

**Item 1 – Cover Page**

**WYNKOOP LLC**

**201 Jackson Street**

**Denver, CO 80206**

**303-459-7200**

**[www.wynkoopfinancial.com](http://www.wynkoopfinancial.com)**

**02/29/2012**

This Brochure provides information about the qualifications and business practices of Wynkoop LLC. If you have any questions about the contents of this Brochure, please contact us at 303-459-7200. 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.

Wynkoop LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

## **Item 2 – Material Changes**

Wynkoop LLC is in the process of changing our registration from the SEC to the Colorado Division of Securities. This is on account of the Dodd-Frank Act, which raised the minimum required assets under management from \$25 million to \$100 million in order to qualify for federal registration. Because of different requirements for ownership of a state registered investment advisor, C. Howard Johnson and William Butler have sold their ownership interests in Wynkoop LLC to Brandon Jundt, who has been the Managing Member of the firm since inception. Additionally, Wynkoop has sold its ownership of Clermont Street Fund Manager LLC to Brandon Jundt, William Butler and Howard Johnson.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting KC Lang at 303-459-7200 or [klang@wynkoopfinancial.com](mailto:klang@wynkoopfinancial.com).

Additional information about Wynkoop LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Wynkoop LLC who are registered, or are required to be registered, as investment adviser representatives of Wynkoop LLC.

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#### **Item 4 – Advisory Business**

Wynkoop LLC (“Wynkoop” or “the Manager”) was formed in January 2009 to provide investment advisory services to privately offered (i.e. unregistered) pooled investment vehicles (the “Funds”). Wynkoop serves as the Manager or General Partner of seven pooled investment vehicles: Pearl Street Fund LLC, Pearl Street Fund II LLC, Madison Street Fund LLC, 3<sup>rd</sup> Avenue Fund LLC, Steele Street Fund LLC, Fillmore Street Fund LLC and Timberline Fund GP. All The Funds are organized as closed-end funds, with the exception of Timberline Fund LP which is open-ended. The closed-end funds are not open to new investors. Timberline Fund is an open-end fund and actively seeking capital commitments from new investors. The Funds have the investment objective of long-term capital appreciation through the investment of capital in a broad range of residential mortgage-backed securities, collateralized debt obligations, single-family residential homes, and performing and non-performing residential whole loans. Wynkoop is a fundamental, or value, investor and generally avoids making any investments that rely on quantitative analysis, market timing, day-trading, technical analysis, charting, or any other similar forms of analysis. Wynkoop does not offer any financial planning services. The owner of Wynkoop LLC is Brandon D. Jundt. The general partner of Timberline Fund LP, Timberline Fund GP LP, is owned by Brandon D. Jundt and David R. Myers. As of February 29, 2012, Wynkoop manages \$68.8million. Wynkoop’s investment decisions are formulated and executed by Brandon D. Jundt and David R. Myers.

#### **Item 5 – Fees and Compensation**

Wynkoop’s basic fee schedule for investors in its pooled investment vehicles is described below. Where these investors pay for services by means of performance-based compensation, as described below, there is an incentive for Wynkoop to make investments that are riskier or more speculative than would be the case in the absence of the performance-based compensation. In addition, the performance on which performance-based compensation is calculated may include unrealized appreciation and depreciation of investments, which may not ultimately be realized. Wynkoop, in its sole discretion, may assess a lower management fee or rate of performance-based compensation with respect to certain investors in the pooled investment vehicles it advises.

The Funds pay Wynkoop a management fee of 1.5% and incentive compensation of between 15% and 30% after a minimum return has been earned (“hurdle” or “preferred return”) of between 6-10%. In the case of Timberline Fund, the incentive fees are paid at the end of the year on the change in the Fund’s value over the prior year. Additionally, the Funds reimburse the Manager for certain expenses directly related to the Funds, such as audit, legal and tax preparation.

All management fees paid by all clients (“Funds”) are paid at the end of each billing period and none are pre-paid or paid up front. Wynkoop’s clients are the Funds, and generally investors in the Funds have no ability to negotiate the fees that the Fund pays Wynkoop. Wynkoop’s clients, being the Funds, obtain investment advice and recommendations solely from Wynkoop. However, investors in those funds, or potential investors in those funds, have the ability to make similar investments and execute similar strategies through other investment vehicles or with other investment advisors.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Wynkoop LLC does charge performance fees. These fees are described above in Section 5 - Fees and Compensation for our current funds.

#### **Item 7 – Types of Clients**

Wynkoop serves as the manager and investment adviser to limited partnerships and limited liability companies organized under the laws of the State of Colorado and the State of Delaware. Interests in the Funds are offered to investors pursuant to exemptions from registration available under Federal securities laws. All of the Funds have a minimum investment, generally of \$250,000, which can be waived at the Manager’s discretion. Interests in the Funds are only offered to Accredited Investors and in general include high-net worth individuals and families and institutional investors. In the

future, Wynkoop intends to advise other to be formed pooled investment vehicles for which it will serve as investment adviser and manager.

#### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Wynkoop is a fundamental investor who believes that successful investing in mortgage-backed securities and single-family residential houses is possible through fundamental research on mortgage markets, housing markets and the overall economy. Wynkoop's investment philosophy is based on its belief that current mortgage-backed securities investing is less a process of building and fine-tuning complex mathematical models and more a process of incorporating ground level research into basic cash flow models. Wynkoop believes that the theories on convexity and option-adjusted spread have given way to rapidly changing data on the actual pricing levels needed to sell homes in specific areas.

Wynkoop uses multiple factors to analyze each security, including loss expectations, prepayments, interest rate sensitivity, and other qualitative factors (regulatory environment, servicer practices, geographic location, etc.). Of these factors, Wynkoop places a high importance on the qualitative factors as they will potentially impact all of the other factors.

Investing in securities involves risk of loss that clients should be prepared to bear.

#### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Wynkoop LLC or the integrity of Wynkoop LLC's management. Wynkoop LLC has had no disciplinary or legal action taken against it.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

Wynkoop has no obligation to deal with any particular broker-dealer in the execution of transactions in portfolio securities. In placing orders with broker-dealers for client accounts, Wynkoop's primary objective is the ability of the broker-dealer, in the opinion of Wynkoop, to secure prompt execution on favorable terms, including the reasonableness of the commission considering the state of the market at the time. While Wynkoop generally seeks reasonably competitive commission rates, Wynkoop does not necessarily pay the lowest commission or mark-up. The specific factors considered in selecting a broker-dealer to effect client transactions include Wynkoop's knowledge of transaction costs, the nature of the security being traded, the size of the transaction, the desired timing of the trade, the activities existing and expected in the market for the particular security, the financial stability of the broker-dealer, and the execution, clearance and settlement capabilities of the broker-dealer.

In connection with executing client transactions, Wynkoop may receive research services from broker-dealers, including economic forecasts, investment strategy advice, fundamental and technical advice, market analysis, statistical services, and analysis of particular securities and investment situations. However, such research services are available to Wynkoop generally whether or not it executes a particular trade through a broker-dealer and Wynkoop does not pay higher commissions in exchange for research services or products and does not direct trades to a particular broker-dealer in exchange for such research services or products. Any research that is provided by broker-dealers is used solely for the benefit of Wynkoop's clients.

#### **Item 11 – Code of Ethics**

Wynkoop has adopted a Code of Ethics which imposes on each member and employee the duty to place the interests of clients first, to avoid any actual or potential conflicts of interest or abuse of his or her position, and to not take inappropriate advantage of such person's position in relationship to clients.

Generally, under the Code of Ethics, Wynkoop's members and employees may not effect transactions in securities for their own account, or for accounts in which they have an interest or control (except for the Funds), where such securities are simultaneously contemplated for purchase or sale for a Fund or are being purchased or sold for a Fund. When Wynkoop is purchasing securities on behalf of a Fund that Wynkoop members or employees also desire to purchase individually, such individuals must refrain from making individual purchases until the Fund has accumulated its entire position. Similarly, if Wynkoop members or employees desire to sell the same securities as are held by a Fund and the Fund also anticipates the sale of such securities, such individuals must refrain from effecting any individual sales until the Fund has sold its entire position that it desires to sell at such time. These restrictions may be waived upon the consent of the chief compliance officer on an individual basis upon a determination that the proposed transaction presents no reasonable likelihood of harm to a Fund. The Code of Ethics also contains policies on voting of proxies (although Wynkoop does not typically invest client assets in securities that carry voting rights), fair value pricing procedures for securities for which market quotations are not available, and retention of records.

Wynkoop's members and employees must report all personal securities transactions to the chief compliance officer no less than quarterly, annually certify that they have read and understand the Code of Ethics, and undertake to promptly report all violations of the Code of Ethics to the chief compliance officer.

Wynkoop will provide a copy of its Code of Ethics to the Funds, any members of the Funds or any prospective members of the Funds upon request. Written requests should be sent to Wynkoop LLC, Attention: Brandon Jundt, 201 Jackson Street, Denver, Colorado 80206.

#### **Item 12 – Brokerage Practices**

Wynkoop has no obligation to deal with any particular broker-dealer in the execution of transactions in portfolio securities. In placing orders with broker-dealers for client accounts, Wynkoop's primary objective is the ability of the broker/dealer, in the opinion of Wynkoop, to secure prompt execution on favorable terms. Non-agency mortgage-backed securities do not trade with commissions, as they trade over-the-counter and the broker/dealers make money on the bid/offer spread, which is generally much wider than the bid/ask spread in the publically-traded equities markets. In most instances, buy-side accounts do not know the mark-up or bid/offer spread of any position that they are buying or selling. Additionally, many broker/dealers position bonds for their own account and generate profits by holding them for income or selling them for higher prices. While Wynkoop generally seeks reasonably competitive commission rates, Wynkoop does not necessarily pay the lowest commission or mark-up. The specific factors considered in selecting a broker/dealer to effect client transactions include Wynkoop's knowledge of transaction costs, the nature of the security being traded, the size of the transaction, the desired timing of the trade, the activities existing and expected in the market for the particular security, the financial stability of the broker/dealer, and the execution, clearance and settlement capabilities of the broker-dealer.

As an institutional buy-side account of non-agency mortgage-backed securities, Wynkoop receives research from the broker/dealers. This research is generally provided whether Wynkoop executes specific trades or not. The concept of soft-dollars is generally not applicable to the non-agency mortgage backed securities markets.

Wynkoop does not receive client referrals from the broker/dealers utilized by the funds under its management and therefore doesn't not make decisions on which broker/dealers to utilize based on clients' referrals from any broker/dealers.

#### **Item 13 – Review of Accounts**

Wynkoop monitors the Funds' investments on a daily, weekly or monthly basis, depending on the nature of the investment. Mortgage-backed securities are generally monitored daily. More extensive review of particular securities in the account is performed on a daily to monthly basis, depending on the nature of the investment and the status of various factors used by Wynkoop to monitor, rebalance and effect transactions in the account.

Wynkoop provides the Funds and the member in such Funds, unaudited monthly reports and annual audited reports containing performance reporting, individual account balances and market commentary. Audited annual financials are provided by Ehrhardt, Keefe, Steiner, & Hottman PC. Members of the Funds may also be provided with verbal or written reports on a monthly basis or on an ad-hoc basis.

Wynkoop does not offer financial planning services. The funds under Wynkoop's management generally have specific investment objectives and are in no way a comprehensive financial planning vehicle. Wynkoop's managed funds generally have little diversification and are only suitable for sophisticated investors who are able to bear the risk of concentrated and illiquid investments.

#### **Item 14 – Client Referrals and Other Compensation**

Wynkoop LLC has not paid compensation for client referrals, although it retains the right to do so.

#### **Item 15 – Custody**

All of the Funds that Wynkoop manages currently use Wells Fargo, N.A. as the qualified custodian for all accounts. The funds receive monthly statements from their banks and custodians. Wynkoop sends monthly statements to the investors in the Funds and annual audited reports containing performance reporting, individual account balances and market commentary. Timberline Fund LP has hired Pyxis Global Financial Services to serve as a third-party administrator of that fund and investors in Timberline Fund LP receive statements directly from the administrator.

#### **Item 16 – Investment Discretion**

The funds for which Wynkoop serves as the Manager generally give Wynkoop broad discretion regarding investment decisions. Each fund has a specific mandate that is detailed in that fund's operating agreement and private placement memorandum. Within the context of that mandate, Wynkoop has broad investment discretion. Pearl Street Fund LLC, Pearl Street Fund II LLC, and Madison Street Fund LLC are all mandated to invest in senior non-agency mortgage-backed securities. 3<sup>rd</sup> Avenue Fund LLC, Fillmore Street Fund LLC, Steele Street Fund and Timberline Fund LP are all mandated to invest in any non-agency mortgage-backed securities, including mezzanine bonds, subordinated bonds and derivatives (e.g. interest-only bonds, residuals, net interest margin bonds, etc.). Madison Street Fund LLC is the only fund that allows the Manager to incur indebtedness, use margin, or otherwise leverage the portfolio. Fillmore Street Fund LLC and Steele Street Fund LLC allow leverage with the approval of each fund's respective investor. Fillmore Street Fund LLC and Steele Street Fund LLC also require the written approval of each fund's respective investor to buy or sell and specific investments.

Brandon Jundt and David Myers are the only two individuals who formulate investment advice.

Wynkoop may give advice or take action with respect to any client, which may differ from advice given, or the timing or nature of action taken, with respect to any other client. Certain clients of Wynkoop may have similar investment objectives and policies. Therefore, Wynkoop may, from time to time, make recommendations or place orders that result in the purchase or sale of a particular investment for such clients simultaneously. If transactions on behalf of more than one client during the same period increase the demand for the investments being purchased or the supply of investments being sold, there may be an adverse effect on price or availability. It is the policy of Wynkoop to allocate advisory recommendations and the placing of orders in a manner deemed equitable by Wynkoop to the accounts involved. When two or more of the clients of Wynkoop are purchasing or selling the same security on a given day from, to or through the same broker-dealer, such transactions will be averaged as to price, which could be higher or lower than the actual price that would otherwise be paid by a particular client account absent the aggregation of orders. Any transaction costs incurred in the aggregated transaction will be shared pro rata based on each client's participation in the transaction.

### **Item 17 – Voting *Client* Securities**

Although Wynkoop does not typically invest client assets in securities that carry voting rights, it has implicit authority to vote client securities by virtue of its discretionary authority and may, under certain circumstances, need to exercise voting authority for its clients. Therefore, as required by Rule 206(4)-6 under the Investment Advisers Act of 1940, Wynkoop has adopted a proxy voting policy pursuant to which Wynkoop has undertaken to vote all proxies or other beneficial interest in an equity security prudently and solely in the best long-term economic interest of its advisory clients and their beneficiaries, considering all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote. All proxies received by Wynkoop are reviewed by the chief compliance officer and are voted for the long-term benefit of the fund.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Wynkoop's financial condition. Wynkoop LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.