

Form ADV Part 2A – Firm Brochure

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This brochure provides information about the qualifications and business practices of Madison Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (303) 957-2000. 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 Madison Capital Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Summary of Material Changes

No material changes.

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ADVISORY BUSINESS [Item 4]

Principal Owners [Item 4.A.]

[Describe your advisory firm and include how long you have been in business. Identify your principal owner(s).]

(1) For purposes of this item, principal owners include the persons you list as owning 25% or more of your firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E).

(2) If your firm is a publicly held company without a 25% shareholder, simply disclose that you are publicly held.

(3) If an individual or company owns 25% or more of your firm through subsidiaries, identify the individual or parent company and intermediate subsidiaries. If you are an SEC-registered adviser, you must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries. If you are a state-registered adviser, you must identify all intermediate subsidiaries.]

Madison Capital Advisors, LLC (referred to in this brochure as “Adviser” “we” “our” “us” or similar references) is an alternative asset management firm which specializes in niche distressed, real estate and special situation assets. Adviser provides investment management services to both multi-investor and single investor private funds either directly or through our subsidiaries. Any references in this brochure to Adviser also include the subsidiaries through whom we provide services.

Adviser was formed in 2002. We are a wholly-owned subsidiary of Madison Capital Management, LLC (“MCM”) which has been in the alternative investment business since 1996. MCM is itself ultimately beneficially owned indirectly by its two principals, Bryan E. Gordon and Barbara A. O’Hare. Adviser’s executive offices and its operations offices are located in Denver, Colorado.

Types of Advisory Services [Item 4.B.]

[Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.]

Adviser provides investment management services to both multi-investor and single investor private funds either directly or through our subsidiaries. These services include organizational, operational and investment services such as (i) organizing the funds, (ii) engaging service providers, (iii) providing accounting and financial reporting services, (iv) developing potential new investment classes, (v) identifying potential investment holders and investments, (vi) underwriting and analyzing specific investments, (vii) negotiating the acquisition terms of new investments, (viii) asset management of existing investments (including direct operational control when applicable), and (ix) for existing assets not held to maturity, negotiating the sale terms of such investments. Detailed information on the services we provide to the funds we manage is contained in the offering and organizational documents for each fund.

As an alternative investment management firm specializing in niche distressed, real estate and special situation assets, Adviser uses one investment strategy on behalf of its funds. We target so called “under the institutional radar screen investments.” This means we target investments which are backed by assets with a tangible value that cannot be easily identified, underwritten, acquired or managed by mainstream institutions because they are viewed as being distressed, too small or fractionalized, too complex or requiring too much

time, resources and effort. Toward this end, our strategy focuses on long-only investments in assets that may be acquired at a perceived attractive price because of these issues. These assets are typically either real estate related or involve fractionalized or illiquid financial instruments that are typically not widely traded (or traded at all) on conventional securities markets or exchanges. Adviser does not rely on short selling, speculative derivative positions or large amounts of portfolio leverage as part of its strategy.

Investment Restrictions [Item 4.C.]

[Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.]

Adviser provides investment management services to both multi-investor and single investor private funds. We tailor our services to the specific investment objectives, restrictions and other guidelines of each fund. These objectives, restrictions and other guidelines are described in detail in the offering and organizational documents of each fund.

Wrap Fee Programs [Item 4.D.]

[If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.]

NOT APPLICABLE

Assets Under Management [Item 4.E.]

[If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date “as of” which you calculated the amounts.

Note: Your method for computing the amount of “client assets you manage” can be different from the method for computing “assets under management” required for Item 5.F. in Part 1A. However, if you choose to use a different method to compute “client assets you manage,” you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your “as of” date must not be more than 90 days before the date you last updated your brochure in response to this Item 4.E.]

Adviser currently manages funds with a total of approximately \$244,896,400 of assets under management as of December 31, 2012. We have sole investment discretion with respect to assets held by all multi-investor funds managed by Adviser. These funds represented approximately \$241,178,000 of our total assets under management as of December 31, 2012. With respect to the single-investor funds managed by Adviser, representatives of the investor participate in the investment decisions for each fund. These funds represent approximately \$3,718,400 of our total assets under management as of December 31, 2012, which we treat as non-discretionary assets under management.

FEES AND COMPENSATION [Item 5]

Fee Schedules [Item 5.A.]

[Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.]

Note: If you are an SEC-registered adviser, you do not need to include this information in a brochure that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.]

Adviser receives both fees and performance based compensation for its services as described below. In the case of single-investor funds, we may negotiate these fees with the investor. In the case of multi-investor funds, these fees are not negotiated and each investor subscribes on the basis of the terms (including fees) described in the fund offering documents. Detailed information about our fees and compensation, including the relevant amounts and the circumstances in which we are entitled to receive such fees and compensation, is contained in the offering and organizational documents of each fund.

Management Fees

Our affiliates who serve as fund investment or asset managers receive management fees. If a fund is a closed-end fund these fees are typically based on the capital contributed or committed to the fund and are generally charged at a rate of 1% to 2%. If a fund is an open-end fund, these fees are typically based on a fund's net asset value and are generally charged at a rate of 1%. In some closed-end funds, these fees may also be subject to cross-over dates which will reduce the fees we receive as a fund approaches liquidation. These management fees are typically charged quarterly in advance for closed-end funds. For open-end funds, these fees are typically accrued monthly and paid quarterly in arrears.

Special Profit Allocation

Some open-end and closed-end funds may also have an associate manager who is entitled to a special profit allocation from the fund calculated as a percentage of the fund's net asset value, generally 1%. The allocation is subject to certain vesting requirements and recoupment rights of the fund. The allocation is typically made monthly and paid quarterly in arrears.

Profit Participation

Our affiliates who serve as fund managers recognize profit based compensation either through (i) receipt of distributable cash flow from a fund using a "private equity" or "waterfall" style distribution structure (more typically used in closed-end funds), or (ii) allocation of a percentage of a fund's new net income (more typically used in open-end funds).

"Private Equity" or "Waterfall" Distribution. This structure provides for distribution of a fund's distributable cash flow to a fund manager and investors in a specific order. For example, distributable cash flow would typically first be distributed to investors to return their capital contributions and until they receive a specific return on their contributed capital. This return is sometimes referred to as a preferred return. After that, distributable cash flow may be distributed to the fund manager and investors in different ratios. These ratios may change as the fund distributes increasing amounts of cash flow to investors. Typically, as the cash flow a fund distributes to its investors increases so does the manager's share of that cash flow. The frequency with which a fund must distribute cash flow is subject to the discretion of the fund manager.

Allocation of a Percentage of New Net Income. This structure provides for a fund manager to be allocated a profit participation equal to a percentage of any new net income earned by the fund, generally 20% to 25%. New net income is calculated based on fund cumulative realized and unrealized income growth based upon specified “highwater marks” after reduction for fund expenses. Notwithstanding this, a fund manager is only entitled to receive that portion of the profit participation based on new net income actually realized by the fund after reduction for expenses and unrealized losses allocable to such income. Profit participation based on as yet unrealized new net income is allocated, but not paid, to a fund manager until realized. A fund manager is generally entitled to receive this profit participation annually, but may also receive profit participation more frequently with respect to other specified events such as investor redemptions or withdrawals.

Deduction of Fees [Item 5.B.]

[Describe whether you deduct fees from clients’ assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct fees.]

Adviser deducts its fees and compensation from the assets of funds we manage. These fees are deducted annually, quarterly, monthly or otherwise depending on the type of fee or compensation. Please see our response to Item 5.A. (“FEES AND COMPENSATION - Fee Schedules”) above for specific detail as to how often we deduct our fees and compensation.

Other Fees and Expenses [Item 5.C.]

[Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of the brochure that discuss brokerage.]

In addition to Adviser’s fees and compensation described in Item 5.A. (“FEES AND COMPENSATION - Fee Schedules”), a fund reimburses all costs and expenses which we or our affiliates incur on behalf of the fund and other fund-affiliated parties. A fund may also be responsible for the payment of servicing fees with respect to investments acquired from certain of our affiliates. These other fees and expenses are described in further detail below.

Reimbursement of Certain Expenses Incurred by Adviser and its Affiliates

A fund reimburses all costs and expenses which we or our affiliates incur directly or indirectly on behalf of the fund or any other fund-affiliated party in connection with or related to the activities and operations of the fund. These costs and expenses include, without limitation, organizational expenses, operating expenses and investment expenses. In the case of single-investor funds, we may negotiate this expense reimbursement. In the case of multi-investor funds, they are not negotiated and each investor subscribes on the basis of the terms (including expense reimbursement) described in the fund offering documents. Detailed information regarding these expenses is contained in the offering and organizational documents of each fund.

Organizational Expenses. Organizational expenses include, but are not limited to, costs and expenses incurred in connection with or related to (i) the formation, qualification and preparation and negotiation of the organizational documentation (including offering documents) of a fund and any other affiliated fund parties such as fund acquisition vehicles and managers, (ii) the fees and expenses of third parties in connection with any of the foregoing, including, without limitation, administrators, custodians, accountants, counsel, consultants, trustees, brokers, nominees or others, and (iii) the personnel and other overhead expenses of Adviser and its affiliates allocable to any of the foregoing, including, without limitation, salaries, bonuses, deferred compensation, employee benefits, workers compensation, rent, recruitment and travel costs.

Operating Expenses. Operating expenses include, but are not limited to, costs and expenses incurred in connection with or related to (i) the management and operation of a fund and any other affiliated fund parties such as fund acquisition vehicles and managers, including, without limitation, administrative, legal, compliance, insurance and rent costs, (ii) the fees and expenses of third parties in connection with any of the foregoing, including, without limitation, administrators, custodians, accountants, counsel, consultants, trustees, brokers, nominees or others, and (iii) the personnel and other overhead expenses of Adviser and its affiliates allocable to any of the foregoing, including, without limitation, salaries, bonuses, deferred compensation, employee benefits, workers compensation, rent and recruitment and travel costs.

Investment Expenses. Investment expenses include, but are not limited to, costs and expenses incurred in connection with or related to (i) the identification of potential investments for a fund, the negotiation of investment terms and the acquisition of such investments, (ii) holding, monitoring and managing fund investments, (iii) the sale or other disposition of investments, (iv) the identification, evaluation, research, due diligence and launch of potential new investment silos, (v) marketing to generate investment opportunities, (vi) investment financings and refinancings, (vii) the fees and expenses of third parties in connection with any of the foregoing, including, without limitation, administrators, custodians, accountants, counsel, consultants, trustees, brokers, nominees or others, and (viii) the personnel and other overhead expenses of Adviser and its affiliates allocable to any of the foregoing, including, without limitation, salaries, bonuses, deferred compensation, employee benefits, workers compensation, rent and recruitment and travel costs.

Payment of Servicing Fees to Certain Adviser Affiliates

Adviser affiliates may originate mezzanine, senior secured, debtor-in-possession and bridge loans, preferred equity and other debt and equity instruments or other investments that are acquired by a fund. These affiliates generally receive fees from the issuer or the borrower for such origination services. In addition, if the fund acquires a loan participation from one of these affiliates, the fund may also be required to pay the affiliate a periodic servicing fee.

Prepaid Fees [Item 5.D.]

[If your clients either may or must pay fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.]

As more specifically described in our response to Item 5.A. (“FEES AND COMPENSATION - Fee Schedules”), Adviser may sometimes require funds it manages to pay fees or other compensation in advance. To the extent that any advisory contract or relationship we have with a fund terminates before the end of the relevant billing period, we will reimburse the fund a pro rated amount of any prepaid fees relating to the period for which we did not provide services.

Compensation for the Sale of Securities [Item 5.E.]

[If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1., 5.E.2., 5.E.3. and 5.E.4.]

NOT APPLICABLE

Note: If you receive compensation in connection with the purchase or sale of securities, you should carefully consider the applicability of the broker-dealer registration requirements of the Securities Exchange Act of 1934 and any applicable state securities statutes.]

[5.E.1. Explain that this practice presents a conflict of interest and gives you and your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.]

[5.E.2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.]

[5.E.3. If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.]

[5.E.4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.]

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT [Item 6]

[If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact.

If you or any of your supervised persons manages both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact.

Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

As more specifically described in our response to Item 5.A. (“FEES AND COMPENSATION - Fee Schedules”), Adviser receives both asset-based and performance-based compensation as payment for its advisory services. Performance-based compensation creates an incentive for us to make investments that are riskier or more speculative than would be the case in the absence of a performance-based compensation. Although Adviser receives its performance-based compensation only as the result of actual liquidation events, Adviser’s compensation could be larger than it would otherwise have been as the fee will be based on account performance instead of, or in addition to, a percentage of assets under management.

To address these potential conflicts of interest, Adviser has implemented formal investment allocation policies and procedures reasonably designed to address these potential conflicts of interest and ensure the fair and equitable treatment of client accounts, including accounts with different fees. Specifically, at the time of each investment allocation, Adviser considers various criteria in order to determine the appropriate allocation of the investment to its client funds. These criteria include, among other things, fund objectives and strategies, the relative fund and investment risk profiles, fund diversification needs, a fund’s available capital or financing ability vs. investment size, a fund’s investment duration profile and the relative liquidity of an investment, tax, legal and other regulatory considerations, any contractual obligations Adviser may have to specific funds and fund preferences or commitments to finance certain investments. Adviser periodically reviews fund investments for conformity with these criteria. Adviser also periodically reviews its disclosure to clients of this and other potential conflicts of interest to ensure its adequacy.

TYPES OF CLIENTS [Item 7]

[Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.]

Adviser provides investment management services to both single-investor and multi-investor private funds. The funds and not the underlying fund investors are considered to be our clients. In the case of single-investor funds, we will negotiate the terms for establishment of a fund with the investor. In the case of multi-investor funds, the terms for establishment of a fund may vary in our discretion and are not generally negotiated but are described in detail in the offering documents of such funds.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS [Item 8]

General Description [Item 8.A.]

[Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.]

As described in further detail in Item 4.B. (“ADVISORY SERVICES – Types of Services”), Adviser is an alternative investment management firm specializing in niche distressed, real estate and special situation assets. Our investment objective is to achieve capital appreciation for our clients by making investments that are generally: (i) asset rich (investments that derive value from commercial real estate assets, contractual revenue streams or cash, (ii) value oriented (investments that are undervalued rather than expected to gain value through future appreciation), (iii) event driven (investments that possess an announced or expected exit opportunity), and (iv) obtainable at a discount (investments that are transacted in inefficient markets or for which there is limited trading, which enables a discounted purchase price).

We target investments which are backed by assets with a tangible value that cannot be easily identified, underwritten, acquired or managed by mainstream institutions because they are viewed as being distressed, too small or fractionalized, too complex or requiring too much time, resources or effort. We have a value-oriented investment strategy that employs a fundamental, bottom-up underwriting approach to investing, focusing on investment prudence and capital preservation. The investments we target generally exhibit one or more of the following characteristics: (i) fractionalized (ownership is spread among multiple holders allowing for value creation by aggregating interests into an institutionally sized position), (ii) institutionally overlooked (limited institutional investor or broker interest and no research coverage), (iii) illiquid (not traded or thinly traded), and (iv) capital constrained (undercapitalized counterparties due to small transaction size, unconventional or complex assets or terms, short investment duration or unconventional underwriting requirements).

These investments typically fall into three general categories: (i) aggregation acquisitions, (ii) distressed purchases, and (iii) originated investments. However, some investments have characteristics of more than one of these categories. Aggregation investments include limited partnership interests, non-traded REIT shares, international closed-end fund interests, bankruptcy claims and distressed and defaulted small cap bonds and tax-exempt bonds. Distressed purchases include investments in distressed bank debt as well as small cap bonds and tax-exempt municipal bonds. Originated investments are investments in capital constrained counterparties and include mezzanine loans and other high-yield debt and equity instruments.

Material Risks for Significant Investment Strategies [Item 8.B.]

[For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.]

As with most investments, an investment in securities, including securities issued by funds managed by Adviser, is a speculative investment and involves a risk of loss that clients must be prepared to bear, and certain material risks associated with our investment strategy are described further below. The discussion of risks and strategies herein is qualified in its entirety by the discussion of risks and strategies in each fund’s offering documents.

Risk Associated with Illiquid Investments

The investments we purchase for our funds consist predominantly of securities, loans and other financial instruments and assets which are not actively and widely traded (or traded at all). Consequently, it may be relatively difficult for a fund to dispose of such investments rapidly and at favorable prices in connection with adverse market developments or other factors. Illiquid assets are also more difficult to value. A fund may not be able to make distributions or meet withdrawal requests from investors when it cannot dispose of its investments.

Risks Associated with Distressed Investments

Our investment strategy includes the acquisition of distressed investments. These investments generally involve the securities and other assets of issuers in a weak financial condition (perhaps having a negative net worth), experiencing poor operating results, needing substantial capital investment, facing special competitive problems or involved in various stages of bankruptcy, reorganization or litigation proceedings. Among the risks inherent in investments in financially troubled issuers is the fact that it is frequently difficult to obtain reliable information as to their true financial prospects. The market prices of distressed securities are subject to abrupt and erratic price volatility, and the “bid-ask” spreads for such securities may be greater than normally expected.

Risks Associated with Investments in Bankruptcy

Our investment strategy also includes investments involved in bankruptcy proceedings, such as the acquisition of various claims in bankruptcy. These investments are subject to various risks specific to such proceedings. These proceedings generally involve contested claims that are subject to a court’s discretionary power to subordinate or disenfranchise such claims. A creditor may also lose its claim priority if it exercises “domination and control” over a debtor and other creditors demonstrate that they were harmed by such actions. The duration of these proceedings is difficult to predict and a creditor’s return on an investment can be materially adversely affected by delays. Further, administrative costs in connection with a bankruptcy proceeding are frequently high and are paid out of the debtor’s estate prior to any return to creditors.

Risks Associated with Loan Participations

We periodically acquire for our funds mezzanine and other loans (including bridge, debtor-in-possession and distressed) in secondary market transactions, including loans originated by our affiliates. Generally, these loans are not traded on regulated exchanges, registered with the SEC or other governmental authorities or subject to the rules of any self regulatory organization. In particular, mezzanine loans generally have no trading market and are unsecured and subordinate to other obligations of the debtor. Other risks in relation to mezzanine loans include the possibility that earnings of the debtor may be insufficient to meet its debt service and the declining creditworthiness and potential for insolvency of the debtor during periods of rising interest rates and/or economic downturn.

Investments in loans may be in the form of assignment, participation, risk participation or other speculative derivative contracts. Loan assignments and participations involve risks in addition to those associated with direct ownership of such loans. A loan participant has no direct contractual relationship with the borrower of the underlying loan. As a result, the participant is generally dependent upon the grantor of the participation to enforce its rights and obligations under the loan documents in the event of a default and may have limited or no rights to object to amendments or modifications or to otherwise vote with other lenders. In addition, loan participants are subject to the credit risk of the lender granting the participation as well as the borrower, since a loan participant is dependent upon the lender to pay over to the participant its share of any payments of principal and interest received on the underlying loan.

Material Risks for Significant Types of Securities [Item 8.C.]

[If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.]

NOT APPLICABLE

DISCIPLINARY INFORMATION [Item 9]

[If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.]

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Adviser's advisory business or the integrity of its management.

Items 9.A., 9.B., and 9.C. list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a management person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the management person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 9.A., 9.B., and 9.C. do not contain an exclusive list of material disciplinary events. If your advisory firm or a management person has been involved in a legal or disciplinary event that is not listed in Items 9.A., 9.B., or 9.C., but nonetheless is material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a client's or prospective client's evaluation.

Note: You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving the firm or a management person to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the person involved in the disciplinary event to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of the determination in your records. See SEC rule 204-2(a)(14)(iii).

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person

- 1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;*
- 2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;*
- 3. was found to have been involved in a violation of an investment-related statute or regulation; or*
- 4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.*

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person

- 1. was found to have caused an investment-related business to lose its authorization to do business; or***
- 2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority***
 - (a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;***
 - (b) barring or suspending your firm's or a management person's association with an investment-related business;***
 - (c) otherwise significantly limiting your firm's or a management person's investment-related activities; or***
 - (d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.***

C. A self-regulatory organization (SRO) proceeding in which your firm or a management person

- 1. was found to have caused an investment-related business to lose its authorization to do business; or***
- 2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.]***

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS [Item 10]

Broker-Dealer Registration [Item 10.A.]

[If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.]

NOT APPLICABLE

Commodity Pool Operator, Commodity Trading Adviser, Futures Commission Merchant Registration [Item 10.B.]

[If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.]

NOT APPLICABLE

Other Material Relationships [Item 10.C.]

[Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

1. *broker-dealer, municipal securities dealer, or government securities dealer or broker*
2. *investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)*
3. *other investment adviser or financial planner*
4. *futures commission merchant, commodity pool operator, or commodity trading advisor*
5. *banking or thrift institution*
6. *accountant or accounting firm*
7. *lawyer or law firm*
8. *insurance company or agency*
9. *pension consultant*
10. *real estate broker or dealer sponsor or syndicator of limited partnerships.]*

NOT APPLICABLE

Receipt of Compensation from Investment Advisers [Item 10.D.]

[If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

NOT APPLICABLE

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING [Item 11]

Code of Ethics [Item 11.A.]

[If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of the code of ethics to any client or prospective client upon request.]

Note: The description required by Item 11.A may include information responsive to Item 11.B, C or D. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 11.B, 11.C, or 11.D with respect to securities that are not “reportable securities” under SEC rule 204A-1(e)(10) and similar state rules.]

Adviser has a Code of Ethics which includes an Employee Trading Policy, Insider Trading Policy and Gift Policy. The Code of Ethics is reasonably designed to ensure that Adviser’s personnel (i) observe applicable legal and ethical standards in the performance of their duties, including compliance with insider trading and other federal securities laws, and (ii) observe our fiduciary duties with respect to our clients. A copy of Adviser’s Code of Ethics is available to any client or prospective client upon request.

Under the Employee Trading Policy, Adviser’s personnel are required to conduct their personal investment activities in a manner that Adviser believes is not detrimental to its advisory clients. Adviser’s personnel are not permitted to transact in securities except under circumstances specified in the Policy. Notwithstanding this, there may be circumstances in which Adviser may buy or sell on behalf of its clients’ securities or other investments also owned by Adviser or its related persons (and members of their families). Adviser’s policy requires its personnel to pre-clear all transactions in securities that are or may be included in Adviser’s investment universe. Requests for trading will be denied when, among other reasons, the proposed transaction would be contrary to the Code of Ethics. In addition to these pre-clearance requirements, the Code of Ethics also contains several provisions which subject Adviser personnel to ongoing reporting obligations concerning their investments. All reportable transactions are reviewed for compliance with Adviser’s Code of Ethics.

Participation or Interest in Client Transactions [Item 11.B.]

[If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Examples: (1) you or a related person, as principal, buys securities from (or sells securities to) your clients; (2) you or a related person acts as general partner in a partnership in which you solicit client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to clients.]

Affiliates of Adviser may periodically originate various loans, preferred equity and other debt and equity instruments that are acquired by Adviser managed funds. Such affiliates generally receive fees from the issuer or the borrower for such origination services. In addition, if the investment is acquired, the acquiring fund may also pay the originator an annual servicing fee in addition to the compensation and expense reimbursement the fund otherwise pays Adviser. Adviser managed funds may also be periodically solicited to invest in other Adviser managed funds. Adviser has a conflict of interest in using its affiliates, because more fees accrue to Adviser’s and its affiliates benefit than if third party service providers were used. Adviser manages this conflict through disclosure to its investors and will only cause a fund to participate in any such investment if it is consistent with the fund’s investment objectives, Adviser’s investment allocation

policy and Adviser's fiduciary obligations generally to the fund.

There may also be circumstances in which Adviser determines it is appropriate to cause one fund to sell a security and another fund to purchase the same security at approximately the same time. In these instances, we may arrange to have the purchase and sale transaction conducted directly between the two funds (a "cross-transaction"). Any such cross-transaction would be conducted on the basis of the current market price for the security or, if no such price is available, at a price otherwise reasonably determined by Adviser to reflect the fair value of the security. Adviser will not receive any compensation for arranging a cross-transaction, other than the advisory fees it would otherwise have earned.

Participation or Interest in Personal Trading – Client Recommendations [Item 11.C.]

[If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.]

Adviser and its affiliates may periodically invest in the same securities or other investments (or related securities or investments) as Adviser recommends to the funds we manage. These investments (or dispositions of these investments) by Adviser or its affiliates may occur at the same time or at different times as transactions in these investments by our managed funds. In these cases, we could be competing with our funds for the same opportunities to acquire or sell these investments. In each case, Adviser and its affiliates will only participate in any such transaction if it is consistent with the Adviser's Code of Ethics and Adviser's fiduciary obligations generally to the fund.

Participation or Interest in Personal Trading – Client Trading [Item 11.D.]

[If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you present conflicts that arise.]

See our response to Item 11.C. ("CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING – Participation or Interest in Personal Trading – Client Recommendations").

BROKERAGE PRACTICES [Item 12]

Broker-Dealer Selection [Item 12.A.]

[Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).]

Because of Adviser's investment strategy as described in Item 8.A. ("METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS - General Description"), investments held by the funds we manage are generally highly illiquid. As a result, these funds trade in securities that are not typically widely traded (or traded at all) on conventional securities exchanges or markets. Therefore, the use of broker-dealers by these funds is highly limited. In light of the highly illiquid nature of these fund investments, when Adviser selects broker-dealers for fund transactions we give significant consideration to broker-dealers with ongoing market knowledge of existing bids or offers and selection is based on their perceived ability to achieve overall "best execution." Further factors we consider in our evaluation of "best execution" include: (i) their price, including commissions, (ii) their ability to execute transactions efficiently, (iii) consistent quality of service and reliability, (iv) their facilities, (v) their financial responsibility, and (vi) any other services they provide. Thus, "best execution" will not necessarily mean obtaining the best possible price for any particular transaction.

Research and Other Soft Dollar Benefits [Item 12.A.1.]

[If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.

Because the use of broker-dealers by the funds Adviser manages is highly limited, Adviser does not currently have any "soft dollar benefit" arrangements with any broker-dealer and does not currently intend to enter into any such arrangements in the future.

Note: The disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

12.A.1.a. Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.

12.A.1.b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients' interest in receiving most favorable execution.

12.A.1.c. If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.

12.A.1.d. Disclose whether you use soft dollar benefits to service all of your clients' accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

12.A.1.e. Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.

Note: This description must be specific enough for your clients to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. your description must be more detailed for products or services that do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that you obtain various research reports and products is not specific enough.

12.A.1.f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.]

Brokerage for Client Referrals [Item 12.A.2.]

[If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

NOT APPLICABLE

12.A.2.a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.

12.A.2.b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.]

Directed Brokerage [Item 12.A.3.]

[12.A.3.a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.

NOT APPLICABLE

12.A.3.b. If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

Note: If your clients only have directed brokerage arrangements subject to most favorable execution of client transactions, you do not need to respond to the last sentence of Item 12.A.3.a. or to the second or third sentences of Item 12.A.3.b.]

NOT APPLICABLE

Aggregation of Trades [Item 12.B.]

[Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.]

As described in Item 13.A. (“REVIEW OF ACCOUNTS – General Description”), investment decisions for funds managed by Adviser are made by Adviser’s investment committee. The investment committee makes its investment decisions for each fund independently from those for any other fund that we manage or may in the future manage. However, if more than one fund managed by Adviser is engaged simultaneously in the purchase or sale of the same security, the orders may be aggregated and the transactions may be averaged as to price and allocated among funds in a fashion to provide equitable treatment over a period of time. Generally, Adviser considers the same criteria in making these allocation decisions as described in Item 6 (“PERFORMANCE BASED COMPENSATION AND SIDE-BY-SIDE MANAGEMENT”).

REVIEW OF ACCOUNTS [Item 13]

General Description [Item 13.A.]

[Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.]

Adviser's investment committee meets to review investment opportunities and existing fund investments on an as needed basis. The purpose of these meetings is to make decisions with respect to the purchase or sale of investments, to discuss material investment positions and to review and approve estimated fund distributions and investment valuations for reporting purposes. The investment committee has four members which include Adviser's (i) Chairman/CEO & Managing Director, (ii) President, (iii) Principal & Chief Operating and Financial Officer, and (iv) Executive Vice President of Portfolio Manager.

Factors that trigger a review may include, but are not limited to (i) performance of individual investments, (ii) changes in a fund's financial profile, and (iii) changes recommended in overall investment policy or strategy by Adviser's portfolio managers.

Factors Triggering a Review [Item 13.B.]

[If you review client accounts on other than a periodic basis, describe the factors that trigger a review.]

Please see response to Item 13.A. ("REVIEW OF ACCOUNTS – General Description") above.

Client Reports [Item 13.C.]

[Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.]

As described in Item 7 ("TYPES OF CLIENTS"), Adviser provides investment management services to single investor and multi-investor private funds, and the funds and not the underlying fund investors are considered by Adviser's clients. Notwithstanding this, we generally provide fund investors with (i) written quarterly management reports and unaudited financial statements, and (ii) a written annual management report and audited financial statements. The financial statements are generally prepared in accordance with GAAP. The audited financial statements are prepared by an independent external auditor registered with the Public Company Accounting Oversight Board and provided to fund investors within 120 days of fiscal year end. Additionally, written monthly net asset value reports are also provided for multi-investor funds. Detailed information on our fund investor reporting is contained in the offering and organizational documents for each fund.

CLIENT REFERRALS AND OTHER COMPENSATION [Item 14]

Other Compensation [Item 14.A.]

[If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.]

NOT APPLICABLE

Compensation for Client Referrals [Item 14.B.]

[If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.]

Note: If you compensate any person for client referrals, you should consider whether SEC rule 206(4)-3 or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives apply.]

NOT APPLICABLE

CUSTODY [Item 15]

[If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.]

NOT APPLICABLE

INVESTMENT DISCRETION [Item 16]

[If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).]

Adviser generally holds sole investment discretion with respect to the securities and other investments held by multi-investor funds we manage. However, with respect to certain single investor funds, representatives of the investor also participate in investment decision making for those funds. This grant of investment discretion authority is generally contained in the management agreements and offering and organizational documents for each fund.

VOTING CLIENT SECURITIES [Item 17]

Proxy Voting Policies – Authority to Vote [Item 17.A.]

[If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.]

Because of the nature of Adviser's investment strategy, the funds we manage do not receive many requests for proxy voting or similar voting authority with respect to the securities or other investments held by the funds. However, to the extent such requests are received, our policy is that this voting authority is an asset of the funds and, consistent with our fiduciary obligations, to vote these proxies in a manner that we believe will provide the best value for the applicable fund. We do not accept outside direction with respect to such voting. In order to implement this policy, we have instituted formal proxy voting policies and procedures that we believe are reasonably designed to track voting requests, research the relevant voting matters, identify potential conflicts of interest and ensure that proxies are voted in compliance with our policy. To the extent a potential conflict of interest is identified with respect to any voting matter, the matter and voting recommendation will be sent to Adviser's investment committee for final review and decision. Clients may obtain a copy of the Adviser's proxy voting procedures and voting record with respect to their securities from us upon request.

Proxy Voting Policies - No Authority [Item 17.B.]

[If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.]

NOT APPLICABLE

FINANCIAL INFORMATION [Item 18]

Balance Sheet [Item 18.A.]

[If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.]

- 1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.*
- 2. Show parenthetically the market or fair value of securities included at cost.*
- 3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.*

Note: If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.

Note: If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your brochure.

Exception: You are not required to respond to Item 18.A of Part 2A if you also are: (i) a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules; or (ii) an insurance company.]

Financial Conditions [Item 18.B.]

[If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.]

Note: With respect to Items 18.A and 18.B, if you are registered or are registering with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per client, six months or more in advance.

Bankruptcy Petition [Item 18.C.]

[If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.]

Adviser does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance and thus has not included a balance sheet of its most recent fiscal year. Adviser is not aware of any financial condition that is reasonably likely to impair its ability meet its contractual commitments to clients, nor has Adviser been the subject of a bankruptcy petition at any time during the past ten years.