



RiverBanc LLC

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This brochure provides information about the qualifications and business practices of RiverBanc LLC. If you have any questions about the contents of this brochure, please contact us at (980) 224-4180. 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. Additional information about RiverBanc, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

RiverBanc will refer to itself as a "Registered Investment Adviser". This does not imply a certain level of skill or training.

Item 2. Material Changes

This is the initial brochure of RiverBanc LLC.

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Item 4. Advisory Business

RiverBanc LLC is a boutique investment management company focused primarily on multifamily commercial real estate. RiverBanc was established in 2010, and is an SEC Registered Investment Adviser. RiverBanc's founder, principal owner, and Chief Executive Officer is Kevin Donlon.

Our primary investment strategy involves the origination or acquisition of mezzanine loans and preferred equity for property owners in connection with an acquisition or refinancing. We also acquire subordinate commercial mortgage-backed securities ("CMBS" or "B-pieces") and will participate in structured transactions to finance note purchases, or acquire net leased property.

We source debt and equity investments that are intended to be held in our client's portfolio on a long-term basis, allowing us greater flexibility in structuring these investments. We intend that these investments are made in partnership with property owners for the life of the transaction.

Our advisory services include the sourcing, acquisition, and ongoing management of these structured finance investments. Our services are directly tailored to meet the individual needs of each client. RiverBanc consults with the client to determine the specific types of investments the client desires in terms of legal form, level of risk, expected yield and type of real estate collateral. We target a specific risk/return profile for each client. A client can impose restrictions on investments in the form of Investment Guidelines.

RiverBanc has discretion over the management of \$ 120,000,000. RiverBanc also has client assets totaling \$75,000,000, which RiverBanc does not exercise discretion over. These figures were calculated on October 19, 2012

Item 5. Fees and Compensation

RiverBanc negotiates a customized compensation arrangement with each client. RiverBanc charges some clients a flat fee, while entering into a variable incentive based contract with others, depending upon the nature of the advisory services that are provided.

Any fees or expenses connected to advisory services are billed directly to the client, and the frequency of billing may vary with each client. Clients may also incur brokerage and other transaction costs. For a discussion of our brokerage policy, see the section of this brochure titled "Brokerage Practices".

Item 6. Performance Based Fees and Side-By-Side Management

We receive a performance based fee from some clients. We receive task-level fees from others. In both cases, RiverBanc believes it is compensated to deliver the best possible service to our client. Because each and every client engagement we accept is different, and the scope of services is specifically negotiated, we do not believe these two options present any type of conflict of interest for RiverBanc.

Item 7. Types of Clients

RiverBanc provides advisory services to sophisticated institutional investors, including a major publicly traded Real Estate Investment Trust, as well as other registered investment advisers.

Generally, RiverBanc supports a minimum client relationship of ten million dollars and is willing to work with trusts, investment companies, pension plans, and other private funds.

Item 8. Methods of Analysis, Investment Strategies, and Risk of Loss

The primary investment strategy at RiverBanc is to generate attractive investment returns through a singularly focused practice in multifamily high yield debt and equity. Target investments include subordinate (B-piece) CMBS, GSE multifamily securities, bridge loans, mezzanine debt, and preferred equity.

As with any investment, there are risks involved and an investor should be prepared to bear the risk of loss. Examples of such risks include, but are not limited to:

- because we are paid an incentive fee in some cases, we may be incentivized to select investments in more risky assets to increase incentive compensation;
- the lack of liquidity in our investments may adversely affect our business or our clients' investment returns;
- the illiquidity of our target investments may make it difficult for us to sell such investments if the need or the desire arises;
- real estate investments are subject to special risks, including fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates, and risks related to renting properties, such as rental defaults; and
- because of our narrow focus, sector investments tend to be more volatile than investments that diversify across many sectors and companies.

Item 9. Disciplinary Information.

Registered investment advisers are required to disclose material facts about any legal or disciplinary event that is material to a client or prospective client's evaluation of RiverBanc's advisory business or the integrity of RiverBanc or its management personnel. Riverbanc and its employees have not been involved in any legal or disciplinary actions that are applicable to this item.

Item 10. Other Financial Industry Activities and Affiliations

RiverBanc is not involved in any other financial industry activities and has no other financial industry affiliations. This means that RiverBanc and its employees are fully committed to providing investment management services for our clients and we are not involved in any other activities that may conflict with or distract us from our core business.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- (1) Code of Ethics: We at RiverBanc maintain and strictly adhere to a Code of Ethics which guides us in our conduct. We have a fiduciary duty to each of our clients with respect to the advice we give and the management services we provide. We also have a fiduciary duty to protect client related private information. We have an affirmative duty of care, honesty, and good faith to act in our clients' best interests. Each RiverBanc employee has a duty to report a violation of the Code of Ethics and can be punished or terminated for a violation. Steve Hogue, Chief Operating Officer and Chief Compliance Officer, supervises and maintains records in this area. A copy of our Code of Ethics is available upon your request.
- (2) Personal Trading: Certain inherent conflicts of interest are likely to arise as a result of RiverBanc and its employees carrying on similar investment activities both for themselves and for our clients. RiverBanc employees are prohibited from owning or participating in any securities we source or manage for our clients.

Item 12. Brokerage Practices

In reviewing broker-dealers and deciding upon the reasonableness of their compensation, RiverBanc considers a wide range of criteria including, for example, execution capability, the broker-dealer's commission rates, services to clients, financial stability and prior performance in serving RiverBanc and its clients. RiverBanc also

considers the size of the transaction, the difficulty of execution, the operational facilities of the broker-dealers, the risk to such a broker-dealer of positioning a block of securities, and the overall quality of brokerage services provided by brokerage firms.

Item 13. Review of Accounts

Our practice is to review the accounts and holdings of each client thoroughly on a routine basis. Because we have a small number of clients, RiverBanc is able to analyze each account at least monthly, including review of each specific investment, with participation from our senior personnel. Client accounts are closely and formally reviewed quarterly with detailed written reports provided to each client. The reviews are conducted by Kevin Donlon, CEO of RiverBanc.

Item 14. Client Referrals and Other Compensation

RiverBanc does not directly or indirectly accept any compensation for providing investment advice or other advisory services from anyone except our clients. RiverBanc does not directly or indirectly compensate anyone for client referrals.

Item 15. Custody

RiverBanc does not maintain custody of any of our clients' assets, funds, or securities.

Item 16. Investment Discretion

With some clients, RiverBanc does have investment discretion. The way this currently operates is that RiverBanc has full discretion subject to Investment Guidelines from the Client. This allows the Client to maintain a strict control over the use of their funds while allowing the RiverBanc staff to use funds at their discretion in approved situations limited to dealings within the scope of collateralized multi-family real estate. Before assuming this authority, RiverBanc enters into an investment agreement with the client that limits the terms and amounts of Riverbanc's discretion.

Item 17. Voting Client Securities

RiverBanc does not at any time vote proxies for any client securities.

Item 18. Financial Information

We at RiverBanc are unaware of any financial condition that might impair our ability to meet our contractual commitments to you or any clients.

RiverBanc does not solicit or require prepayment of fees from clients, and therefore does not disclose its financial statements.

No member of our management or other employee has been a subject of a bankruptcy petition at any time.

Client Communication

We encourage any potential Client, Client or Client Representative to contact our Chief Executive Officer or Chief Operating Officer at any time to discuss specific questions related to this brochure.