

# Orange Capital, LLC Part 2A of Form ADV The Brochure

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This brochure provides information about the qualifications and business practices of Orange Capital, LLC (“Orange Capital” or “the Company”). If you have any questions about the contents of this brochure, please contact us at (212) 375-6040 or at [rhoftman@orangeap.com](mailto:rhoftman@orangeap.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.

This brochure does not constitute an offer to sell or a solicitation of interest to purchase any securities or investment advisory services.

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

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## **Advisory Business**

Orange Capital is a limited liability company founded in 2005 and organized under the laws of the State of Delaware.

Orange Capital Domestic I, L.P., is a Delaware limited partnership (the "Partnership") which invests substantially all of its assets through a "master-feeder" fund structure in and is a shareholder of Orange Capital Master I, Ltd., an exempted company incorporated under the laws of the Cayman Islands (the "Master Fund" and collectively with the Feeder Funds, the "Funds"). Orange Capital Offshore I, Ltd., is a Cayman Islands exempted company (the "Offshore Fund" and collectively with the Partnership, the "Feeder Funds") which invests substantially all of its assets through a "master-feeder" fund structure in and is a shareholder of the Master Fund.

Orange Capital provides investment advisory services on a discretionary basis to the Funds. Orange Capital (GP), LLC, is a Delaware limited liability company that serves as the general partner to the Partnership (the "General Partner"). The members of the General Partner and Orange Capital are Daniel Lewis and Russell Hoffman (the "Members"). The managing member of the General Partner and Orange Capital is Daniel Lewis (the "Managing Member"). Each of the Members have invested a significant part of his liquid net worth in the Partnership, thereby further aligning his interests with those of the Partnership's limited partners.

As of February 28, 2012 Orange Capital manages \$1,181,300,000 on a discretionary basis on behalf of its clients. Orange Capital does not manage any assets on a non-discretionary basis.

## **Fees and Compensation**

The fees applicable to the Feeder Funds are set forth in detail in each of the Feeder Fund's respective private placement memorandum (the "Memorandum"). A brief summary of those fees is provided below.

Orange Capital receives a management fee from the Feeder Funds based on net assets under management of 1.5% annually (the "Fixed Fee"). The Fixed Fee is paid after the first day of each calendar quarter based on the value of the net assets of the Feeder Funds as of the first day of such quarter. The Fixed Fee will be prorated for any period that is less than a full fiscal quarter. Orange Capital may waive or reduce the Fixed Fee to be paid by its investors that are members, principals, employees or affiliates of the General Partner or Orange Capital, relatives of such persons and certain large or strategic investors.

In addition, the General Partner receives performance compensation equal to 20% of the Feeder Funds' net profits, if any, subject to a "loss carryforward" provision (the "Incentive Allocation"). The Fixed Fee and Incentive Allocation are negotiable for

investors in the Feeder Funds. The General Partner may waive or reduce the Incentive Allocation for investors that are members, principals, employees or affiliates of the General Partner or Orange Capital, relatives of such persons, and for certain large or strategic investors.

In addition to paying the Fixed Fee and being subject to the Incentive Allocation, the Funds will also be subject to other investment expenses such as fees paid to the administrator, directors' fees, legal, accounting, auditing and other professional expenses, research expenses (including research-related travel) and investment expenses such as commissions, interest on margin accounts and other indebtedness, custodial fees, bank service fees and other expenses related to the purchase, sale or transmittal of the Funds' assets. The Feeder Funds will indirectly share the administrative and other expenses of the Master Fund pro rata based on its interest in the Master Fund. The Funds' assets may be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, the Funds will bear their pro rata share of the investment management fee and other fees of the fund, which are in addition to the fees and allocations paid to Orange Capital and the General Partner. Please refer to "Brokerage Practices" below in this Firm *Brochure* for a discussion of Orange Capital's brokerage practices.

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

As stated in the Fees and Compensation section above, the General Partner receives performance compensation equal to 20% of the Feeder Funds' net profits, if any, subject to a "loss carryforward" provision. The fact that the General Partner is compensated based on the trading profits may create an incentive for Orange Capital to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of such compensation. In addition, the Incentive Allocation is based primarily on realized and unrealized gains and losses. As a result, the performance fee earned could be based on unrealized gains that clients may never realize.

## **Types of Clients**

Orange Capital serves as a discretionary investment adviser to private investment funds that are currently offered only to high net worth, financially sophisticated institutional and individual investors.

The minimum initial investment in the Feeder Funds is \$1,000,000 (subject to reduction at the discretion of the applicable Fund).

# Methods of Analysis, Investment Strategies and Risk of Loss

## Investment Approach and Analysis

Orange Capital intends to invest, hold, sell, trade and otherwise deal in securities and other intangible investment instruments, with the primary focus on debt and equity instruments. Investment instruments will generally consist of stocks, bonds, notes, index options and stock options traded in public markets, with an average of 20-30 total positions at any time (for this purpose, long and short positions related to the same issue or investment may be treated as part of a single position). Orange Capital may trade in publicly traded stock index options and individual stock option positions primarily to hedge stock or bond positions, and may also invest in private debt instruments. Orange Capital may also engage in the use of individual stock options for speculation.

Orange Capital intends to manage a portfolio that will typically have both long and short positions. Gross exposure generally will not exceed 200% of the Master Fund's net asset value, and it is anticipated that it will usually be lower. Gross short positions generally will not exceed 50% of the Master Fund's net asset value. Orange Capital will invest no more than 10% of the Master Fund's net asset value in the securities or other instruments of a single issuer (other than government securities or money market funds or similar cash equivalent instruments) and no more than 25% of the Master Fund's net asset value in a single industry. Orange Capital may invest up to 30% of the Master Fund's net asset value long or short in ETFs. Investment restrictions are measured at cost at the time of the initial investment.

The average holding period for instruments will generally range from 6 to 12 months. The portfolio will be rebalanced periodically as Orange Capital deems necessary, taking into account specific events related to portfolio companies, changes in outlook for the financial markets, or the sourcing of new investment opportunities.

Screened companies will undergo a thorough, fundamental valuation process. Valuation methods employed will include, but are not limited to: discounted cash flows, EBITDA and free cash flow multiples, and underlying asset values. In addition, Orange Capital will analyze the profitability and performance outlook of the company, while considering other relevant factors such as the company's competitors, suppliers, customers and the state of the overall industry, as well as the overall macro-economic environment. An assessment of the quality of the company's management team will also be a key component of the valuation process.

The fundamental valuation will be followed by a robust pricing of every layer of the company's capital structure, including: equity, unsecured debt, and secured debt. The capital structure review will focus on solvency, liquidity, relative value, and return on equity. In performing the above valuation process, Orange Capital will utilize proprietary models, techniques, and industry intelligence to seek to identify and exploit various inefficiencies in the market.

## Investment Strategies

Orange Capital makes investments across the capital structure. The Company applies a fundamental research process to identify undervalued investment opportunities and generally invests client assets in value equity, distressed/high-yield debt, capital structure arbitrage and secured loans. The allocation by trade type is dependent on market conditions and driven by the prevailing opportunity set, with a focus on market dislocations and situations that offer the best global relative value.

Orange Capital will typically seek investments in such varied sectors as consumer products, industrials, telecommunications, healthcare, retail, media and entertainment and others. Orange Capital believes that companies operating in these sectors can be valued within a narrow range with a high degree of confidence, resulting in greater predictability of the performance of the underlying portfolio investments.

The value equity strategy will seek to maximize returns by investing in equities trading at a discount or premium to their intrinsic values. Most portfolio companies targeted by this strategy will have a history of financial distress and/or will operate in volatile industries and/or financial markets. Other investment instruments may be bought or sold short to seek to hedge risk and isolate the underlying investment thesis. Those risk factors may include: macro-economic factors, commodity prices, currency risk, industry outlook, and public market valuations.

The high yield and distressed debt strategy will involve investment in credit products trading at spreads and/or prices deemed attractive based on projected default risk, recovery analysis, and relative value. Credit products may also be sold short if Orange Capital believes that credit spreads and/or prices do not adequately reflect the underlying credit risk.

The capital structure arbitrage strategy will seek to maximize returns by simultaneously buying and selling instruments whose relative valuations and/or credit spreads do not reflect an appropriate risk premium between the components of a company's capital structure. Relative capital structure arbitrage between two separate companies may also be employed at the discretion of Orange Capital.

The secured loan strategy will involve the purchase of public or private instruments secured by a lien on a company's assets, after careful review of the collateral underlying the particular instrument. These instruments are usually floating rate in nature, mitigating some of the risks associated with a rising interest rate environment. This strategy places a high emphasis on capital preservation and current income.

The allocation between the four investment strategies will be determined by Orange Capital's view of the overall investing climate, including the outlook of the financial markets, and the extent of the prevailing opportunities in each investment strategy. Orange Capital believes that the high yield and distressed debt strategy will be most

attractive during periods of high corporate default rates, with market conditions resulting in wider than historical average credit spreads. Orange Capital also believes that the capital structure arbitrage strategy and secured loan strategy will be most attractive during periods of low market volatility, with market conditions resulting in tighter than historical average credit spreads. Orange Capital believes that the value equity strategy will be applicable during all market conditions.

The Master Fund may purchase investments for which there is no ready market. These investments may include securities which are subject to legal or contractual restrictions on sale, are not readily marketable or which Orange Capital determines should be held until the resolution of a special event or circumstance.

### Risk of Loss

Investments will generally consist of equity and debt instruments and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that Orange Capital will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Funds' activities and the value of its investments. In addition, the value of the portfolio may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that the Funds' investment objective will be achieved.

### Small to Medium Capitalization Companies

Orange Capital may invest a significant portion of the Master Fund's assets in the instruments of companies with small-to medium-sized market capitalizations. While Orange Capital believes they often provide significant potential for appreciation, such investments, particularly smaller capitalization stocks, involve higher risks in some respects than do investments in larger companies. For example, prices of such stocks are often more volatile than prices of large capitalization securities. In addition, due to thin trading in some such instruments, an investment in these instruments may be more illiquid than investments in larger capitalization companies.

### Debt Instruments

The Master Fund will invest in fixed income securities and other debt instruments. Certain of these instruments may be unrated by a recognized credit-rating agency or below investment grade, which are subject to greater risk of loss of principal and interest than higher-rated debt instruments. The Master Fund may invest in debt instruments which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The Master Fund may invest in debt instruments which are not protected by financial covenants or limitations on additional indebtedness. The Funds

will therefore be subject to credit and liquidity risks. In addition, the market for credit spreads is often inefficient and illiquid, making it difficult to accurately calculate discounting spreads for valuing financial instruments. Investment in a debt instrument will normally involve the assumption of interest rate risk.

## Leverage

The Company may use leverage in the Master Fund's investment program, including the use of borrowed funds and investments in futures, certain types of options, such as puts, calls and warrants. Leverage strategies increase the risk of loss. To the extent that the Master Fund purchases securities with borrowed funds, net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. The interest costs associated with such borrowing will reduce the Master Fund's profits. If the interest expense on borrowings were to exceed the return on the investments made with borrowed funds, the use of leverage would result in a lower rate of return than if leverage was not used.

## Options

The Master Fund may trade in put and call options, which are highly specialized activities and entail greater than ordinary investment risks. Because option premiums paid or received by an investor are small in relation to the market value of the investments underlying the options, trading put and call options can result in large amounts of leverage. As a result, the leverage offered by trading in options could cause the Master Fund's asset value to be subject to more frequent and wider fluctuations than would be the case if the Master Fund did not invest in options.

## Non-U.S. Instruments

Investing in instruments of non-U.S. governments and companies which are generally denominated in non-U.S. currencies, and utilization of foreign currency forward contracts and options on foreign currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in instruments of United States issuers. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of non-U.S. taxes, less liquid markets and less available information than are generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

## Currency Risks

The Funds' investments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in



different currencies, long-term opportunities for investment and capital appreciation and political developments.

### High Growth Industry Related Risks

The Master Fund may invest in high growth companies (e.g., communications and healthcare), which may allocate, or may have allocated, greater than usual amounts to research and product development. The instruments of such companies may experience above-average price movements associated with the perceived prospects of success of the research and development programs. In addition, companies in which the Master Fund invests could be adversely affected by lack of commercial acceptance of a new product or products or by technological change and obsolescence. Some of these companies may have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, rely on proprietary technology which may be difficult to protect from competitors, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.

### Special Situations

The Master Fund may invest in companies involved in (or the target of) acquisition attempts or tender offers or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new instrument the value of which will be less than the purchase price to the Master Fund of the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, the Master Fund may be required to sell its investment at a loss. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies in which the Master Fund may invest, there is a potential risk of loss by the Master Fund of its entire investment in such companies.

### Counterparty and Settlement Risk

To the extent that the Master Fund invests in structured products, derivative or synthetic instruments, or other over-the-counter transactions or in non-U.S. securities, if at all, in certain circumstances, the Master Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections and expose the parties to the risk of counterparty default. It is

expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Master Fund, and hence the Master Fund should not be exposed to a credit risk with regard to such parties. However, it may not always be possible to achieve this segregation, and there may be practical or time problems associated with enforcing the Master Fund's rights to its assets in the case of an insolvency of any such party.

## Valuation

Because of overall size, thin trading or concentration in particular markets of positions held by the Master Fund, the value at which its investments can be liquidated may differ, sometimes significantly, from the interim valuations arrived at using the methodology described in the Funds' constituent documents. In addition, the timing of liquidations may also affect the values obtained on liquidation. Third party pricing information may not be available for certain positions held by the Fund.

All investing involves a risk of loss and the investment strategy offered by Orange Capital could lose money over short or long periods. Investments will generally consist of equity and debt instruments and other assets that may be affected by business, financial market or legal uncertainties. There can be no assurance that Orange Capital will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the value of its investments. In addition, the value of the portfolios may fluctuate as the general level of interest rates fluctuates. No guarantee or representation is made that investment objectives will be achieved.

## Disciplinary Information

Orange Capital and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

## Other Financial Industry Activities and Affiliations

An affiliate of Orange Capital is the general partner of the Partnership. The Company and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

Each of the Funds for which Orange Capital serves as investment manager has and may in the future enter into agreements, or "side letters," with certain prospective or existing investors whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum for the applicable Fund. For example, such terms and conditions may provide for special rights to make future investments in the Fund; rights to receive reports from the Fund on a

more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Fund and such investors. The modifications are solely at the discretion of the applicable Fund and may, among other things, be based on the size of the investor's investment in the Fund, an agreement by an investor to maintain such investment in the Fund for a significant period of time, or other similar commitment by an investor to the Fund.

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

Orange Capital recognizes and believes that (i) high ethical standards are essential for its success and to maintain the confidence of its clients; (ii) its long-term business interests are best served by adherence to the principle that the interests of clients come first; and (iii) it has a fiduciary duty to its clients to act solely for their benefit. All personnel of the Company must put the interests of Orange Capital's clients before their own personal interests and must act honestly and fairly in all respects in dealings with clients. All personnel of the Company must also comply with all federal securities laws. Orange Capital has adopted a written code of ethics that is applicable to all employees and related persons.

Employees of the Company may own securities in their personal accounts that are also recommended by Orange Capital to the Funds. Such practices present a conflict where, because of the information the employee has, the employee is in a position to trade in a manner that could adversely affect clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients' trades). These practices by Orange Capital or its related persons may also harm clients by adversely affecting the price at which the clients' trades are executed. Orange Capital has adopted the following procedures in an effort to minimize such conflicts: Orange Capital requires its employees to preclear all transactions in their personal accounts with the Chief Compliance Officer, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on one of its clients.

A copy of Orange Capital's code of ethics is available upon request.

## **Brokerage Practices**

Orange Capital considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, Orange Capital need not solicit competitive bids and does not have an obligation to seek the lowest available

commission cost. It is not Orange Capital's practice to negotiate "execution only" commission rates, thus a *client* may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate. At least annually, selected employees of Orange Capital will meet to evaluate systematically the execution performance of its brokers.

When Orange Capital uses client commissions to obtain research and brokerage products and services eligible under Section 28(e) of the Exchange Act of 1934, as amended, its Chief Compliance Officer and Portfolio Manager meet annually to review and evaluate its soft dollar practices and to determine in good faith whether, with respect to any research or other products or services received from a broker-dealer, the commissions used to obtain those products and services were reasonable in relation to the value of the brokerage, research or other products or services provided by the broker-dealer. This determination will be viewed in terms of either the specific transaction or Orange Capital's overall responsibilities to the accounts or portfolios over which it exercises investment discretion.

#### Soft Dollar Benefits

Orange Capital does not have any soft dollar agreements in place. The Company receives investment research from broker-dealers.

From time to time Orange Capital may participate in capital introduction programs arranged by broker-dealers, including firms that serve as prime brokers to the Funds. Orange Capital may place *client* portfolio transactions with firms who have made such recommendations or provided capital introduction opportunities, if it determines that it is otherwise consistent with seeking best execution. In no event will Orange Capital select a broker-dealer as a means of remuneration for recommending it or any Fund or affording it with the opportunity to participate in capital introduction programs.

#### Aggregated Trades

Orange Capital currently conducts all trading activity in Orange Capital Master I, Ltd. If Orange Capital manages additional client accounts in the future, it may aggregate orders for its client accounts for trade execution with the same broker.

## Review of Accounts

Accounts under Orange Capital's management are monitored on an ongoing basis by the Chief Compliance Officer or his designee. The Chief Compliance Officer or his designee reviews each account in detail on at least an annual basis. On at least a quarterly basis the Chief Compliance Officer or his designee reviews a number of reports that are designed to identify accounts that are outside the expected ranges for returns, exposure to asset classes, and exposure to industry sectors. Reviews of client accounts will also be triggered if a client changes his or her investment objectives, or if the market, political, or economic environment changes materially.

## Client Referrals and Other Compensation

Other than the previously described products and services that Orange Capital receives from broker-dealers, Orange Capital does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

## Custody

Not applicable.

## Investment Discretion

Orange Capital has investment discretion over all accounts.

Prior to assuming discretion in managing a *client's* assets, Orange Capital enters into an investment management agreement or other agreement that sets forth the scope of Orange Capital's discretion.

Orange Capital has the authority to determine (i) the securities to be purchased and sold for the *client* account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) (ii) the amount of securities to be purchased or sold for the *client* account.

## Voting Client Securities

Orange Capital exercises voting power over the securities held by the Funds. In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act, Orange Capital has adopted and implemented written policies and procedures governing the voting of client securities. All proxies that Orange Capital receives will be treated in accordance with these policies and procedures.

Orange Capital considers the reputation, experience, and competence of a company's management and board of directors when it evaluates a prospective investment. In general, Orange Capital votes in favor of routine corporate matters, such as the re-approval of an auditor or a change of a legal entity's name. Orange Capital also generally votes in favor of compensation practices and other measures that are in-line with industry norms, that allow companies to attract and retain key employees and directors, that reward long-term performance, and that align the interests of management and shareholders. Orange Capital may supplement its evaluation of client proxies with guidance from an independent third party.

Orange Capital has not identified any material conflicts of interest in connection with past proxy votes. Absent specific client instructions, if Orange Capital identifies a material conflict of interest it will determine whether voting in accordance with their voting guidelines and factors is in the best interests of the client. Orange Capital will also determine whether it is appropriate to disclose the conflict to the affected clients and, except in the case of clients that are subject to the Employee Retirement Income Security Act of 1974, as amended, give the clients the opportunity to vote their proxies themselves.

A copy of Orange Capital's proxy voting policies and procedures, as well as specific information about how Orange Capital has voted in the past, is available upon written request.

## **Financial Information**

Orange Capital has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

## APPENDIX

### Material Changes

Not applicable.

# Orange Capital, LLC Part 2B of Form ADV The Brochure Supplement

1370 Avenue of the Americas, 23<sup>rd</sup> Floor  
New York, NY 10019

Updated: March 2012

This brochure supplement provides information about Mr. Daniel Lewis and Mr. Russell Hoffman. It supplements Orange Capital's accompanying Form ADV brochure. Please contact Orange Capital's Chief Operating Officer, Mr. Hoffman, at (212) 375-6040 if you have any questions about the Form ADV brochure or this supplement, or if you would like to request additional or updated copies of either document.

Additional information about Messrs. Lewis and Hoffman is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **Daniel Lewis' Biographical Information**

### Educational Background and Business Experience

Daniel Lewis, Managing Member:

Mr. Lewis was born in 1975. He received a BS from Cornell University in Industrial and Labor Relations in 1996. Prior to founding Orange Capital in 2005, Mr. Lewis worked at Citigroup and its predecessors from 1996-2005. He joined Citibank N.A. in 1996 as an analyst in its Corporate Finance and Human Resources departments in Tokyo, Japan. In 1997 he transferred to Citigroup's Global Special Situations Group ("GSSG"), a \$5 billion proprietary investment group specializing in distressed debt, high yield bonds, and value equity. Until his departure in 2005, Mr. Lewis was a senior investor in the commodities, industrials, telecommunications, retail, media, cable, energy, and healthcare industries. As an investor, Mr. Lewis has had assignments in New York, Tokyo, London, and Latin America, and was made a Director of GSSG in 2003.

### Disciplinary Information

Mr. Lewis has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Lewis or of Orange Capital.

### Other Business Activities

Mr. Lewis is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Orange Capital.

### Additional Compensation

Mr. Lewis does not receive economic benefits from any person or entity other than Orange Capital in connection with the provision of investment advice to clients.

### Supervision

As Orange Capital's founder and Portfolio Manager, Mr. Lewis maintains investment discretion over all positions in the portfolio. Operational decisions are discussed with Mr. Hoffman, who operates as Chief Operating Officer and Chief Compliance Officer. Mr. Lewis and Mr. Hoffman can be reached by calling the telephone number on the cover of this brochure supplement.

## **Russell Hoffman's Biographical Information**

### Educational Background and Business Experience

Russell Hoffman, Member:

Mr. Hoffman was born in 1974. He holds a Bachelor of Commerce degree and a Bachelor of Commerce Honors degree in Accounting from the University of the Witwatersrand (South Africa) (1996) and an MBA from The Wharton School (University of Pennsylvania) (2002). Mr. Hoffman started his career in the Audit and Business Process Risk Consulting divisions of Arthur Andersen's Johannesburg office from 1997 to 1999, leading audit engagements for South African companies across multiple industries. He served as an Associate at MBNA America bank from 2002 to 2003 in the Corporate Initiatives Group, and as a Senior Associate at Casey, Quirk and Associates from 2004 until founding Orange Capital in 2005. He is certified as a South African Chartered Accountant.

### Disciplinary Information

Mr. Hoffman has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Hoffman or of Orange Capital.

### Other Business Activities

Mr. Hoffman is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Orange Capital.

### Additional Compensation

Mr. Hoffman does not receive economic benefits from any person or entity other than Orange Capital in connection with the provision of investment advice to clients.

### Supervision

Mr. Hoffman is the Chief Operating Officer and also the Chief Compliance Officer and he is supervised by Daniel Lewis. Mr. Lewis can be reached by calling the telephone number on the cover of this brochure supplement.