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Firm Brochure

Form ADV Part 2

March 30, 2013

This Brochure provides information about the qualifications and business practices of TriPacific Capital Advisors, LLC ("**TriPacific**"). If you have any questions about the contents of this Brochure, please contact us by phone at (949) 724-5900 or by e-mail at GFearns@TriPacificLLC.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

TriPacific is a registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about TriPacific Capital Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

MATERIAL CHANGES SINCE LAST UPDATE

The following is a brief summary of only the material changes since the last annual update of our brochure, filed on March 31, 2012.

- **Assets Under Management.** As of December 31, 2012, TriPacific had a total of \$424,561,000 invested and outstanding, comprised of \$329,165,000 of debt and \$95,396,000 in equity.
- **Change in Senior Management.** Lisa Albanez, formerly an Executive Vice President of the firm and member of the Company's Board of Managers, resigned from TriPacific effective November 15, 2012. TriPacific intends to fill the vacancy created by the departure of Ms. Albanez, however, no replacement has been selected as of this writing.



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ADVISORY BUSINESS

A. Firm Description - TriPacific Capital Advisors, LLC (“TriPacific”) is a full-spectrum real estate adviser specializing in residential investment, development and management. The firm (including its predecessor, Lowe Enterprises Residential Advisors) has been in business since 1995, and over the past 17 years has invested in nearly 170 residential projects nationwide, representing over 42,000 new homes and lots with a value of more than \$10 billion. TriPacific maintains its headquarters in Orange County, California, with regional offices in San Diego, Denver and Orlando.



The firm currently manages a \$425 million portfolio comprised of approximately 5,200 units located throughout the United States including both single and multifamily homes for sale and for rent, along with developed and undeveloped residential land (“**the Housing Portfolio**”). Investment decisions for the Housing Portfolio are discretionary within specific guidelines negotiated with the client, i.e., each investment must conform to the various investment parameters that have been established with the client, but TriPacific may exercise its discretion in selecting projects which satisfy these guidelines. Investment strategies are tailored to each client’s specific investment goals and risk tolerances, and may include restrictions based on geography, project size, home price, development status, etc.

TriPacific’s services encompass all aspects of residential real estate investment management for both for-sale and rental property. These include real property evaluation and due diligence; detailed analysis and recommendations regarding economic/market feasibility along with investment and capital structure; as well as management of project acquisition, entitlement, development and disposition.

We do not provide advice with respect to any type of publicly traded securities

B. Types of Investments – Investments typically take one of three forms i) participating subordinate debt secured by the property under development (“**Mezzanine Debt**”); ii) equity investments via partnership or limited liability interests in the entity which owns and is developing or managing the property (“**Equity Interests**”); and iii) direct ownership of real property where improved lots are sold on a rolling option basis to a home builder (“**Land Banking**”). In addition, TriPacific also engages directly in home construction on selected properties as a means of maximizing investment value. In that regard, TriPacific formed an affiliated home building operation (“**Estancia Homes**”) in 2009 to oversee these operations, which supervise all unit design, construction, marketing and sale. As of year-end 2012, the



Estancia Homes program has sold over 1,400 homes in 16 different projects located throughout the country.

C. Firm Management - TriPacific is governed by a Board of Managers which sets policy for the firm, and reviews and approves every investment proposal. The Board of Managers is currently comprised of the two senior company officers: President/CEO Geoffrey Fearn, and Executive Vice President Paul Lucatuorto. These two individuals have overseen the firm's operations since inception, and have extensive backgrounds in law, construction and finance. A more detailed profile is set forth in the attached Brochure Supplement.

D. Firm Ownership - Ownership of the firm is held 100% by TriPacific CEO, Geoffrey S. Fearn, who began the firm's predecessor with Lowe Enterprises in 1995, and has presided over the Company's operations since inception.

E. Assets Under Management – As of December 31, 2012, TriPacific had a total of \$424,561,000 invested and outstanding, comprised of \$329,165,000 of debt and \$95,396,000 in equity.

FEES AND COMPENSATION

TriPacific does not have a standard fee schedule; all fees are negotiated separately with clients and depend upon the scope of services provided. The specific manner in which fees are charged by TriPacific is established by written agreement with the firm. TriPacific will generally bill its fees on a monthly and/or quarterly basis in arrears, and clients may elect to be billed directly for fees or to authorize TriPacific to debit them directly from client accounts. The existing agreement between TriPacific and its client provides that TriPacific's advisory services may be terminated at will by the client. Because no fees are paid in advance, there is no provision in the agreement for a refund of fees in the event of termination before its stated expiration date.

In most instances, TriPacific receives asset management fees based upon either the costs to acquire and develop the project or gross revenues received from the project, as well as performance-based incentive fees determined by the returns realized from the underlying investments.

TriPacific's fees are exclusive of transaction fees and other related third-party costs and expenses which may be incurred in connection with either the due diligence/investigation of an investment (e.g., engineering and market consultants), or the acquisition of the real property



and consummation of the investment (e.g., legal fees, commissions, title and escrow costs, etc.) TriPacific does not receive any portion of such fees and costs.

PERFORMANCE BASED FEES/SIDE BY SIDE MANAGEMENT

TriPacific accepts performance-based fees from its clients. Performance fees are based on the extent to which the return from an investment exceeds agreed-upon thresholds, and are also known as "incentive fees".

In some cases, performance based fee arrangements may create an incentive for TriPacific to favor higher incentive fee paying accounts in the allocation of investment opportunities. At present, TriPacific has only a single client and hence no conflict is presented. The firm has however, designed a mandatory rotation system for the allocation of residential real estate investments which will be implemented if at any time the Company should have multiple clients with similar investment parameters and objectives. This system will ensure that all clients are treated fairly and equally, and prevent this conflict from influencing the allocation of investment opportunities.

Neither TriPacific nor its related persons are prohibited from engaging, directly or indirectly, in any other business or from possessing interests in any other business venture or ventures, including businesses and ventures involved in the acquisition, development, ownership, management, leasing or sale of residential real estate assets. TriPacific, our clients and all of our respective affiliates, own interests in and manage other real estate related investments that may have one or more investment objectives similar to the investment objectives of other clients and prospective clients.

TYPES OF CLIENTS

A. Description - TriPacific currently provides portfolio management services and investment advice to large institutional clients only, including government entities, pension and profit-sharing plans, endowments, corporations and insurance companies. The firm does not manage funds or provide advisory services for individuals.

B. Account Minimums – TriPacific does not currently have an established minimum account size for co-mingled funds, but may, depending upon the investment strategy, require a minimum for separately managed accounts to ensure sufficient asset and risk diversification.



METHODS OF ANALYSIS, STRATEGIES AND RISK OF LOSS

A. Methods of Analysis – TriPacific’s investment analysis covers all aspects of project feasibility, including detailed schedule, budget and cash flow review and evaluation. These assessments are performed in conjunction with analyses of the competitive market, all development related risks, the builder’s financial strength and qualifications, as well as issues pertaining to the overall portfolio diversification and financial structure. TriPacific engages in both asset specific research, as well as periodic reviews of macroeconomic housing market data (e.g., construction starts, population and real income trends, sales, pricing and inventory levels, etc.) throughout its investment process. In all cases, TriPacific staff investigates and analyzes a significant volume of data to determine the suitability of a particular investment, and the risks presented by both the project (which includes risk factors related to the real estate itself, zoning entitlements, product design and construction, project sponsor/builder, etc.), as well as the market in which the project is situated. Project and market specific research is overseen by TriPacific staff in conjunction with outside consultants retained to assist with specific underwriting tasks.

Macroeconomic analysis involves the review of a large variety of economic data and publications to assist in determining not simply residential market conditions, but trends in housing demand, supply, and affordability on both a nationwide and regional basis. TriPacific regularly engages in this macroeconomic trend analysis in order to help identify specific target markets, and effectively respond to broader market dynamics, and where appropriate, recommend changes to the Company’s investment parameters, deal structures, geographic focus, and investment volume.

Property specific studies are conducted on each proposed investment to obtain independent analysis and verification of existing market conditions/pricing and projected supply and demand within the specific CMA (Competitive Market Area).

B. Investment Strategies – TriPacific invests exclusively in residential development opportunities, with specific investment strategies set by agreement between TriPacific and the client. In general however, TriPacific’s investment strategies can be characterized as “value-added”, and are centered on the financing, development and production of residential housing projects, both for-sale and rental.

- 1. For-Sale Single-Family Properties** – TriPacific invests in the construction, development and sale of single family housing projects (attached and detached) which are wholly-owned by the fund in which the client has invested, or joint venture investments by a fund with one or more developers/builders. In these investments, the client may, through a limited liability entity, or through a joint venture agreement, indirectly own an interest in a project owner or a portfolio of project investments. With respect to



those investments that are wholly-owned by a TriPacific managed fund, the fund engages a third-party homebuilder to build, market and sell finished homes for a fee which may sometimes include a participation by the homebuilder in the profit generated after the fund has received its capital and a target investment return. In all cases, only well-qualified and well-capitalized builders are considered, and project locations must be situated within areas possessing certain minimum demographic qualifications, including demonstrated sustainable economic growth.

- 2. Multifamily Properties** – TriPacific also invests in the construction, development, lease-up and management of new multifamily communities which can either be sold following stabilization or held as income-producing assets depending upon the client's specific strategic objectives. In addition, TriPacific also pursues value-added opportunities to acquire and reposition or otherwise improve the worth of multifamily properties. Strategies in this regard include enhancing operational efficiencies, expense reductions, refinancing, as well as increasing rents and pursuing additional sources of revenue. TriPacific will also make capital improvements to assets and renovate properties as a means of increasing long-term revenues and asset value.

C. Risk of Loss – All real estate related investments are subject to a variety of common risks, many of which are inherent in the nature of the investment and are outside of TriPacific's control. All of the investments made by TriPacific involve risk of loss that clients should be prepared to bear, and there is no guaranty that the firm can achieve its investment objectives.

In general – real estate risks fall broadly into three primary categories:

- 1. Market Risk** – The firm's investment strategy is based in part upon a reasonable degree of stability in residential market values. Should market values drop significantly after the bulk of an investment has been made, returns will be negatively affected. Specific risks in this regard include the general economic climate, local real estate market conditions, geographic or market concentration, and competition from other properties. As evidenced by the recent prolonged recession and collapse in the housing market, the capital markets are globally connected and a disruption in the economies in Europe or elsewhere in the world may have a negative impact on the United States economy generally and the housing market specifically.
- 2. Cost Risk** – Increases in the cost of materials and labor used in residential development and construction will impact profit margins and negatively impact investor returns if these costs cannot be offset by increase in home prices. This includes changes in government regulations which can impose substantially increased costs on development and construction, as well as increases in financial costs (i.e., interest rates), which are inversely related to housing affordability. Higher interest rates will also likely result in reduced demand and lower home values. In addition, real estate related investments



incur the burdens of ownership of real property generally, which include various operating expenses and property taxes, and costs of maintaining the property and its improvements, all of which increase with the project term.

3. **Property Risk** – TriPacific may (through a subsidiary), hold title to real property purchased or acquired for investment. This will result in exposure to a variety of risks related to the property itself, particularly those pertaining to zoning and environmental matters, which can significantly affect property value.

Specific risks common to all TriPacific's investments include, but are not limited to, the following:

- **Illiquidity** - Real estate related investments tend to be highly illiquid which creates a risk that a client, or the investment vehicle in which the client has invested, may not be able to rapidly or easily dispose of an investment in response to market conditions or in sufficient time to realize cash proceeds that may be needed for other purposes.
- **Competition** - Real estate related investments are subject to significant competition from developers, financial institutions and other investors who have substantial resources that may limit or adversely affect real estate investment opportunities.
- **Use of Debt Financing** - Some investments may utilize a leveraged capital structure, in which case a third party lender would be entitled to cash flow generated by the investments prior to the client's receiving a return of capital and/or profit. Fluctuations in interest rates may adversely affect the ability to successfully acquire or dispose of investments and may also adversely affect the performance of a client's investments. Use of borrowed funds to leverage acquisitions involves a high degree of financial risk and can exaggerate the effect of any increase or decrease in value of an investment as well as increase the exposure of the investments to adverse economic factors, such as increases in interest rates and downturns in the local economies in which the investments are located.
- **Terrorism And Uncertainty Of War** - Our investment strategies focus primarily on real estate located in or near major metropolitan areas of the United States. These areas could be subject to future acts of terrorism, which could have an adverse impact on the U.S. financial and insurance markets and overall economy. In addition, the uncertainty of war, both here and abroad, could adversely affect financial markets and the overall economy. These impacts may have a direct adverse impact on a client's real estate related investment, through, for example, a decline in residential demand, governmental restrictions on travel, and the reduction in the availability of insurance at reasonable rates or at all.
- **Uninsured and Uninsurable Losses** - Prior to acquiring a real estate related investment, we require that commercial general liability insurance for the property be obtained with



coverages and in amounts customarily obtained for similar properties in the same general area. Some losses, however, may be either uninsurable or not economically insurable. Should an uninsured loss occur, the client could lose its investment in a property as well as its anticipated income from that property. In addition, there are certain types of losses, generally of a catastrophic nature resulting from things such as natural disasters (e.g., earthquakes, floods, hurricanes, etc.), nuclear contamination, terrorist acts, and similar events which may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations, provisions in loan documents encumbering the property pledged as collateral, and other factors might also make it economically impractical to use insurance proceeds to replace improvements on a property if it is damaged or destroyed. Under those circumstances, the insurance proceeds received, if any, might not be adequate to fully restore the investment with respect to the affected property.

- **Environmental Hazards** - Claims based on environmental problems associated with real estate related investments may create a substantial risk of loss to a client. Residential real estate investments may incur significant costs, expenses and delays related to environmental matters. Under various federal, state and local environmental laws and regulations, a current or previous owner or operator of real estate may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in the property. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of the hazardous or toxic substances. In addition, the presence of hazardous or toxic substances, or the failure to remediate the property properly, may adversely affect the owner's ability to borrow using the property as collateral. TriPacific will not recommend investment in a property with material environmental risk. Prior to making a real estate related investment on behalf of a client, we require a qualified environmental consultant to conduct a current environmental assessment of the property and prepare a report (referred to as a Phase 1) and, if recommended by the consultant, conduct further investigation and testing if hazardous materials are or have been present on the property. These investigations and reports, however, are no guaranty that a property has no contamination.
- **Governmental Regulation** - Laws and regulations can significantly affect the ability to acquire, develop, finance, improve or sell residential and other real estate related investments. They can also affect operating costs for real estate related investments. These regulations may include changes to building codes, growth moratoriums, laws intended to reduce the environmental impact of property operations which may require retrofitting or replacement of major systems and components, restrictions on physical expansion and limitations on traffic and parking, among others.



DISCIPLINARY INFORMATION

NONE

OTHER FINANCIAL INDUSTRY ACTIVITIES / AFFILIATIONS

A. Financial Industry Activities/Affiliations – TriPacific has no material relationships or arrangements with other financial industry participants, and neither makes referrals nor receives compensation in that regard. In addition, TriPacific does not currently have any arrangements with any third parties to solicit investment opportunities in exchange for compensation. TriPacific does receive certain fees from builders who seek or obtain investment financing from TriPacific. However, these fees are to cover direct expenses incurred in the underwriting and review of the proposed investments, as well as reimbursements to TriPacific for out-of-pocket costs (e.g., market studies, cost reviews and legal fees) for the underwriting services it provides.

B. Related Party Affiliations – The President of TriPacific, Geoffrey S. Fearn, is a California real estate broker, general building contractor and attorney. As a part of his responsibilities within the firm, Mr. Fearn performs acts: 1) for which a real estate license is required under the laws of the State of California, including arranging loans to be secured by real estate; and 2) for which a license to practice law is required, including the provision of legal advice on transactional and litigation matters. TriPacific does not pay fees for the services performed by Mr. Fearn outside of his regular compensation.

CODE OF ETHICS

A. Code of Ethics – Pursuant to SEC Rule §204A-1 TriPacific has adopted a Code of Ethics (“the Code”) for all employees of the firm which is designed to:

- Assure that the personal transactions, activities and interests of the firm’s employees will not interfere with making and implementing decisions in the best interest of advisory clients;
- Set standards of care and responsibility and prescribe means of avoiding conflicts of interest; and
- Require, among other things, adherence to high standards of business conduct and fiduciary duty to the firm’s clients as well as compliance with Federal securities laws



(including a prohibition against insider trading or trading in the stock/securities of builder clients), and reporting violations of the Code of Ethics.

The Code also includes provisions relating to the confidentiality of client information, restrictions on the acceptance of gifts, and an obligation to report any observed violations. All employees of TriPacific must acknowledge the terms of the Code of Ethics annually, or more frequently if amended. A copy of the Code of Ethics will be provided to any client or prospective client upon request.

B. Participation or Interest in Client Transactions: The Agreement between TriPacific and its client requires TriPacific to co-invest a minimum percentage in each investment it makes on behalf of the client. Since TriPacific's funds are invested *pari passu*, its interests are aligned with the client's and there is no conflict of interest presented by this arrangement. Other than this co-investment and the opportunity to earn certain fees as noted above, TriPacific has no financial interest in client transactions.

TriPacific or an entity related to us may act as the general partner of a limited partnership or as the managing member of a limited liability company formed to acquire real estate related investments (collectively, "**Funds**"). We act as the investment adviser to the Funds. Our clients have been solicited to invest in the Funds, and we have recommended that some clients do so by acquiring securities issued by the Funds. In these cases, we disclose in the pertinent Fund documents (on behalf of ourselves and any related persons) the nature and extent of our interests, including the manner of computing fees and other remuneration we may receive. Those clients who invest in Funds may also be represented by independent advisers of their own selection.

BROKERAGE PRACTICES

TriPacific does not typically use brokers to either source or dispose of investments, but on occasion will recommend and/or select real estate brokers for certain functions related to our clients' real estate related investments or to assist in the sale or other liquidation of the investment or its underlying assets. TriPacific has discretion to select the broker to be used for the sale of the client asset in such circumstances. Factors involved in selecting a broker include the commission level, marketing plan, and the broker's experience: i) in the geographic area where the asset or collateral is located, ii) with the type of asset to be sold, and iii) with the typical buyers for the asset to be sold. Generally, qualified brokers are required to submit marketing plans and proposed commission schedules prior to selection. TriPacific evaluates the reasonableness of the proposed commission on the basis of the prevailing market fees and the



firm's market experience and reputation. No referral or other fees are received by TriPacific in these situations nor do we receive soft dollar benefits.

In most circumstances, the sponsoring builder (as either a joint venture partner or fee-builder) has already acquired or entered into a purchase agreement for the real property prior to bringing the investment opportunity to us. In such cases the builder's broker or in-house sales and marketing team is typically responsible for the marketing and sales of the completed homes.

We do not aggregate the purchase or sale of real estate related investments for various client accounts. Real estate related investments are generally considered unique and are not generally bought or sold in bulk or on an aggregated basis in the real estate market from or to different sellers and buyers.

REVIEW OF ACCOUNTS

A. Review of Accounts - All investments are reviewed not less than quarterly. Reviews include monitoring the progress of the development, construction and marketing of the real estate project, analysis of project construction and operating costs, builder financial statements, and physical inspections of the real property. The Company also reviews compliance with the investment's terms, and conformance with the client's written Investment Plan. The Company's reviewers consist of its Chief Executive Officer, Mr. Fearn, and the firm's Executive Vice President and Chief Investment Officer, Mr. Lucatuorto, as well as several investment underwriters/analysts who report to these individuals. Accounts are typically allocated amongst Company personnel by builder and geographic locale.

B. Client Reports – TriPacific provides regular periodic reporting to its client as set forth below. Clients receive quarterly and annual reports on all account activity and operations. Each report is customized to the requirements of the client and is governed by the investment management agreement. Clients may also request specialized reports upon written request.

- **New Commitment Reports** - Within 30 days of the funding of each investment, the client receives a report which summarizes the new investment; including the type of investment, description of the project and builder, economic terms of the investment, disclosure of any prior dealings with the investment sponsor/builder, and disclosure of any fees or income projected to be received by TriPacific from the investment.
- **Quarterly Reports** – Quarterly Operating Reports are provided to the client on all account activity and operations within 45 days following the end of each calendar quarter. These reports contain details on each active investment, including narrative



updates on the status of each project as compared to the original projections (including physical project status and cash flow), along with updated financial and performance/return projections for each individual investment as well as the cumulative portfolio as a whole. Also included are various charts and graphs reflecting portfolio composition and diversity in relation to the client's portfolio guidelines.

- **Annual Reports** – Within 90 days following the end of each calendar year, TriPacific prepares an Annual Operating Report which includes all of the foregoing information plus a summary of the total investment activity during the prior 12 months and a projection of investment activity for the upcoming year; targeted markets for new investments; and an economic analysis and summary of the condition of the housing markets (nationally and in targeted markets).
- **Fee Notifications** - TriPacific currently notifies it's client in writing in advance prior to taking any fee or distribution. Any Performance Fee payments require prior written client approval.
- **Financial Statements** – TriPacific prepares quarterly and annual financial statements on a GAAP basis for each program entity which are provided to the client. Quarterly statements are internally reviewed and certified, and annual statements are audited by a public accounting firm selected by TriPacific but approved by the client.

C. Client Meetings – TriPacific holds formal meetings with it's client at least annually, however, informal meetings and discussions routinely occur several times each quarter, and often more frequently.

CLIENT REFERRALS AND OTHER COMPENSATION

TriPacific has no arrangements with any third parties to obtain or solicit client referrals, nor does the firm receive any economic benefit or other compensation from third-parties for providing advisory services to its client. TriPacific does receive certain fees from builders who seek or obtain investment financing from TriPacific. However, these fees are to cover direct expenses incurred in the underwriting and review of the proposed investments, as well as reimbursements to TriPacific for out-of-pocket costs (e.g., market studies, cost reviews and legal fees) for the underwriting services it provides.



CUSTODY

Clients should receive at least quarterly statements from the bank or other qualified custodian that holds and maintains client's investment assets. TriPacific urges its clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies.

INVESTMENT DISCRETION

TriPacific accepts discretionary authority to manage clients' real estate related investments, however, in all cases TriPacific exercises such discretion in a manner consistent with the stated investment objectives for the particular client account. Clients generally limit this discretionary authority by establishing investment guidelines for such things as: acceptable property types and sizes; geographic regions; due diligence procedures; land use/zoning entitlements; market cost and feasibility studies; environmental review; review of developer or builder partners; minimum insurance requirements; amounts of debt financing; as well as other project parameters. These limitations and guidelines are normally established with the client at the outset of the advisory relationship, and all investment guidelines and restrictions must be provided to TriPacific in writing.

TriPacific currently has discretionary authority to invest client funds in the types of investments listed under the "Advisory Business" section above. All investments however, are required to comply with the client investment guidelines and restrictions which are set forth in the written investment agreement between TriPacific and its client (the "**Manager Investment Plan**"). Prior to any investment being made, TriPacific's Board of Managers must review and approve the proposed investment as appropriate and in compliance with the Manager Investment Plan.

VOTING CLIENT SECURITIES

As a matter of firm policy and practice, TriPacific does not have authority to and does not vote proxies on behalf of advisory clients. As a practical matter, due to the nature of its investments TriPacific does not normally hold marketable securities, and hence does not have the opportunity to vote proxies of any kind on behalf of advisory clients. In the unlikely event such an occasion arose, clients would retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.



We do not acquire securities for client accounts for which proxies are solicited. Our business is limited to providing investment management and supervisory services to clients who desire to acquire real estate related investments. The extent and nature of our power and authority over real estate related investments acquired for clients is contained in the investment management agreement with the client (which may be the partnership/operating agreement between TriPacific and the client).

FINANCIAL INFORMATION

A. Prepayment of Fees – TriPacific generally bills its fees in arrears. There are no fees required to be paid in advance.

B. Financial Condition – TriPacific has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to its client, and has not been the subject of a bankruptcy proceeding.





Brochure Supplement

Form ADV Part 2B

March 30, 2013

This brochure supplement provides additional information about **Geoffrey S. Fearn** and **Paul A. Lucatuorto** – the principal executive officers and members of the Board of Managers of TriPacific Capital Advisors, LLC (“**TriPacific**”). This document supplements the TriPacific brochure, which should have been provided to you. If you did not receive a copy of TriPacific’s brochure, or if you have any questions about the contents of this Supplement, please contact us by phone at (949) 724-5900 or by e-mail at GFearn@TriPacificLLC.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about the foregoing individuals is available on the SEC’s website at www.adviserinfo.sec.gov.

BROCHURE SUPPLEMENT (Part 2B of Form ADV)

A Brochure Supplement is required only for “supervised persons” who: (i) formulate investment advice for a client and has direct client contact; or (ii) makes discretionary investment decisions for that client, regardless of the level of client contact, unless such decisions and made only as a part of a team. Although TriPacific believes its personnel do not necessarily fall within this category, it is nonetheless providing the additional information set forth below on its executive management team.

A. Educational Background and Business Experience - The required educational background and experience of real estate professionals employed by TriPacific varies greatly depending on the focus and responsibility of the individual. Staff professionals are required to have at least a Bachelor’s degree (with advanced training or graduate education preferred), and have business experience in their discipline commensurate with their level of responsibility. The name, education, business background and year of birth of the principal executive officers of TriPacific and members of the Board of Managers are as follows:

Geoffrey S. Fearn. *President / Chief Executive Officer, Chairman - Board of Managers*

Mr. Fearn has over 30 years of professional experience in real estate, and has presided over TriPacific (and its predecessor, Lowe Enterprises Residential Advisors) from its inception in 1995. Mr. Fearn is responsible for the Company’s overall operations and manages all investor relationships. Prior to forming TriPacific, Mr. Fearn was the President of a major Southern California builder, where he oversaw the acquisition, entitlement and development of over 5,000 acres of residential land, and the construction and sale of over 4,000 housing units. He is a past member of the President’s Council of the Southern California Building Industry Association, and has served on the faculty of the University of California (Irvine) Construction and Development Management program. He is a licensed general building contractor and real estate broker, as well as a member of the California, District of Columbia and U.S. Supreme Court Bars. Education: California State University at Fullerton, B.A., 1979; Stanford Graduate School of Business, M.B.A., 1983; Stanford Law School, J.D. , 1983. Year of Birth: 1958.

Paul A. Lucatuorto. *Executive Vice President / Member - Board of Managers*

Mr. Lucatuorto is a principal and member of the firm’s Board of Managers, with over 25 years of experience investing and managing institutional capital for residential development. Since joining TriPacific in 1998, Mr. Lucatuorto has broad investment responsibilities within the firm, overseeing both deal generation and asset management. Prior to joining TriPacific, Mr. Lucatuorto served as Vice President of Prudential Real Estate Investors, an advisor to CalPERS, where he originated equity investments to homebuilders and land developers



throughout the Southeastern United States. Prior to joining Prudential, Mr. Lucatuorto also served as a project manager for Home Capital Corporation, the real estate subsidiary of HomeFed Bank. Education: San Diego State University, B.S. (Business Administration), 1985. Year of Birth: 1962.

B. Disciplinary Information – TriPacific is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of TriPacific’s senior managers, listed above, or the integrity of TriPacific’s management. There are no such disciplinary or legal events or actions to report.

C. Other Business Activities – None of the TriPacific officers listed above is actively engaged in any other investment-related business or occupation for compensation or any business which generates a substantial source of income or involves a substantial amount of their time.

D. Additional Compensation - None of the TriPacific officers listed above receives any compensation or other economic benefit for providing advisory services other than the compensation received from TriPacific and its client.

E. Supervision - TriPacific exercises discretionary authority through action by the firm’s Board of Managers, which reviews and makes the final determination on all investment decisions. The Board of Managers is charged with the ultimate oversight of the firm’s investment activities, and with ensuring that: 1) the client investment guidelines have been addressed and complied with; 2) the Company’s internal underwriting guidelines and procedures have been followed; 3) the information describing the investment, the builder, investment structure, and projected economic results are complete and supported by the facts presented; 4) all project risks have been clearly identified and mitigated to the extent possible; and finally; 5) the investment or requested action is objectively reasonable and prudent in light of the information presented and the totality of the circumstances. All Board of Managers investment approvals must be unanimous.

The Chairman of the TriPacific Board of Managers is the firm’s President and Chief Executive Officer, Geoffrey S. Fearn. Mr. Fearn can be contacted by telephone at (949) 724-5900, or via e-mail at GFearn@TriPacificLLC.com.

