

ADV PART 2 FIRM BROCHURE

EXIGENT CAPITAL MANAGEMENT LLC

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March 30, 2012

This brochure provides information about the qualifications and business practices of Exigent Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at 646-506-9453 or owner@exigentcap.com. You can visit us at www.exigentcap.com. 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. Note that being a “registered investment adviser” does not imply a certain level of skill or training.

Additional information about Exigent Capital Management LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Material Changes to Form ADV Part 2

Since its last Form ADV Part 2 update on March 31, 2011, Exigent Capital Management LLC (“Exigent”) has made the following material changes:

1. Closed Exigent Bank Opportunities Fund LP.
2. Changed the name of its Client, SBA IO Series LLC, to Exigent IO Credit Opportunities Fund LLC.
3. Established a new Client, Exigent IO Credit Opportunities Fund II LP, which has committed capital but no investor closing to date.

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Advisory Business

Since 2009 Exigent Capital Management LLC (“Exigent”) has been providing investment advice, seeking unique investments that offer compelling risk/reward profiles with understated headline returns. Exigent performs the following advisory services:

Investment supervisory services on a discretionary basis (45%) and non-discretionary basis (55%), including making and implementing investment decisions for the following Clients:

- Exigent IO Credit Opportunities Fund LLC and Exigent IO Credit Opportunities Fund II LP (the “IO Strip Funds”), which invest in interest-only strips (“IO Strips”) of Small Business Administration (“SBA”) 7(a) loans, that are related to Exigent through common majority ownership and control of the General Partner and Managing Member of the IO Strip Funds.
- Investment advisory accounts, by managing investments on a non-discretionary basis.

We tailor our investment advice to the needs of each Client, whether a related fund Client or a managed account Client. The IO Strip Funds have investment objectives, strategies and guidelines specified in their offering memorandum that we follow. Our managed account Clients need to approve each investment recommendation.

As of March 30, 2012, the amount of client assets Exigent manages on a discretionary basis is \$48,671,429, and on a non-discretionary basis \$60,673,781.

Exigent is owned equally by Eliezer Brender and Eric Davis.

Fees and Compensation

Exigent receives management fees as compensation for the above advisory services as follows:

- IO Strip Funds - An annual fee of 2% of total fund net asset value payable monthly. Management fee rates can be found in the IO Strip Funds’ Private Placement Memoranda.
- Managed Accounts - An annual fee based on a percentage of total account net asset value, as independently negotiated with each Client, payable monthly.

Each Client has a third-party administrator that is unrelated to Exigent. This administrator calculates the fees to be paid to Exigent.

Each Client pays (or reimburses Exigent) for the direct and indirect expenses related to the operation of the Client account. The following are examples of additional expenses that are paid from Client accounts, as applicable:

- Administration and fund accounting, including fees charged by third party administrators
- Financial audit and preparation of tax returns
- Brokerage and transaction costs
- Third-party valuation services
- Organizational costs, including legal fees and expenses

If an advisory contract with a Client is terminated before the end of a billing period, Exigent refunds any overpayment of fees pro rata based on the number of days remaining in the billing period.

Performance-Based Fees

Exigent does not directly receive performance-based fees from its Clients. However, because the IO Strip Funds are related to Exigent, it benefits from the following performance-based fees called Performance Distributions and Performance Allocations. Investors who acquire interests in a Client are subject to Performance Distributions/Allocations as follows:

- Exigent IO Credit Opportunities Fund LLC - New Opportunities Holdings LLC (related to Exigent) receives 20% of investor profit as a Performance Distribution, to be paid annually only after investor distributions exceed the total aggregate amount of capital invested by such investor.
- Managed Accounts - New Opportunities Holdings LLC (related to Exigent) receives a portion of investor profit as a Performance Distribution, as negotiated with each individual Client.
- Exigent IO Credit Opportunities Fund II LP - New World Holdings LLC (related to Exigent) receives 20% of investor profit as a Performance Allocation, to be paid annually.

Types of Clients

Our Clients fall into two categories:

- Pooled investment vehicles (also called Fund Clients); and
- Managed accounts for individuals or entities that are not related to Exigent.

Methods of Analysis, Investment Strategies and Risk of Loss

It is important to note that investing in any securities involves risk of loss that investors should be prepared to bear. There can be no possibility of profit without risk of loss, including the risk of loss of one's entire investment. A summary of Exigent investment strategies and certain associated risks are described below. In addition, these matters are discussed in more detail in the Private Placement Memoranda for the IO Strip Funds and the Investment Summary for managed accounts.

IO Strip Funds and IO Strip Managed Accounts

The IO Strips Exigent purchases on behalf of its Clients are a fixed portion of the interest payment due from a borrower on an SBA loan, regardless of whether the interest rate on the underlying loan is fixed or floating. The objective when purchasing IO Strips is to earn enough interest to recapture the original investment plus a stated return. This is accomplished by purchasing the IO Strips at a multiple which represents a discount to the expected future cash flows under varying prepayment assumptions. IO Strip prices are market-driven based on interest rates and expected prepayment rates.

SBA 7(a) loans are the largest component of the SBA's business loan programs. The name 7(a) comes from section 7(a) of the Small Business Act which authorizes the SBA to provide loans. Today, between 75% and 90% of each SBA 7(a) loan is government guaranteed and sold to investors as bonds and IO Strips.

Investing in IO Strips is subject to various risks including the risk of loss of one's invested principal. Many of these risks are beyond the control of Exigent. Certain of the key risks involved in the investment and with Exigent are summarized below; however, this is not a complete description of all risks:

- SBA Legislation and Regulation – Changes to U.S. Government legislation and regulation governing SBA related activities are unknown and may adversely affect the SBA market and, as a result, investments made in IO Strips;
- Prepayments - Prepayment rates are considered the most significant risk factor in the success or failure of the investment in IO Strips and can lead to loss of principal. The higher the prepayment rate the lower the future cash flows will be, since the loan balance off of which interest is paid has been reduced. Conversely, the lower the prepayment rate the higher the future cash-flows will be. Prepayment rates are driven by a number of factors, some of which are not quantifiable and some which may be unknown, and can rise unexpectedly and without warning. Historical prepayment rates do not guarantee future performance. If prepayment rates are higher than expected, cash flows will be negatively affected, which could lead to loss of principal;
- Accounting – Changes to FASB guidelines, including FAS 166, may affect the supply and demand of IO Strips in the market;

- Governmental monetary and fiscal policies - Monetary and fiscal policies of various governmental and regulatory agencies, in particular the Federal Reserve Board, affect the financial services industry. Changes in such policies, including changes in interest rates, will influence the origination of loans, are difficult to predict and could materially adversely impact performance;
- Unregistered Securities - Unregistered securities are highly illiquid and may not be freely tradable. The SBA market in general and SBA IO Strip market in particular are considerably smaller than the rest of the asset-backed security universe, which leads to a less liquid market;
- Market Prices – The future market price of IO Strips is unknown. As with most capital market instruments, prices can change without notice or warning. Economic and financial events, the likes of which have occurred in the recent past, may adversely affect the performance of the investment by making future purchases more expensive or by reducing the value of the IO Strips owned;
- Availability of Suitable Investments - There can be no assurance that attractive investments will continue to be available or that available investments will meet investment criteria; and
- Dependence on Key Management Personnel - The success of Exigent will depend, in large part, upon the skill and expertise of management. In the event of the death, disability or departure of such individuals, the business and performance may be adversely affected.

Exigent has put diversification measures in place regarding the below factors to mitigate the possibility of unknown prepayment correlations which could cause a specific portfolio to underperform the market:

- Dollar amount of each individual IO Strip;
- Originating bank;
- Investing in IO Strips with maturities ranging from 10-25 years, with an overweight of 25 year maturities (longer maturity loans can produce higher long-term ROO and exhibit lower CPR);
- Geographic location (by city, state and zip); and
- Business type of the borrower (NAICS).

Disciplinary Information

There have been no disciplinary actions taken against Exigent or any members of its management team.

Other Financial Industry Activities and Affiliations

F.D.N. Lexington Management Ltd (“Lexington”) is a related party that is wholly owned by one of the principals of Exigent. Lexington provides consulting and certain administrative services to Exigent with regards to its Clients. Exigent does not believe its relationship with Lexington will create conflicts of interest with its Client or, if such a conflict of interest were to arise, Exigent could resolve such conflict of interest in a fair and equitable manner.

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

Exigent has adopted a Code of Ethics, which includes a Personal Securities Transaction Policy and an Insider Trading Policy. Our Code of Ethics, which is available and will be furnished upon request, requires among other things that all employees:

- Act with integrity, competence, diligence and respect, and in an ethical manner with respect to the public, Clients, prospective Clients, investor, colleagues in the investment profession and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of Clients and investors, and the interest of Exigent above one's own personal interest;
- Avoid any actual or potential conflict of interest;
- Disclose and obtain approval for outside business activities;
- Adhere to advertising and marketing policies;
- Maintain and improve professional competence and strive to maintain and improve the competence of other investment professionals; and
- Comply with applicable provisions of the federal securities laws.

Exigent's Personal Security Transaction Policy requires employees to:

- Pre-clear certain personal securities transactions;
- Report personal securities transactions on at least a quarterly basis; and
- Provide a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

Brokerage Practices

A Prime Broker is selected through a due diligence process to ensure best execution for Fund Clients. Managed accounts will use the same Prime Broker as Fund Clients unless otherwise directed by the managed account Client.

Review of Accounts

Exigent reviews Client accounts continuously. Formal account reviews are conducted at least quarterly to ensure compliance with Client investment objectives and any investment restrictions. The Chief Compliance Officer works with investment personnel to determine whether any issues warrant changes to Exigent's policies or procedures.

On a monthly basis, Exigent will provide investors in our Clients with Investor Statements, and our Managed Accounts with valuation reports and custody holding reports.

Client Referrals and Other Compensation

Exigent has a fee based arrangement with certain third parties that refer investors to Exigent, who receive a negotiated amount for such referrals.

Custody

Exigent retains custody of Client accounts at a qualified custodian and the custodian delivers monthly custody reports to Exigent. Our third party administrator prepares financial statements that we compare to the custody statements. For managed accounts, the custodian sends monthly statements directly to the Client and we send a copy of the custody report in addition to a valuation report and urge those managed account Clients to compare the assets on both reports to validate the information.

Investment Discretion

Exigent accepts discretionary authority to manage and execute transactions on behalf of Fund Clients. For Managed Accounts, Exigent does not accept discretionary authority, but makes recommendations and requires approval before transactions are executed.

Voting Client Securities

Exigent votes Client proxies when it has discretionary authority over the account, to maximize client value. Consideration is given to both the short and long term implications of the proposal when voting. When necessary, Exigent monitors for potential conflicts of interest between the Client's interest and its own within the proxy voting process.

Exigent's complete proxy voting policy and procedures are memorialized in writing and are available for review upon request. In addition, Exigent's complete proxy voting record for the past twelve months is available to Clients and investors upon request. For further information, contact Exigent at the phone number listed on the front of this brochure.

Should Exigent inadvertently receive proxy information for a security held in a Client's account for which Exigent does not have authority to vote proxies, Exigent will immediately forward such information to the Client, and will not take any further action with respect to such proxy voting. In case of termination of its Agreement with a Client, Exigent shall make a good faith and reasonable attempt to forward proxy information inadvertently received by Exigent on behalf of the Client to the forwarding address provided by the Client to Exigent.

Financial Information

Exigent is not required to include financial statements in this brochure.

Exigent has discretionary authority and custody of certain Client funds or securities. However, Exigent does not foresee any conditions that would impair its ability to meet its contractual commitments.

Part 2B of Form ADV: Brochure Supplement 1

Eliezer Brender

Exigent Capital Management LLC

250 Park Ave

New York, New York 10177

Tel. 646-506-9495

March 30, 2012

This brochure supplement provides information about Eliezer Brender that supplements the Exigent Capital Management LLC (“Exigent”) brochure. You should have received a copy of that brochure. Please contact Oren Wener, Exigent’s Chief Compliance Officer, if you did not receive Exigent’s brochure or if you have any questions about the contents of this supplement.

Educational Background and Business Experience

Eliezer Brender

Year of Birth: 1977
Education: Yeshiva University Sy Syms School of Business, 1995-1999
Business Experience: Exigent Capital Management LLC, Principal and Chief Investment Officer
Poal Capital Partners (private equity firm), Director
Elite Hosts Inc., Owner
JP Morgan, spot-fx

Disciplinary Information

There have been no disciplinary actions taken against Eliezer Brender.

Other Business Activities

F.D.N Lexington Management LTD ("Lexington") is a related party that is wholly owned by Eliezer Brender. Lexington provides consulting and certain administrative services to Exigent with regards to its Clients.

Supervision

All Supervised Persons are held at the same standard as any other employee at Exigent. They must comply with all policies and procedures as indicated in Exigent's compliance manual. In addition, all advisory activities are monitored by the Executive Committee, which is comprised of Eric Davis, Chief Operating Officer, Eliezer Brender, Chief Investment Officer and Oren Wener, Chief Compliance Officer.

Part 2B of Form ADV: Brochure Supplement 2

Eric Davis

Exigent Capital Management LLC

250 Park Ave

New York, New York 10177

Tel. 646-506-9472

March 30, 2012

This brochure supplement provides information about Eric Davis that supplements the Exigent Capital Management LLC (“Exigent”) brochure. You should have received a copy of that brochure. Please contact Oren Wener, Exigent’s Chief Compliance Officer, if you did not receive Exigent’s brochure or if you have any questions about the contents of this supplement.

Educational Background and Business Experience

Eric Davis

Year of Birth: 1970
Education: Yeshiva University, 1987-1991
Rutgers University School of Law, 1991-1994
Business Experience: Exigent Capital Management LLC, Principal and Chief Operating Officer
Outside Counsel Solutions Inc.
Paul Hastings Janofsky & Walker LLP

Professional Designations:

Member, New York Bar

Below is a list of what the New York State Board of Law Examiners requires in order to become eligible to practice law and maintain licensure:

1. obtain an undergraduate college degree;
2. graduate from an American Bar Association approved law school;
3. pass the New York Bar Exam; and
4. to maintain licensure, complete 24 continuing professional education credits every two years

Disciplinary Information

There have been no disciplinary actions taken against Eric Davis.

Other Business Activities

Not Applicable.

Supervision

All Supervised Persons are held at the same standard as any other employee at Exigent. They must comply with all policies and procedures as indicated in Exigent's compliance manual. In addition, all advisory activities are monitored by the Executive Committee, which is comprised of Eric Davis, Chief Operating Officer, Eliezer Brender, Chief Investment Officer and Oren Wener, Chief Compliance Officer.