

ITEM 1. COVER PAGE

IMPERIUM PARTNERS GROUP, LLC

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March 30, 2012

This brochure provides information about the qualifications and business practices of Imperium Partners Group, LLC. If you have any questions about the content of this brochure, please contact us at 212-433-1360 or WSteward@imperiumpartners.com. 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 Imperium Partners Group, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

ITEM 2. MATERIAL CHANGES

This brochure, dated March 30, 2012, represents a new disclosure document that Imperium Partners Group, LLC is providing to our clients for the first time pursuant to SEC rules that were amended on July 28, 2010. Since this is the first time Imperium Partners Group, LLC is required to provide this brochure to you, a summary of material changes is not required. In the future, we will summarize material changes that are made to this brochure since our last annual update.

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Imperium Partners Group, LLC ("Registrant") is an investment adviser that is registering with the SEC under the Investment Advisers Act of 1940 ("Advisers Act"). Certain subsidiaries and affiliates of Registrant are also investment advisers and are registering as "relying advisers" on the same form ADV as Registrant (each, a "Relying Adviser"). As such, this brochure contains information regarding the advisory activities of Registrant and all Relying Advisers as though all advisory activities were conducted as a single advisory business under the name Imperium Partners Group. Thus, the term "Imperium Partners Group" and the terms "we" or "us" or "our", when used in this brochure, are intended to be references to the advisory business of the Registrant, together with all Relying Advisers, as though they were a single entity.

This brochure explains the investment advisory services we provide to our clients (collectively, the "advisory business"), and provides important information about us.

ITEM 4. ADVISORY BUSINESS

Imperium Partners Group was established in 2005 and, either through Registrant or a Relying Adviser, serves as an investment adviser to the separate accounts of certain high net worth individuals and to certain private funds, including Imperium Overseas Specialty Finance Fund, Ltd., Imperium Specialty Finance Fund, LP, Imperium Master Fund, Ltd., Imperium Commercial Finance Fund LP, Imperium Commercial Finance Master Fund LP, and Imperium Special Finance Fund LP (each a "Fund" and collectively, the "Funds"). Our principal business involves providing asset management services to high net worth individuals, through separately managed accounts (each, an "Account" and collectively, the "Accounts"), and to the Funds. Generally, we have discretion with respect to the investments for each Account and the Funds, and we select and monitor investments for each pursuant to the investment objective for each Account and each Fund, under and pursuant to the terms of an advisory agreement with each Fund and the owner of each Account. This section of the brochure describes our advisory business, including:

- Our ownership structure;
- The types of advisory services we provide; and
- The amount of assets that we manage.

A. Ownership Structure

Registrant is a Delaware limited liability company, the sole owner of which is John Michaelson. Imperium Partners Group provides advisory services through Registrant, and through its Relying Advisers. The Relying Advisers are Imperium Advisers, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Registrant, and Imperium GP, LLC, Imperium Commercial Finance LLC, Imperium Special Finance LLC, and Imperium Special Finance Management LLC, each a Delaware limited liability company and an affiliate of Registrant.

B. Advisory Services

Imperium Partners Group's advisory business consists of providing advisory services to the Funds and to certain high net worth individuals through the Accounts. Investments on behalf of clients may include debt instruments, trade claims, accounts receivable and other claims, and trade finance although we may invest our clients' assets in a wide range of instruments, including but not limited to senior debt instruments, obligations and securities of public and private companies including private debt, notes, drafts, guarantees, bills of exchange and evidence of indebtedness of all kinds, purchases of trade claims, accounts receivable and other claims, trade finance, lines of credit, debentures, convertible debt, loans, leases, insurance settlements, sale-leaseback arrangements, purchases of royalties, common and preferred stock, convertible preferred stock and other instruments or other structures that suit the risk and return requirements of our clients. Advisory services to individuals are tailored initially by means of an interview to determine the client's risk profile. Among the matters addressed in that interview include, but are not limited to, the percentage of total wealth available for investment, periodic and strategic liquidity

requirements, risk tolerance, return expectations, and diversifications. Account clients are permitted to impose reasonable restrictions regarding investments in certain securities or types of securities. An investment strategy document is then created and presented to the client for approval. Subsequent changes are made to this strategy as circumstances warrant following quarterly client review meetings. The private offering memorandum of each Fund describes its particular investment objective, strategy, and restrictions, if any.

See Item 8 of this brochure for information regarding methods of analysis, investment strategies and risks of loss.

C. Assets Under Management

As of December 31, 2011, Imperium Partners Group had \$46 million in assets under management, all of which was managed on a discretionary basis.

ITEM 5. FEES AND COMPENSATION

A. Collecting Our Advisory Fees

Imperium Partners Group's compensation depends on the manner in which the advisory services are provided. As an adviser to the Funds, Imperium Partners Group is compensated on a combination of asset-based fees and performance-based fees or allocations, as described in each of the Funds' offering documents. As an adviser to Accounts, Imperium Partners Group is compensated on the basis of asset-based fees and may in certain circumstances charge a performance-based fee. Under certain circumstances, the fees payable for the management of Accounts is negotiable.

The basic fee schedule for the Funds includes an annual fixed fee ranging from 1% to 2% of Fund assets under management, calculated and typically payable either monthly or quarterly in advance. The fee schedule may also include a performance fee of up to 20%. A performance fee (or performance allocation as the case may be) is a fee representing an adviser's compensation for managing an account, which is based upon a percentage of the net profits of the account being managed. When calculating net profits, performance fees may be based on absolute or benchmark relative returns, and may be subject to high water marks. However, depending on the characteristics of the Fund, fees may be higher or lower than the stated range. Investors in certain Funds may be subject to initial "lock-up" periods with respect to withdrawals/redemptions and may incur redemption fees for early withdrawals/redemptions or late subscriptions, in accordance with the provisions of each partnership or Fund.

Generally, advisory fees for Accounts are based upon a percentage of assets under management and may vary depending upon the nature of the portfolio to be managed. Account advisory fees generally range from 1% to 2% of assets under management, payable at the end of either the month or the quarter in arrears. In addition, the client and Imperium Partners Group may agree upon a performance fee, which is generally 20% of all net positive performance. Fees are based upon the valuation methodology agreed to with each client. Depending on the characteristics of the Account, fees are generally negotiable and may be higher or lower than the stated range.

Certain fee arrangements, particularly those associated with Funds, provide for the payment of management fees in advance. Accordingly, if an investor withdraws from a Fund during a month or quarter in which a fee is charged, such circumstances will result in the refund of a pro rata portion of the fee to the Fund investor. Imperium Partners Group may deduct the advisory fee from an Account by instructing the custodian or, in the alternative, bill the client.

Imperium Partners Group's fees are exclusive of brokerage commissions, transaction fees, service provider fees, and other related costs and expenses which will be incurred by the Account client or Fund, as applicable. See below under the heading "Other Third Party Non-Advisory Fees and Expenses You May Incur" for a more complete description of these items.

Imperium Partners Group may invest Account client assets in a Fund or other pooled investment vehicle advised by the Registrant or a Relying Adviser. In such event, Imperium Partners Group will waive receipt of fees under the Account Investment Management Agreement with respect to assets invested in the Fund.

B. Other Third Party Non-Advisory Fees and Expenses You May Incur

To the extent not prohibited by the Investment Management Agreement, each of the Funds will incur costs and expenses, other than our management and performance fees, which are generally borne pro rata by Fund investors, unless otherwise provided under the Fund's governing documents. Examples of these other costs and expenses may include: custodian fees; administrative fees; sales charges; interest charges; and brokerage and other transaction costs and other fees to contractors and service providers engaged by the Fund. In addition, individual Account clients may also incur other fees and expenses beyond our management and performance fees. Examples of these other costs and expenses may include brokerage and other transaction costs, interest charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and taxes. Individual Account clients generally engage and pay for custodial services at their own discretion.

Please refer to the "Brokerage Practices" section below for a more detailed discussion of brokerage practices.

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

A performance fee is a fee representing an adviser's compensation for managing an account (such as an Account or a Fund or allocation), which is based upon a percentage of the net positive performance of the account being managed. We reserve the right to negotiate the rate of that performance fee on an account by account basis. For other client accounts, the Imperium Fund Group is compensated solely through a fixed asset-based fee (i.e. based solely on the amount of assets under management for a Fund or Account).

Performance fees create inherent conflicts of interest with respect to our management of assets. Specifically, our entitlement to a performance fee in managing one or more Funds or Accounts may create an incentive for us to take risks in managing assets that we would not otherwise take in the absence of such fee arrangements. Additionally, since performance fees reward us for performance in accounts which are subject to such fees, we may have an incentive to favor those Accounts or Funds over those that have only fixed asset-based fees with respect to areas such as trading opportunities, trade allocation and allocation of new investment opportunities.

As an investment adviser and fiduciary, Imperium Partners Group will exercise due care to ensure that investment opportunities are allocated equitably among all clients, regardless of their fee structure. Toward this end, we will implement specific controls built on two principles; fair allocation of trade opportunity and fair allocation of price.

Imperium Partners Group's investment professionals simultaneously manage Accounts and the Funds according to the same or a similar investment strategy (also known as side-by-side management). The simultaneous management of different investment products creates certain conflicts of interest, as the fees for the management of certain types of products are higher than others. Nevertheless, when managing the assets of Accounts and the Funds, Imperium Partners Group has an affirmative duty to treat all such accounts fairly and equitably over time.

Although we have a duty to treat all portfolios within an investment strategy fairly and equitably over time, such portfolios will not necessarily be managed the same at all times. Specifically, there is no requirement that we use the same investment practices consistently across all Funds or Accounts. In general, investment decisions for an Account or Fund will be made independently from those of other Accounts or Funds, and will be made with specific reference to the individual needs and objectives of each Account or Fund. Different account guidelines and/or differences within particular investment

strategies may lead to the use of different investment practices for portfolios within a similar investment strategy. In addition, we will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible portfolios, particularly if different portfolios have materially different amounts of capital under management or different amounts of investable cash available. As a result, although we manage numerous portfolios with similar or identical investment objectives, the decisions relating to these accounts, and the performance resulting from such decisions, may differ from Account to Account, Fund to Fund, and portfolio to portfolio.

Side-by-side management of various types of portfolios raises the possibility of favorable or preferential treatment of an Account, a Fund or group of Accounts or Funds, arising from differences in fee arrangements. As described above, we will design and implement procedures in furtherance of our efforts to treat all portfolios fairly and equitably over time. In this way, we believe that portfolios subject to side-by-side management will receive fair and equitable treatment over time.

ITEM 7. TYPES OF CLIENTS

Imperium Partners Group clients include high net worth individuals and the Funds. Our investment minimums vary according to product and strategy. Generally, our Account minimum is between \$__ million and \$__ million. The minimum investment required to invest in a Fund is described in each Fund's offering document.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The vast majority of the instruments in which we invest client's money are senior secured debt instruments, including term debt, convertible debt and equipment leases. The remainder consists of common stock, warrants, and preferred stock. When we make a loan to a company, we often look to share in the future success of the company through participation in the company's equity, either through stock or warrants. Warrants are generally exercisable at a fixed price and at a premium to the market price at the time of our investment for public companies or the implied market value for private companies.

We invest our clients' assets in a wide range of instruments, including senior debt instruments, obligations and securities of public and private companies including private debt, notes, drafts, guarantees, bills of exchange and evidence of indebtedness of all kinds, purchases of trade claims, accounts receivable and other claims, trade finance, lines of credit, debentures, convertible debt, loans, leases, insurance settlements, sale-leaseback arrangements, purchases of royalties, common and preferred stock, convertible preferred stock and other instruments or other structures that suit the risk and return requirements of our clients.

We seek to generate capital gains for client accounts through equity and equity related securities associated with investment in debt instruments such as warrants to purchase common stock and debt convertible into common stock. These investments may include privately structured investments in debt instruments, obligations and securities. We may also invest in other types of instruments and securities, including preferred stock and common stock issued without registration under U.S. securities laws. We may also invest in special situations including management buyouts, restructurings in and out of bankruptcy, and entities formed to purchase loans, trade claims or other situations that meet the client's risk and return requirements. Such investments may be in a range of securities, including debt and equity.

We also may acquire for client accounts, interests in various debt instruments, obligations and securities that are originated by unrelated third parties, participations in debt instruments, and obligations and securities in which participations may also be acquired by others (including other clients) who will participate in the loans on a pari passu or pro rata basis or on a senior/junior basis. We may also originate for client accounts, debt instruments and securities directly at the client (including Fund) level.

With respect to secured investments, the principal collateral may consist of intangible assets and other collateral that is of uncertain value and not easily realizable.

MATERIAL RISKS

Risks of the Imperium Partners Group's investment programs generally include liquidity risks, investment risks, and operational risks. In some cases risks may fall into one or more of these categories; thus, the classification of a risk into any one category should not be ascribed any independent significance. Fund risks are described in greater detail in each Fund's offering document and potential investors should read the offering document carefully to determine if an investment in a particular Fund is suitable for the investor.

Liquidity Risks. Liquidity risks arise from the nature of certain portfolio investments, and in the case of the Funds, from product structure. Many portfolio investments will be illiquid and there can be no assurance that a given client will be able to realize on such investments in a timely manner or at all. In particular, the Imperium Partners Group may invest Funds and Accounts in debt that is or may become distressed, and the resolution of distressed situations or bankruptcy can delay withdrawals and distributions for significant periods of time. We may also invest Funds and Accounts in securities that are not listed on exchanges, that are not publicly traded and/or for which an established secondary market may not exist. Fund terms that limit investor liquidity may include lock-ups, side pockets, limited withdrawal rights, gates, audit holdbacks, the possibility for suspension of withdrawals, and restrictions on transfer of Fund shares.

Investment Risks. Investment risks include the traditional risks of debt investment, including credit risk, interest rate risk, subordination risk and call risk. Credit risk is the risk that an obligor, or any other party owing payments to another party, becomes unable or unwilling to make timely payments or to otherwise honor its obligations because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the client to suffer a potential loss. No assurance can be provided that a borrower's debt ratings at the time of purchase will not deteriorate during the time their obligations are owned by the Account or Fund, or that highly-rated borrowers will actually pay the full amounts of their obligations. Non-performing loans may require a substantial amount of workout negotiations and/or restructuring and we may find it necessary or desirable to foreclose on collateral securing one or more loans purchased by the Fund or an Account, as applicable. The foreclosure process can be lengthy and expensive. In addition, certain of the loans in which client accounts or Funds invest may be structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the length of time the client account or Fund is exposed to risk of default.

Obligors that become insolvent may end up in bankruptcy proceedings. Risks inherent in the bankruptcy process include: (i) many outcomes are the product of contested matters and adversarial proceedings and are beyond the control of the creditors; (ii) the effect of a bankruptcy filing on a company may adversely and permanently affect the company; (iii) the duration of a bankruptcy proceeding is difficult to predict and a creditor's return on investment can be adversely impacted by delays while the plan of reorganization is being negotiated, approved by the creditors and confirmed by the bankruptcy court and until the plan ultimately becomes effective; (iv) the administrative costs in connection with a bankruptcy proceeding are frequently high and will be paid out of the debtor's estate prior to any return to creditors; (v) bankruptcy laws in the relevant jurisdiction may permit the classification of "substantially similar" claims in determining the classification of claims in a reorganization; (vi) in the early stages of the bankruptcy process, it is often difficult to estimate the extent of, or even to identify, any contingent claims that might be made; (vii) especially in the case of investments made prior to the commencement of bankruptcy proceedings, creditors can lose their ranking and priority if they exercise "domination and control" of a debtor and other creditors can demonstrate that they have been harmed by such actions; and (viii) certain claims that have priority by law (for example, claims for taxes) may be quite substantial.

Market risk associated with debt investments refers primarily to interest rate risk. Trading prices for debt that pays a fixed rate of return tend to fall as interest rates rise. Trading prices tend to fluctuate more for fixed-rate securities that have longer maturities. Interest rates are sensitive to many factors beyond the control of the Investment Adviser, including governmental monetary and tax policies, domestic,

international, political and economic considerations, and other factors. Interest rate fluctuations may have a substantial negative impact on a Fund's or Account's investments and investment opportunities. Because Funds and Accounts may use margin or leverage to make investments, net investment income may, in part, depend upon the difference between the rate at which the client borrows funds and the rate at which the client invests these funds.

In addition, for some Accounts and Funds, the Imperium Partners Group invests in trade receivables purchased from a merchant with receivables from a commercial obligor, or a party serving as the original factor, or purchaser, of such receivables. With respect to trade receivables, (a) in the event of a default by an obligor, the clients may be exposed to the credit risk of the factor or merchant to the extent the clients have any recourse against the factor or the merchant for breach of contract; (b) in the event of a breach of a representation, warranty or covenant by the factor, the clients will be exposed to the credit risk of the factor to the extent the clients seek any recourse available against the factor; and (c) in the event a court determines that the factor and/or the clients are not entitled to "true sale" treatment of a purchased asset, the result may be that the clients are exposed to the credit risk of the factor or the merchant for repayment.

A Fund or Account may extend credit to an issuer that may have, or may in the future incur, other debt that ranks equally with, or senior to, debt securities in which the Fund or Account invests. In the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of senior debt instruments would typically be entitled to receive payment in full before the Fund or Account receives any distribution in respect of its investment and the debtor may not have any sufficient assets to repay obligations to the Fund or Account after repaying such senior creditors. Furthermore, we may make investments for client accounts in unsecured debt. Unlike secured debt which provides recourse to secured collateral in the event of non-payment, with unsecured debt, the clients may have little or no recourse to other assets for repayment.

Call risk refers to the possibility that debt in which a client account is invested is called or repaid sooner than anticipated. This may occur, for example, when bonds backed by mortgages must be retired due to early repayment of the underlying mortgages by the mortgagors or when an issuer exercises a call right to retire its bonds. Pre-payment risk increases during times of declining interest rates, when borrowers have the opportunity to refinance outstanding debt at lower rates. If the duration of a fixed income instrument is reduced, the client may have lower returns on that instrument and may be unable to reinvest the untimely proceeds of the called or retired instrument at comparable rates.

The global financial markets have undergone pervasive and fundamental disruptions since mid-2007, which disruptions have had an adverse impact on the availability of credit to businesses generally. Constraints on availability of credit have created opportunities for non-bank lenders like the Funds and Accounts, even as they also add to risks. For example, most borrowers to which client Accounts and Funds will be exposed will rely on multiple sources of capitalization beyond Account and Fund investments, and constraints on those other sources can increase risk to the Account or Fund. While 2012 has brought some signs of stabilization in the United States, global markets remain vulnerable to adverse events and the U.S. markets may be adversely affected by any such events or by other domestic developments.

Certain Accounts or Funds may invest in common, preferred and other equity securities. Although common stocks have historically generated higher average total returns than fixed income securities over the long term, common stocks also have experienced significantly more volatility in those returns, and in certain periods may significantly underperform relative to fixed income securities. The equity securities we acquire for our clients' accounts may fail to appreciate and may decline in value or become worthless and a client's ability to recover its investment will depend on the issuer's success. Investments in equity securities involve a number of significant risks, including dilution risk, difficult access to capital, competitive markets and other events that may depress equity prices. For a more complete discussion of various risks associated with equity investing, Fund investors should read each Fund's offering document.

Certain Accounts or Funds may invest in countries outside of the United States, including in countries or economies which may prove unstable. Laws and regulations of foreign countries may impose restrictions that would not exist in the United States. Some restrictions may make it impracticable to distribute the amounts realized from such investment at all or may force the distribution of such amounts in foreign securities or currency. We will analyze information with respect to political and economic environments and the particular legal and regulatory risks in foreign countries before making investments, but no assurance can be given that a given political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment.

Some investments may be denominated in non-U.S. currencies. However, the books of the clients' accounts will be maintained, and contributions to and distributions from the investment accounts of clients will be made, in U.S. dollars. Accordingly, fluctuations in exchange rates between the U.S. dollar and the relevant local currencies, costs of conversion and exchange control regulations will directly affect the value of the clients' investment interest and dividends received by the clients, gains and losses realized on the sale of investments. While we may enter into hedging arrangements where deemed appropriate to mitigate this risk to some extent, such arrangements themselves may entail certain other risks. Thus, while clients may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, currency exchange rates, the bankruptcy, insolvency, or default of counterparties to hedging instruments and/or other events relating to such hedging transactions may result in a poorer overall performance for a client than if it had not entered into such hedging arrangements.

Operational Risks. Operational risks include valuation, new entities with no previous operating history, side letters, newness of operating as a registered investment adviser, skill of management, and co-investment. Co-investment involves investing alongside strategic, financial or other third party co-investors. Such investments will involve additional risks which may not be present in investments which do not involve a co-investor, including the possibility that a co-investor may: at any time have economic or business interests or goals that are not consistent with those of our clients, be in a position to take action contrary to our client's investment objectives, take actions which result in shared liability or default on its obligations. We will generally seek contractual and structural options to limit such risks but there can be no assurance that such measures will be successful.

Substantially all portfolio investments will have no readily determinable market price. Each portfolio investment without a readily available market quotation will be valued at fair value as determined by Imperium Partners Group in good faith, based on factors and information that Imperium Partners Group, in its discretion, determines to be relevant and material. The value of an Account, or a Fund's net asset value, could be overstated if these fair value determinations are materially higher than the values that the client realizes upon disposition of portfolio investments or undervalued, if fair values are materially lower than actual disposition value. This could adversely affect (a) Fund investors if subscriptions or withdrawals were made during any period of over- or undervaluation, and (b) Account clients or Funds to the extent asset or performance based fees or compensation is paid based on overstated fair values.

We will generally seek to position portfolio investments in a desirable place in the capital structure of the issuer on the basis of financial projections for such investments. Projected operating results will often be based on management judgments. We may consult third party sources of information, deemed to be reliable, without independent verification. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Imperium Partners Group's investment analyses and decisions may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available at the time of making an investment decision may be limited. Therefore, no assurance can be given that we will have knowledge of all circumstances that may adversely affect an investment, and we may make investments for clients which we would not have made if more extensive

due diligence had been undertaken. In addition, we expect to rely upon independent consultants and research in connection with our evaluation of proposed investments, and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants, research or to the clients' right of recourse against them in the event errors or omissions do occur.

There is no assurance that we will be able to find and negotiate profitable transactions at acceptable risk and there is no assurance that risk management practices will be effective. In financing trade receivables, we will seek to diversify risk by involving any one or number of factors, merchants and obligors; there can be no assurance that such efforts will be successful. Reliance on third party evaluations of obligors' financial capabilities and the absence of a regulated market to facilitate collections and settlement may increase the potential for losses by clients.

We may invest Account or Fund assets in cash, cash equivalents, U.S. government securities and other high-quality short-term investments from time to time, pending investment or distribution, or for other purposes at our discretion. These securities may earn yields substantially lower than the income that clients would anticipate receiving if their assets were fully invested.

ITEM 9. DISCIPLINARY INFORMATION

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of Imperium Partners Group or the integrity of our management. We have not been subject to any legal or disciplinary event that would require disclosure under applicable SEC rules.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

This section of our brochure describes the activities and relationships that Imperium Partners Group and our management engage in or have with other financial industry participants.

John Michaelson, the sole owner of Registrant and the sole or majority owner of certain other of the Relying Advisers or the corporate parents of such Relying Advisers, has a material investment in one or both of the Imperium Specialty Finance Fund, LP and Imperium Overseas Specialty Finance Fund, Ltd., Feeder Funds of the Imperium Master Fund, Ltd. Imperium Master Fund, Ltd previously held an equity interest and was deemed to control one of its portfolio companies by virtue of such interest in such portfolio company. Imperium Partners Group, through its exercise of investment discretion, caused an Account to invest in the Imperium Special Finance Fund LP, which used the capital to make loans to this same portfolio company, which loans were guaranteed by the Imperium Master Fund, Ltd. Each of these loans was approved by an independent member of the Investment Committee of Imperium Special Finance LLC, a Relying Adviser. Subsequently, all of the outstanding loans to the portfolio company, and the related guarantee, were either repaid or satisfied in exchange for preferred stock issued to each lender. These activities and relationships may create conflicts of interest between the personal interests of Mr. Michaelson and the interests of clients of Imperium Partners Group. Imperium Partners Group will adopt policies and procedures addressing principal trades and trades involving conflicts of interest.

In addition to the other specific relationships and activities described above, Imperium Partners Group, our affiliates, and principal owners may have economic interests (including equity ownership interests) in the Funds and/or in investments made for Accounts. To some extent, such economic interests align our interests with those of our clients. In some circumstances, such ownership interests may put our interest at odds with the interests of such clients, and could incentivize us to take actions that could negatively impact clients including approving, or causing the Funds or other clients to approve, items submitted for creditor or shareholder approval or making more speculative investments in the Funds than other clients would otherwise make in the absence of such economic interests. Imperium Partners Group, as a registered investment adviser, is required to have policies and procedures in place that are reasonably designed to address conflict of interest situations. These policies and procedures will include appropriate safeguards and full disclosure.

Imperium Partners Group, and our affiliates and associated persons, may have other outside relationships with issuers of securities in which clients invest. Imperium Partners Group, and our affiliates, may, in our discretion, make investment decisions for its own account(s) that may be the same as or different from those made with respect to a client's investments. For example, we may make investments on behalf of a proprietary account in securities or other assets that we have declined to invest in for the accounts of others.

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Imperium Partners Group will adopt a Code of Conduct and Code of Ethics. The primary duty and responsibility of Imperium Partners Group is to its clients, including the Funds, and their best interests. We are dedicated to performing our services and fulfilling our obligations to the Funds and other clients with the highest standards of integrity, conduct and professional execution in pursuit of these goals. The Code of Conduct and Code of Ethics will identify conduct which could compromise these objectives, or has an appearance of impropriety, and detect and prevent such conduct, including the mishandling of material non-public information. In principal part, our Code of Ethics will seek to promote desirable conduct through policies affecting the personal trading by certain employees, officers and other associated persons ("access persons").

Access persons of Imperium Partners Group interested in trading securities for their own accounts (including accounts of their family members and affiliates) must adhere to guidelines in the Code of Ethics. Trading by access persons will be monitored on an ongoing basis and our Code of Ethics and related compliance procedures will be designed to reasonably prevent conflicts of interest between our employees and our clients. Imperium Partners Group will provide a copy of our Code of Ethics to any client or prospective client upon request.

Although the Code of Ethics will permit investment personnel to trade in securities, including those that could be recommended as assets of the Funds, it will contain significant safeguards designed to protect the Funds from abuses in this area. Imperium Partners Group and our affiliates may recommend securities in which we or a related party invest or have a material financial interest. Additionally, we may recommend securities to the Funds at or about the same time that we or a related party buy or sell the same securities for ourselves or for another client. These and related conflicts of interests are discussed above in "Other Financial Industry Activities and Affiliations – Other Relationships."

The policies and procedures of Imperium Partners Group will also seek to prevent insider trading and the misuse of client information as well as provide guidelines for outside activities of investment personnel, and receiving/giving gifts and entertainment.

ITEM 12. BROKERAGE PRACTICES

A. Best Execution

In the selection of brokers or dealers and the placing of orders, we shall seek the best qualitative execution available under the circumstances.

B. Research and Other Soft Dollar Benefits

Imperium Partners Group does not receive research or other products or services, other than execution, from a broker-dealer or unaffiliated third party in connection with securities transactions for client assets.

C. Brokerage for Client Referrals and Directed Brokerage

Imperium Partners Group does not direct securities transactions to any broker-dealer in exchange for client referrals or any other consideration.

D. Trade Aggregation or Allocation Policy

We will adopt policies and procedures governing the manner in which we aggregate transactions among the Funds, the Accounts and, in certain cases, Imperium Partners Group. These policies and procedures will also govern the manner in which we allocate investment opportunities among Accounts, the Funds and Imperium Partners Group. The principal factor driving these trade aggregation and allocation policies and procedures is the fair and equitable treatment of the accounts and clients.

On occasions when we deem the purchase or sale of a security to be in the interest of multiple clients, we may, to the extent permitted by applicable laws and regulations, aggregate the securities to be sold or purchased in order to obtain best execution and lower commission expenses, if any. To the extent permitted by law, securities transactions in which Funds, Account clients or Imperium Partners Group, has a beneficial interest may be aggregated with securities transactions on behalf of other Funds or Accounts. In the event of any aggregation, allocation of the securities so purchased or sold, as well as the expenses incurred in the transaction, shall be made by us in a manner that we consider to be equitable and consistent with our obligations to all clients participating in the transaction, giving due consideration of the participation of Imperium Partners Group in such transactions.

Various factors are considered in the allocation of such opportunities, including whether a given Account or Fund has sufficient liquidity to invest in the security that is being considered, the size of the position relative to other investments within that Account or Fund and other factors. Under this procedure, transactions will generally be averaged as to price and allocated among our clients pro rata, based on original allocation to the purchase and sale orders placed for each client on a given day. In the event that we determine that pro rata allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, the investment may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios with similar mandates; (ii) allocations may be given to one account when one account has limitations on its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, the opportunity may be allocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, we may exclude the account(s) from the allocation and the transaction may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, the opportunity may be allocated to one or more accounts on a random basis.

ITEM 13. REVIEW OF ACCOUNTS

A. Account Reviews

On a bi-weekly basis, all accounts (Funds and Accounts) are reviewed at all-hands staff meetings. Any material changes in performance, risk status, liquidity, or other risk metrics are presented by the account manager and appropriate changes, if any, are recommended.

On a monthly basis, the client relationship officer for each account (Funds and Accounts) reviews the monthly valuation report and performs a reconciliation of such valuation report with the valuation guidelines and updated credit reviews.

On a quarterly basis, a written credit assessment for each investment in a Fund is prepared by the account manager assigned to monitor that investment. The client relationship officer, managers and

general counsel review these written materials and ask additional questions of the account manager, where appropriate.

The client relationship officer meets with the governing body of each Fund upon request.

B. Reports to Clients

Imperium Partners Group reports to the Funds' Board of Directors on a regular basis, and upon request. For Accounts, personal meetings with the Account owner are scheduled quarterly. Performance, allocations and strategies are reviewed in detail in each Account meeting. In consultation with the Account client, strategic changes are periodically discussed, as is the timing of the implementation of any such strategic changes. In addition, information regarding profits and losses, detailed holdings and performance is generated quarterly and reported to the owner of each Account and to the investors in, and the governing body of, each Fund.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Imperium Partners Group does not seek client referrals and, accordingly does not currently compensate, directly or indirectly, anyone for referring clients to us.

Imperium Partners Group does not currently accept economic benefits from non-clients for providing advisory services to our clients.

Please see "Other Financial Industry Activities and Affiliations" for additional disclosures.

ITEM 15. CUSTODY

Imperium Partners Group is deemed to have custody of Fund assets because some or all of its advisory fees are calculated by Imperium Partners Group personnel and paid directly from client assets. Account assets are held by independent qualified custodians of the client's choice. With respect to Fund assets, Imperium Partners Group seeks to comply with Rule 206(4)-2 under the Advisers Act by complying with subsection (b)(4) of that Rule, namely, by virtue of each Fund sending timely annual audited financial statements to its shareholders. To the extent that it is unable to do so, we will permit surprise audits to comply with subsection (a)(4) of the Rule instead.

ITEM 16. INVESTMENT DISCRETION

As described above in "Advisory Business" Imperium Partners Group has discretionary authority with respect to all client accounts, including the Funds' investments subject to the authority and supervision of the Funds' Boards of Directors. Limitations on such discretion, if any, are disclosed in the relevant investment management agreement for Accounts or the offering memorandum for Funds.

ITEM 17. VOTING CLIENT SECURITIES

Imperium Partners Group does not expect to invest in equity voting securities on behalf of the Fund and accordingly has not adopted a Proxy Voting Policy. From time to time, the Funds may acquire equity as a result of warrants or other rights granted in connection with the secured loans made by the Funds, which may entitle the Funds to certain voting and/or consent rights. Any such rights would be exercised by the Funds' Board of Directors on behalf of the relevant Fund. In these instances, Imperium Partners Group may make a recommendation for the exercise of such rights to such Fund's Board of Directors.

ITEM 18. FINANCIAL INFORMATION

Imperium Partners Group is required in this section to provide you with certain disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual commitments to clients, and have not been the subject of bankruptcy proceedings.