context of their overall financial circumstances. The risk factors below are not intended to be exhaustive and should be considered carefully by prospective investors together with the full text of the applicable Governing Document or client agreement.

### ***Concentration of Investments; Limited Diversification***

RCM follows a general policy of seeking to diversify capital among a number of investments, but RCM may depart from such policy from time to time and hold a few, relatively large positions. The result of such concentration of investments is that a loss in any one position could materially reduce capital.

### ***Use of Leverage***

RCM may cause its clients to use leverage. Use of leverage may result in higher volatility and reduced liquidity, and the risk of loss may be greater than if borrowed money was not used. Changes in the general level of interest rates may also affect investment results.

### ***Lack of Liquidity***

Certain securities, loans and other investments in which RCM invests may not be readily marketable. Certain of the debt securities, loans and derivative instruments are not traded on exchanges and may not be readily disposable. Client portfolios may include a significant number of investments for which no market exists and which have restricted transferability under federal or state securities laws.

### ***Bonds***

RCM invests in bonds and other fixed income securities, including “higher yielding” and below “investment grade” securities. The market values of lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities, and tend to be more sensitive to economic conditions than are higher rated securities. Companies that issue such securities often are highly leveraged and may not have available to them more traditional methods of financing. A major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. It is likely that an economic downturn could adversely affect the ability of the issuers of such securities to repay principal and interest and increase the risk of default for such securities.

### ***Loans***

RCM invests in loans and loan participations. Although loans are traded among financial institutions, some of the loans in which RCM invests will be illiquid. Investment in loan



participations involves certain risks in addition to those associated with direct loans. A loan participant has no contractual relationship with the borrower of the underlying loan. As a result, the participant is generally dependent upon the lender to enforce its rights and obligations under the loan agreement in the event of a default, and may not have the right to object to amendments or modifications of the terms of the loan agreement. A participant in a syndicated loan generally does not have voting rights, which are usually retained by the lender. A loan participant is subject to the credit risk of the lender as well as the borrower, since a loan participant is dependent upon the lender to pay its percentage of payments of principal and interest received on the underlying loan.

### ***Short Selling***

Short selling can result in profits when the prices of the securities sold short decline. In a generally rising market, the Fund's short positions may be more likely to result in losses because the environment would be more conducive for the securities sold short to increase in value. A short sale involves the theoretically unlimited risk of an increase in the market price of the securities sold short.

### ***Options***

The purchaser of a put or call option runs the risk of losing his or her entire investment in a relatively short period of time if the option expires before it is exercised. The uncovered writer of a call option is subject to a risk of loss should the price of the underlying security increase, and the uncovered writer of a put option is subject to a risk of loss should the price of the underlying security decrease.

### ***Non-U.S. Investments***

Investments in securities issued by non-U.S. issuers, denominated in non-U.S. currencies and/or traded outside of the United States may involve additional risks. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavorable currency exchange rate fluctuations, imposition of exchange control regulation by the United States or non-U.S. governments, U.S. and non-U.S. withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalization of their industries, political difficulties, including expropriation of assets, confiscatory taxation and economic or political instability in other nations. There may be less publicly available information about certain non-U.S. companies than is the case for comparable companies in the United States. There also may be less extensive regulation of the securities markets in particular countries than in the United States.

### ***Currencies***

Certain assets may be invested in debt and equity securities denominated in currencies other than the U.S. Dollar and in other financial instruments, the price of which is determined with reference to currencies other than the U.S. Dollar. To the extent

unhedged, the value of such assets will fluctuate with U.S. Dollar exchange rates as well as with price changes of the underlying investments in the various local markets and currencies.

### ***Forward Currency Contracts***

RCM may, primarily for purposes of hedging against currency fluctuations, invest in forward currency contracts, but there can be no assurance that such hedging transactions will be effective. Forward currency contracts may not be liquid in all circumstances, so that in volatile markets, RCM may not be able to close out a position by taking another position equal and opposite to such position on a timely basis or without incurring a sizeable loss. Closing transactions with respect to forward currency contracts usually are effected with the currency trader who is a party to the original forward contract and generally require the consent of such trader. There can be no assurance that RCM will be able to close out its obligations.

### ***Swaps and Derivatives***

RCM may invest and trade in swaps, including credit default swaps, and in other “synthetic” or derivative instruments, options and other customized financial instruments issued by banks, brokerage firms or other financial institutions. Swaps and other derivatives are subject to the risk of non-performance by the swap counterparty, including risks relating to the financial soundness and creditworthiness of the swap counterparty. Swaps and other forms of derivative instruments are not guaranteed by an exchange or clearing house. It may not be possible to dispose of or close out a swap or other derivative position without the consent of the counterparty, and RCM may not be able to enter into an offsetting contract in order to be able to cover its risk.

### **Disciplinary Information**

RCM and its principals have not been the subject of any material legal proceeding required to be disclosed in response to this item.

### **Other Financial Industry Activities and Affiliations**

#### ***Registered Broker-Dealers***

None of RCM or its principals or employees are registered as a broker-dealer or a registered representative of a broker-dealer or affiliated with any broker-dealer or bank.

#### ***Registered Futures Commission Merchants, Commodity Pool Operators and Commodity Trading Advisors***

None of RCM or its principals or employees are registered as a registered futures commission merchant, commodity pool operator or commodity trading advisor.

### *Relationships with Related Persons*

RCM currently acts as managing member or investment advisor for Restoration Partners LLC, Restoration Offshore Fund Ltd., Restoration Holdings Ltd., Restoration Special Opportunities LLC, Restoration Special Opportunities Offshore Fund Ltd. and Restoration Special Opportunities Master Ltd., each of which is a private investment fund that is exempt from registration under the Investment Company Act.

Employees of RCM and its affiliates may serve as officers, advisors, directors or in comparable management functions for companies in which clients of RCM invest, or provide other services to portfolio companies. Employees of RCM may also from time to time serve on the board of directors or a creditors committee of a company, or be given access for other reasons to confidential information relating to companies in which clients of RCM invest. As a result, clients of RCM may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or securities of such a portfolio company.

### **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

#### *Code of Ethics*

RCM has adopted a Code of Ethics under Rule 204A-1 of the Advisers Act expressing RCM's commitment to ethical conduct. RCM's Code of Ethics describes its fiduciary duties and responsibilities to its clients, and sets forth RCM's policies on receipt of gifts by employees, monitoring the personal securities transactions of supervised persons, and certain other matters. Under RCM's Code of Ethics, all supervised personnel have a duty to act only in the best interests of the clients of RCM and all potential conflicts and violations of the Code of Ethics must be promptly reported to RCM's Chief Compliance Officer ("CCO"). All supervised personnel must acknowledge the terms of the Code of Ethics annually, or as amended.

The Code of Ethics contains policies and procedures with respect to personal securities transactions by employees and related accounts that are designed to prevent front-running, scalping, the misuse of inside information and other improper activities. Employees must obtain the prior approval of the CCO for certain personal securities transactions, and must report all personal transactions to the CCO (or a designee). The CCO (or a designee) monitors all transactions by employees in order to identify any pattern of conduct that may evidence conflicts or potential conflicts with the principles and objectives of the Code of Ethics, or other inappropriate behavior.

RCM will provide a complete copy of its Code of Ethics upon request.

#### *Participation or Interest in Client Transactions; Personal Trading*

RCM and its principals and employees are also investors in the RCM Funds.

RCM may, on occasion, cause one or more of its clients to buy securities from, or sell securities to, other clients of RCM at current market prices, including accounts of RCM Funds in which RCM, its principals or employees are investors or in which such persons may have a financial interest, either directly or indirectly due to RCM's right to receive a performance fee or allocation. RCM will only engage in "cross trades" if the sale or purchase is consistent with RCM's fiduciary obligations to each client. Cross transactions may include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. RCM has a potentially conflicting division of loyalties and responsibilities regarding both parties to any cross transactions. Where required by applicable law, any such transaction will be approved in advance by the client in accordance with Section 206(3) of the Advisers Act.

RCM and principals and employees of RCM are not permitted to buy and sell securities for themselves that they also recommend to clients. Subject to limited exceptions, the employees of RCM are not permitted to execute a personal securities transaction without the prior approval of the CCO. The CCO monitors all trading by RCM principals and employees in order to ensure compliance with these and other provisions of the Code of Ethics.

### **Brokerage Practices**

Subject to the investment objectives, policies and restrictions of each RCM Fund as set forth in such RCM Fund's Governing Documents, RCM has discretionary authority to determine the type, amount, and price of securities and investments to be bought and sold on behalf of each RCM Fund or other client, including the selection of, and commissions paid to, brokers.

In selecting broker-dealers to effect securities transactions, RCM seeks to obtain best execution by considering factors including, but not limited to, price, the ability to effect the transactions, the brokers-dealer's facilities, reliability and financial responsibility, special execution capabilities, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future, efficiency of execution and error resolution, quotation services, the availability of stocks to borrow for short trades, custody, recordkeeping and similar services, and any research or investment management-related services and equipment provided by such broker-dealer and such other factors as RCM considers relevant and beneficial to the clients of RCM. RCM may consider referrals of investors in determining its selection of brokers.

### ***Research and Other Soft Dollar Benefits***

RCM selects brokers and dealers to execute transactions for client accounts based on the benefits and costs of their services as compared to others in the marketplace. RCM attempts at all times to achieve best execution. RCM may take into account special expertise or capacities of a particular broker as well as research and other services provided to RCM by brokers. RCM considers such factors as described above. RCM

does not necessarily solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

RCM may cause a higher commission to be paid to a broker or dealer that furnishes research, services or equipment than might be charged by another broker or dealer for effecting the same transaction, provided that RCM determines in good faith that the amount of commissions charged is reasonable in relation to the value of the brokerage and research or investment management-related services and equipment provided by such broker or dealer.

Research services provided to RCM by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing services; discussions with research personnel; and data bases and other news, technical and telecommunications services and equipment utilized in the investment management and execution process. RCM does not receive any benefits outside the safe harbor under Section 28(e) of the Securities Exchange Act of 1934, as amended, for the use of commissions or “soft dollars” to obtain “research and execution” services.

RCM’s use of client brokerage commissions to obtain research services is a benefit to RCM because RCM does not have to produce or pay for such research services. This may result in an incentive for RCM to select or recommend a broker-dealer based, in part, on the interest of RCM in receiving such research services, rather than exclusively on the interest of RCM’s clients in receiving most favorable execution.

RCM and its affiliates may have other business arrangements with brokers and dealers used to execute transactions for clients. Brokerage firms and their affiliates and representatives may invest in funds managed by RCM, and may provide financing or other services to RCM or other accounts managed by RCM. Brokerage firms and their employees may offer gifts to employees of RCM, and may invite employees of RCM to entertainment and social events. It is RCM’s policy that factors such as gifts and entertainment that do not benefit client accounts should not be considered when selecting brokers and counterparties to execute transactions for clients.

#### *Brokerage for Client Referrals*

Subject to RCM’s obligation to seek best execution of all transactions for its clients, RCM may consider referrals of investors in determining its selection of broker-dealers as described above.

#### *Directed Brokerage*

RCM does not recommend, request or require clients to direct it to execute transactions through a specified broker-dealer (“directed brokerage”).

### *Trade Aggregation*

RCM has established allocation and aggregation procedures for the allocation of portfolio investment transactions among the RCM Funds and its other clients. The allocation and aggregation procedures are designed to ensure that each client is treated fairly and that transactions are allocated in a manner that is fair and equitable to each client, taking into account all relevant facts and circumstances. In general, if orders for an investment cannot be completely filled, the orders are allocated either (a) *pro rata* among the clients participating in an aggregated transaction or (b) on a basis other than *pro rata* if such other method of allocation is reasonable and does not result in an improper disadvantage or advantage to one participating client as compared to another client, taking into account all relevant criteria applicable to each client, including objectives, size and capital available for investment, diversification needs, the size of the opportunity, and current and anticipated market conditions.

### **Review of Accounts**

All client accounts are reviewed at least daily by one of Pamela Lawrence, Ivona Smith, Gilbert Nathan or Luciano Morelli.

Investors in the RCM Funds receive written quarterly reports with unaudited performance updates. Each investor also receives after the end of each calendar year a copy of the audited financial statements of the relevant RCM Fund.

### **Client Referrals and Other Compensation**

#### *Third Party Compensation for Client Referrals*

RCM or its affiliates may enter into arrangements with third parties whereby RCM or its affiliates will pay to third parties who introduce clients to RCM or its affiliates a portion of the advisory fee received by RCM or its affiliate from such clients. Such arrangements will be disclosed to RCM's clients in accordance with, and otherwise comply with, Rule 206(4)-3 under the Advisers Act. Such third parties may include affiliates of RCM.

RCM and its affiliates may enter into cash compensation arrangements with unaffiliated placement agents or third parties for introducing investors to a RCM Fund. Any sales charge associated therewith will ultimately be payable by RCM or its related persons, either directly or through an offset of the management fee payable by the relevant RCM Fund to RCM. An investor will not be charged any additional amount or bear any additional charges as a result of an introduction through a placement agent or other unaffiliated third party.

RCM endeavors at all times to put the interests of the RCM Funds first as part of RCM's fiduciary duty. Nevertheless, the receipt of compensation by the placement agents creates a potential conflict of interest, and may affect the judgment of placement agents when making referrals to RCM and the RCM Funds.

### **Custody**

RCM will not have physical custody of any client assets. However, RCM may be deemed to have custody of the assets of the RCM Funds as a result of its authority over the RCM Funds.

It is RCM's policy to cause each RCM Fund with assets over which RCM is deemed to have custody to be audited annually and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles ("GAAP"), to investors no later than 120 days after the end of each fiscal year.

All assets in the accounts of RCM clients will be held by a qualified custodian. Managed account clients should receive at least quarterly statements from the custodian. RCM urges clients to carefully review such statements and compare them to any account statements provided by RCM.

### **Investment Discretion**

Subject to the investment objectives, policies and restrictions of each client as set forth in the Governing Documents of such RCM Fund or the governing documents of any other client account, RCM has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each RCM Fund and client account, including the selection of, and commissions paid to, broker-dealers.

Unless otherwise agreed to between RCM and each client, RCM will not ordinarily be responsible for losses in client accounts, whether caused by the actions of RCM or unrelated third parties, unless caused by the gross negligence, fraud or willful misconduct of RCM. Accordingly, RCM will not ordinarily be responsible for the consequences of ordinary trade errors, unless caused by the gross negligence, fraud or willful misconduct of RCM.

### **Voting Client Securities**

Because RCM has, or will accept, authority to vote securities held by its clients, it has adopted policies and procedures that have been designed to ensure that RCM complies with the requirements of Rule 206(4)-6 and Rule 204-2(c)(2) under the Advisers Act, and reflect RCM's commitment to vote all client securities for which it exercises voting authority in a manner consistent with the best interest of the client.

RCM reviews each proposal to determine whether it is in the best interest of the client. As a result, depending on the client's particular circumstances, RCM may vote one client's securities differently than it votes those of another client, or may vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, RCM may determine that it is in the client's best interest for RCM to abstain from voting or not to vote at all, and will do so accordingly.

Prior to exercising its voting authority, RCM reviews the relevant facts and determines whether or not a material conflict of interest may arise due to business, personal or family relationships of RCM, its owners, employees or related persons, with persons having an interest in the outcome of the vote. If a material conflict exists, RCM may disclose the conflict of interest to the client and defer to the client's voting recommendation, or take any other appropriate action. Depending on the particular circumstances involved, the appropriate resolution of one conflict of interest may differ from the resolution of another conflict of interest, even though the general facts underlying both conflicts may be similar (or identical).

RCM will promptly deliver to each client upon request a complete copy of its proxy voting policies and procedures and/or information on how it voted proxies for the applicable client, including the RCM Fund(s).



**PART 2B OF FORM ADV – BROCHURE SUPPLEMENT**

**Pamela M. Lawrence  
Ivona Smith  
Gilbert Nathan  
Luciano Morelli**

**Restoration Capital Management LLC**

**325 Greenwich Avenue – 3<sup>rd</sup> Floor  
Greenwich, CT 06830  
203-769-5800**

**March 31, 2012**

**This brochure supplement provides information about Pamela M. Lawrence, Ivona Smith, Gilbert Nathan and Luciano Morelli (each, a “Supervised Person” and collectively, the “Supervised Persons”) that supplements the brochure of Restoration Capital Management LLC (“RCM”). You should have received a copy of that brochure. Please contact please contact RCM at 203-769-5800 if you did not receive RCM’s brochure or if you have any questions about the contents of this supplement.**

## **Pamela M. Lawrence**

### **Educational Background and Business Experience**

***Pamela M. Lawrence***, age 58, co-founder and manager of RCM, has more than 25 years investment experience, the last 23 of which concentrate on investing in financially troubled companies. From February 1999 to December 2000, Ms. Lawrence was the Portfolio Manager of an investment portfolio of distressed and bankrupt companies at Tribeca Investments LLC, a division of Citigroup Investments. Prior to that, she was a Principal at Whippoorwill Associates, Inc, where she managed a \$600 million distressed and bankrupt securities portfolio, as well as supervising the Research and Accounting Departments. From 1988 to 1992, Ms. Lawrence was also a Managing Director of Magten Asset Management Corporation, where she was an analyst and trader of a distressed and high yield securities portfolio. She has also participated in several Chapter 11 and out-of-court restructuring creditor committees, including as chair of the Revco D.S. official Committee of Unsecured Creditors. Ms. Lawrence has also served as a member of the Board of Directors of American Buildings Corp., BDK Holdings, Inc. and Gardenway Inc. Ms. Lawrence received an MBA in Finance from Pace University in 1980 and a Bachelor of Arts from Marymount College in 1974.

### **Disciplinary Information**

Ms. Lawrence has not been the subject of any material legal event required to be disclosed in response to this item.

### **Other Business Activities**

This item is not applicable to Ms. Lawrence.

### **Additional Compensation**

Ms. Lawrence does not receive an economic benefit for providing advisory services from someone who is not a client.

### **Supervision**

This item is not applicable to Ms. Lawrence.

### **Requirements for State-Registered Advisers**

Ms. Lawrence is not required to make any disclosure in response to this item.

## **Ivona Smith**

### **Educational Background and Business Experience**

*Ivona Smith*, age 42 is also a founder of RCM. Ms. Smith worked as an analyst of financially distressed companies, from April 1999 to December 2000 at Tribeca Investments LLC, and from 1998 to 1999 at Whippoorwill Associates, Inc. She also worked with Ernst & Young, LLP's Financial Advisory Services Group from 1996 to 1998, where she participated in valuation analyses, mergers and acquisitions and bankruptcy advisory engagements. Ms. Smith also held the positions of auditor and, later, financial analyst at Kidder Peabody & Co., Inc. Ms. Smith received an MBA in Finance from the NYU Stern School of Business in 1996 and a Bachelor of Science from Fordham University in 1991.

### **Disciplinary Information**

Ms. Smith has not been the subject of any material legal event required to be disclosed in response to this item.

### **Other Business Activities**

This item is not applicable to Ms. Lawrence.

### **Additional Compensation**

Ms. Smith does not receive an economic benefit for providing advisory services from someone who is not a client.

### **Supervision**

This item is not applicable to Ms. Smith.

### **Requirements for State-Registered Advisers**

Ms. Smith is not required to make any disclosure in response to this item.

## **Gilbert Nathan**

### **Educational Background and Business Experience**

*Gilbert Nathan*, age 32 is an analyst and principal at RCM. Prior to joining the firm, Mr. Nathan was a research analyst with Penn Capital Management. His responsibilities included high yield and equity research and trading, with a focus on the energy and gaming industries. While attending school, he participated in the Burkenroad Reports where he was an equity analyst. Mr. Nathan received a Bachelor of Science in Management with a focus in finance from AB Freeman School of Business at Tulane University in 2001.

### **Disciplinary Information**

Mr. Nathan has not been the subject of any material legal event required to be disclosed in response to this item.

### **Other Business Activities**

This item is not applicable to Mr. Nathan.

### **Additional Compensation**

Mr. Nathan does not receive an economic benefit for providing advisory services from someone who is not a client.

### **Supervision**

Mr. Nathan is supervised by Pamela Lawrence, who is ultimately responsible for all investment decisions on behalf of client accounts.

### **Requirements for State-Registered Advisers**

Mr. Nathan is not required to make any disclosure in response to this item.

## **Luciano Morelli**

### **Educational Background and Business Experience**

*Luciano Morelli*, age 42, is an analyst and principal at RCM. Prior to joining RCM, Mr. Morelli had nine years experience in distressed investing and trading. His previous experiences include MHR Fund Management, LLC from 2001 and 2005 as a Principal, responsible for sourcing investment ideas, conducting research, trading debt and equities, and restructuring workout situations for a family of funds totaling over \$1.3 billion. Mr. Morelli was a research analyst at PPM America, Inc. from 1998 to 2001 and an analyst at CIBC Oppenheimer's proprietary distressed trading desk from 1996 to 1998. Prior to 1996, Mr. Morelli was a credit analyst at Barclays Bank and HSBC Securities. Mr. Morelli received his Bachelor of Science in Finance from Boston College in 1991 and an MBA in Finance from the NYU Stern School of Business in 1977. Mr. Morelli is also a CFA charter holder

### **Disciplinary Information**

Mr. Morelli has not been the subject of any material legal event required to be disclosed in response to this item.

### **Other Business Activities**

This item is not applicable to Mr. Morelli.

### **Additional Compensation**

Mr. Morelli does not receive an economic benefit for providing advisory services from someone who is not a client.

### **Supervision**

Mr. Morelli is supervised by Pamela Lawrence, who is ultimately responsible for all investment decisions on behalf of client accounts.

### **Requirements for State-Registered Advisers**

Mr. Morelli is not required to make any disclosure in response to this item.