

**Item 1**  
**Cover Page**

PART 2A OF FORM ADV: FIRM BROCHURE

**Atalaya Capital Management LP**

780 Third Avenue  
27<sup>th</sup> Floor  
New York, NY 10017  
Tel: 212 527-8146  
Fax: 646-417-7888  
<http://www.atalayacap.com/>

March 2013

This brochure provides information about the qualifications and business practices of Atalaya Capital Management LP (the “Firm” or “Atalaya”). If you have any questions about the contents of this brochure, please contact us at (212) 527-8146. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

From time to time in this and other documents, Atalaya may refer to itself as a “registered investment adviser” by virtue of its registration with the SEC. This title does not imply any level of training or skill.

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

This brochure discusses Atalaya’s business in relation to the “TTM Clients” (as defined herein). A separate brochure describes Atalaya’s business in relation to the “Atalaya Clients” (as defined herein).

## **Item 2**

### **Material Changes**

This Form ADV Part 2A brochure of Atalaya Capital Management LP (“Atalaya”), in relation to the “TTM Clients” (as defined herein), updates the first annual Form ADV Part 2A filing made by Atalaya, in relation to such TTM Clients on February 14, 2012, which was made in connection with Atalaya’s initial registration as an investment adviser with the SEC.

There are no material changes to report.

In the future, this Item will identify and summarize material changes in this brochure from one year to the next (if any). It will also reference the date of the last annual update of the brochure.

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### **Advisory Business**

#### **Introduction**

Atalaya, a Delaware limited partnership founded in 2006, is an investment adviser located in New York, New York. The principal owner of Atalaya is Ivan Q. Zinn. Mr. Zinn also serves as Atalaya's Chief Investment Officer.

From its founding in 2006 through May 2011, Atalaya provided investment advisory services exclusively to pooled investment vehicles (the "Atalaya Funds"), managed accounts (the "Atalaya Managed Accounts") and co-investment vehicles to the Atalaya Funds ("Atalaya Co-Investments" and, collectively with the Atalaya Funds and the Atalaya Managed Accounts, the "Atalaya Clients"), and focused on credit and special opportunities, including, without limitation, secondary loan acquisitions and primary loan originations. In May 2011, Atalaya acquired the assets of TTM Capital, LLC ("TTM"), an unaffiliated investment adviser. The assets Atalaya acquired from TTM included management rights related to pooled investment vehicles (the "TTM Funds") and managed accounts (the "TTM Managed Accounts" and, collectively with the TTM Funds, the "TTM Clients"). Together the Atalaya Clients and the TTM Clients are referred to herein as the "Clients." With the consent of the TTM Funds' underlying investors and the owners of the TTM Managed Accounts, Atalaya assumed investment advisory responsibilities for the TTM Clients. Because the advisory contracts for the TTM Clients were developed prior to Atalaya's acquisition of the TTM Clients, the strategies, fees and other important factors contained in the TTM Clients' advisory contracts differ significantly from those of the Atalaya Clients. Atalaya has no plans to launch any new investment vehicles that are similar in structure or fees to the TTM Clients. The TTM Clients are closed to new investors and are no longer pursuing new investment opportunities.

Due to the binary nature of the Firm's business, Atalaya has created two (2) Form ADV Part 2A brochures. This brochure describes Atalaya's business in relation to the TTM Clients while a separate brochure describes the business in relation to the Atalaya Clients. If you wish to receive both brochures, please contact Richard Lieberman, at [lieberman@atalayacap.com](mailto:lieberman@atalayacap.com), to request copies. Both brochures are also publicly available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Affiliates of Atalaya serve as the managing member or general partner, as applicable (individually, a "Managing Member" and, collectively, the "Managing Members") to the TTM Clients. Any investment advisory activities of the Managing Members are subject to the Investment Advisers Act of 1940, as amended (the "Advisers Act") and the rules thereunder, and the Managing Members are subject to examination by the SEC. The Managing Members and all of their employees and persons acting on their behalf are subject to the Firm's supervision and control with respect to any investment advisory activities.

#### **TTM Clients**

The Firm provides discretionary and non-discretionary investment advisory services to the TTM Clients. Generally, the TTM Clients utilize a buy and hold strategy with respect to various asset classes. Asset

classes include, but are not limited to: 1) asset-backed securities and bank regulatory capital trade; 2) factoring transactions; 3) transactions in aviation equipment; and 4) open ended strategies with respect to consumer finance, commercial finance or specialty finance assets and certain aviation assets.

The TTM Funds are offered as a multiple series (each a “Series”) of membership interests. Each Series invests all or substantially all of the capital contributions drawn with respect to such Series in a special purpose vehicle (“SPV”). Investors in the TTM Funds have the option to participate in each Series but are under no obligation to do so. References herein to investments by the TTM Funds or a Series shall be references to investment or participation by the TTM Fund or Series through the relevant SPV to the extent such investments are owned by the relevant SPV. While investors in the TTM Funds have the ability to participate at their discretion in each Series, the TTM Funds’ investors do not have the right to restrict or influence the TTM Funds’ investment objectives or any investment or trading decisions, once a decision to participate in a Series has been made. Atalaya may tailor the advisory services it provides to the TTM Funds to the extent that certain investments cannot be held by certain TTM Funds for legal, regulatory and/or tax reasons.

By virtue of their structure, Atalaya tailors the advisory services it provides to the TTM Managed Accounts.

As of December 31, 2012, Atalaya had discretion over approximately \$814 million of Atalaya Clients’ assets. As of December 31, 2012, the TTM Clients had approximately \$29 million in assets, of which Atalaya had discretion over approximately \$15 million of such assets, with the remaining approximately \$14 million being non-discretionary.

## **Item 5**

### **Fees and Compensation**

For the advisory services it provides to the TTM Clients, the Firm generally receives an annual management fee (the “Management Fee”) of between 0.75% and 1.25% of the value of each TTM Client, as specified in each of the TTM Client’s governing documents, payable quarterly in arrears. In addition, the Firm, through the Managing Members, also may be entitled to receive a performance-based fee (the “Carried Interest Distribution”), generally equal to between 7.5% and 15% of the aggregate net realized gains (inclusive of net interest income) from investments (“Gains”) of such TTM Client, to the extent such Gains exceed a certain performance benchmark or hurdle, as specified in each of the TTM Client’s governing documents. All TTM Clients’ fees, with one exception, fall within the range described above. One TTM Managed Account, however, currently is subject to lower fees, and is charged a 0.125% Management Fee and a 2.25% Carried Interest Distribution.

The Management Fee and Carried Interest Distribution for the TTM Funds are non-negotiable; however, the Firm’s agreement with each TTM Fund gives the Managing Member the authority to vary these fees for particular investors. By virtue of their structure, the Management Fee and Carried Interest Distribution for the TTM Managed Accounts are negotiable.

All Management Fees and any applicable Carried Interest Distributions are either deducted directly from the TTM Funds’ assets, or are separately invoiced to (and paid by) the TTM Managed Accounts.

The TTM Clients generally bear their own expenses, such as the administration fee, organizational expenses and other expenses, as set forth in the governing documentation of such TTM Clients. With respect to the TTM Funds offered as multiple Series, expenses borne by such TTM Funds include any costs incurred in connection with the establishment of a new Series (including the establishment of the corresponding SPV), any direct costs associated with the Series investment program (including but not limited to initial and ongoing due diligence and dead deal costs) and positions applicable to such Series or for which such Series is otherwise responsible, withholding and transfer taxes, if any, professional fees of administrators, custodians, auditors, transfer agents, valuation agents and attorneys relating to such Series and any other such amounts reasonably allocated to such Series, as determined by the Managing Member in its discretion. Any unusual costs and expenses are borne by the relevant Series or as allocated among the Series as reasonably determined by the Managing Member in its discretion.

One hundred per cent of transaction, commitment, monitoring, advisory, directors’, break-up or other similar fees received by the Managing Member relating to the TTM Clients’ investment activities will be treated as an offset against the Management Fees next payable. However, to the extent any fees received by the Managing Member, Atalaya and/or their affiliates are for services performed as an administrative agent or in the circumstances where such fees are attributable to services which would have been performed by a third party, then such fees shall not be offset against the Management Fees (other than the portion attributable to the investment by the TTM Client), provided such fees are comparable to what would have been paid to a third party in an arm’s length transaction.

As discussed above, Clients may incur brokerage and other transaction costs. Please see Item 12 “Brokerage Practices” for more information.

Neither Atalaya nor any of Atalaya’s supervised persons accepts compensation for the sale of securities or other investment products.

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

As stated in Item 5 (“Fees and Compensation”) above, Atalaya, through the Managing Members, may be entitled to receive a Carried Interest Distribution in respect of its management of the TTM Clients, based upon aggregate net realized gains (inclusive of net interest income) from investments (“Gains”), to the extent such Gains exceed a certain performance benchmark or hurdle specified in each such TTM Client’s respective governing documents. With respect to certain TTM Funds, Atalaya, through the Managing Members, may receive Carried Interest Distribution after investors in such funds have received a return of their capital contribution plus a preferred rate of return, as specified in the governing documents of each such TTM Fund.

The Carried Interest Distribution may create an incentive for the Firm to recommend to the TTM Clients investments that are riskier or more speculative than those which would be made under a different fee arrangement.

Further, because the fee structure varies among the different TTM Clients and between the TTM Clients and the Atalaya Clients, Atalaya could have an incentive to favor one TTM Client over another TTM Client, or a TTM Client over an Atalaya Client based upon a potentially greater Carried Interest Distribution. The governing documents for each TTM Client and each Atalaya Client set forth specific procedures designed to ensure that each TTM Client and each Atalaya Client is treated fairly and to prevent this conflict from unduly influencing the allocation of investment opportunities. The potential for conflicts resulting from different fee structures among the TTM Clients and between the TTM Clients and the Atalaya Clients is further mitigated by Atalaya’s investment allocation policy, which addresses (and sets forth procedures designed to ensure) the fair allocation of investment opportunities with respect to all Clients. In addition, the TTM Clients are closed to new investors and are no longer pursuing new investment opportunities.



## **Item 7**

### **Types of Clients**

The Firm provides investment advisory services to the Clients, which consist of privately offered pooled investment vehicles that are exempt from registration under the Investment Company Act Sections 3(c)(1) and/or 3(c)(7), co-investment vehicles and separately managed accounts. The TTM Funds were primarily marketed to institutional investors and high net worth individuals, and the TTM Funds limit investors to persons who meet the criteria for “accredited investors” as defined in the Securities Act of 1933 and “qualified clients” as defined in Rule 205-3 under the Advisers Act.

In general, the minimum investment in a TTM Fund was \$1 million; however, this minimum threshold was subject waiver on a case-by-case basis at the discretion of the Managing Member of each TTM Fund.

The TTM Managed Account holders are institutional investors and high net worth individuals. Minimum account size for opening or maintaining a TTM Managed Account was negotiable.

The TTM Clients are closed to new investors and are no longer pursuing new investment opportunities.

## **Item 8**

### **Methods of Analysis, Investment Strategies and Risk of Loss**

The Firm's investment focus for the TTM Clients was on making investments in consumer finance, commercial finance or specialty finance assets and certain aviation assets, through the origination and/or acquisition of secured loans, securities, whole loan and asset acquisition, and acquisition facilities or new origination platforms formed with operating partners or any other investment as described in TTM Clients governing documents. The TTM Clients' investment program is speculative and entails substantial risks. Investing in securities involves risk of loss that Clients should be prepared to bear, including the risk of losing the entire investment. Certain of these risks are summarized below. These risks are qualified in their entirety by those discussed in each TTM Clients' offering and governing documents.

The TTM Clients are closed to new investors and are no longer pursuing new investment opportunities.

For more information with respect to Atalaya's investment process, please refer to the Firm's separate brochure that describes Atalaya's business in relation to the Atalaya Clients.

**Credit and Debt Related Investments.** The Firm recommends primarily credit and debt related investments to the TTM Clients. There are a number of risks involved with these types of securities including general credit market risk, meaning that events which negatively impact the overall US and/or international credit markets could have a profoundly adverse impact on the value of investments held by the TTM Clients. Furthermore, the Firm does not "hedge out" credit risk, effectively creating TTM Clients portfolios which are "long" the credit market. The TTM Clients' investments also tend to be illiquid, with a small or non-existent readily available market for resale. Therefore, the market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and the TTM Clients may not be able to sell their investments when it desires to do so or to realize what it perceives to be their fair value in the event of a sale.

**Bank Loans.** The Firm's investment strategy includes investments in bank loans and participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of the TTM Client holding such an investment to directly enforce its rights with respect to participations.

**Direct Lending.** In regards to the Firm's direct lending investments, of primary concern is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Firm to perfect or effectuate a lien on the collateral securing the loan. The Firm will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness.

**Limited Liquidity.** Many of the Firm's recommendations are made with the assumption that a considerable amount of time will pass before the investment provides a realizable gain to investors and the Firm. In certain instances, a TTM Client may be forced to sell or exit an investment earlier than the Firm would recommend, due to liquidity issues, TTM Client dissolution, or other possible factors.

**No Assurance of Investment Return.** There can be no assurance that any TTM Client will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of investments in which such TTM Client participates.

**Highly Competitive Market for Investment Opportunities.** The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance that a TTM Client will be able to locate, consummate and exit investments that satisfy its rate of return objectives or realize upon their values or that it will be able to invest fully its committed capital.

**Illiquid and Long-Term Investments.** Investment in a TTM Client may require a long-term commitment with no certainty of return. Many of a TTM Client's investments will be highly illiquid, and there can be no assurance that a TTM Client will be able to realize on such investments in a timely manner. Although certain investments may generate current income, the return of capital and the realization of gains, if any, from an investment may (on a case-by-case basis) occur only upon the partial or complete disposition or refinancing of such investment.

**Investments Longer than Term.** A TTM Client may make investments which may not be advantageously disposed of prior to the date such TTM Client will be dissolved, either by expiration of its term or otherwise. In addition, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to investors will occur.

**Litigation.** Distressed credit investing and reorganizations, workouts and restructurings resulting from such activities can be contentious and adversarial. It is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Atalaya Client and would reduce net assets or could require investors to return to the applicable Atalaya Client distributed capital and earnings.

**Legal, Tax and Regulatory Risks.** Legal, tax and regulatory changes could occur during the term of a TTM Client that may adversely affect such TTM Client. There is a material risk that regulatory agencies may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the private equity industry, or other changes that could adversely affect private equity firms and the funds they sponsor, including a TTM Client.

**No Market for Interests; Restrictions on Transfers.** Interests in the TTM Funds have not been registered under the Securities Act of 1933, as amended ("Securities Act"), or applicable securities laws

of any U.S. state or the securities laws of any other jurisdiction and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and any other applicable securities laws or an exemption from such registration is available. There is no public market for the interests in the TTM Funds and one is not expected to develop. An investor will not be permitted to directly or indirectly assign, sell, pledge, exchange or transfer any of its interests or any of its rights or obligations with respect to its interests without the prior written consent of the Managing Member of the applicable TTM Fund, which consent may be given or withheld in accordance with the governing documents of the applicable TTM Fund. Withdrawals from a TTM Fund are generally not permitted, and there may be little or no near-term cash flow available to investors as a result of owning the interests. Investors must be prepared to bear the risks of owning interests in the TTM Funds for an extended period of time.

**Side Letters.** The Managing Member of a TTM Fund may enter into side letters or other similar agreements with certain investors in connection with their admission to such TTM Fund without the approval of any other investors. Such side letters or other similar agreements may alter and/or supplement the terms of the TTM Fund's governing documents in a manner that makes the terms applicable to such investors more favorable than those applicable to other investors. Generally, side letters will not materially affect the terms of an investor's relationship with the Firm and TTM Fund.

**Item 9**  
**Disciplinary Information**

In the past ten years, there have been no legal or disciplinary events involving either the Firm or any of its management persons that are material to Atalaya's advisory business.

**Item 10**  
**Other Financial Industry Activities and Affiliations**

Neither the Firm nor any management person is registered, or has an application pending to register, as a broker-dealer, representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or associated person of a futures commission merchant commodity pool operator or commodity trading advisor.

As noted under Item 4 “Advisory Business,” Atalaya is affiliated with (i) related entities that serve as the general partners (previously defined individually as a “General Partner” and, collectively, as the “General Partners”) to the Atalaya Clients and (ii) TTM Partners LLC (the “TTM Managing Member”), which serves as the managing member to each of the TTM Clients. Atalaya serves as the investment manager to each of the Atalaya Clients and each of the TTM Clients. The TTM Managing Member and all of its employees and persons acting on its behalf are subject to the Firm’s supervision and control with respect to any investment advisory activities. Mr. Zinn serves as the Chief Investment Officer of the Firm and is the principal owner of the Firm and the General Partners. Ray Chan, Robert Flowers and Dermot Murphy serve as the managing members of the TTM Managing Member. The relationship between Atalaya and the TTM Managing Member does not, in and of itself, create any material conflicts of interest affecting investors in the TTM Clients.

Other than its investment advisory activities (and ancillary activities such as those generating certain “additional fees” related to the management, administration and servicing of certain types of investments), Atalaya currently does not engage in other financial industry activities or maintain other financial industry affiliations. The Firm does not generally recommend or select other investment advisers for its Clients; provided that it may do so on a case-by-case basis; but further provided that in any such instance, the Firm will not be compensated (whether directly or indirectly) by any such other investment adviser.

For more information, please refer to the Firm’s separate brochure that describes Atalaya’s business in relation to the Atalaya Clients.

## **Item 11**

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

The Firm has adopted a Code of Ethics (the “Code”), which (i) describes the Firm’s fiduciary duties and responsibilities to its Clients and (ii) requires that the Firm’s employees act in the best interests of its Clients, act in good faith and in an ethical manner, avoid conflicts of interest with Clients to the extent reasonably possible, and identify and manage conflicts of interest to the extent they arise. The Firm’s employees are also required to comply with applicable provisions of the federal securities laws and make prompt reports to the Firm or other appropriate party of any actual or suspected violations of such laws by Atalaya or its employees. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of Atalaya’s employees. The Code generally prohibits employees from engaging in personal trading involving securities of issuers on the Firm’s restricted list and requires employees to: (i) pre-clear personal trading involving securities of issuers with certain market capitalization sizes; (ii) provide duplicate brokerage accounts statements to the Firm or to report all securities transactions on at least a quarterly basis; and (iii) provide a summary of securities holdings on at least an annual basis. The Code also includes policies and procedures to prevent the misuse and disclosure of material nonpublic information (“insider trading”) and other confidential information, as well as policies and procedures addressing conflicts of interest, outside activities of employees, gifts and business entertainment (including limitations and reporting requirements), and pre-clearance and reporting of political contributions. Atalaya will provide a complete copy of its Code to any investor upon request to Richard Lieberman, at [lieberman@atalayacap.com](mailto:lieberman@atalayacap.com).

From time to time, consistent with a TTM Client’s investment objectives and subject to satisfaction of the policies and procedures set forth in the Code, the TTM Clients’ governing documents and applicable law, the Firm may recommend that a TTM Client acquire or sell an investment in which the Firm, an Atalaya employee, another TTM Client or an Atalaya Client has a pre-existing direct or indirect interest. A potential conflict of interest could arise from the fact that the Firm, the interested Atalaya employee, another TTM Client or an Atalaya Client could benefit from such a purchase or sale of the applicable investment by a TTM Client. However, the Code is designed to identify and manage conflicts of interest to the extent they arise in connection with such principal or cross-trade transactions and ensure that the Firm fulfills its role as a fiduciary to each of the applicable TTM Clients. In particular, the Code requires that the Firm act in the best interests of the TTM Clients, in good faith and in an ethical manner. Certain terms of the TTM Clients’ governing documents and the equity participation of Atalaya related persons in the TTM Clients are designed to further mitigate such potential conflicts.

Except as specifically set forth above, neither Atalaya nor any related person invests in the same securities that the Firm or any related person recommends to Clients.

Except as specifically set forth above, neither Atalaya, nor any related person, recommends securities to Clients, or buys or sells securities for Client accounts, at or around the same time Atalaya or such related person buys or sells securities for their own account.



## **Item 12**

### **Brokerage Practices**

To the extent applicable with respect to the investment program of the TTM Clients, Atalaya has authority for selecting the broker-dealer used in each TTM Client transaction and for negotiating the fees to be paid to the broker-dealer in connection with such transactions. In choosing brokers-dealers, Atalaya is not required to consider any particular criteria. Generally, Atalaya seeks the best combination of brokerage expenses and execution quality but, as discussed below, Atalaya is not required to select the broker-dealer that charges the lowest transaction cost, even if that brokers-dealer provides execution quality comparable to other brokers-dealers. In evaluating “execution quality”, historical net prices (after markups, markdowns or other transaction related compensation) on other transactions is a principal factor, but other factors are also relevant, including, but not limited to: the execution, clearance, and settlement and error correction capabilities of the brokers-dealer generally, and, in particular, in connection with securities of the type and in the amounts to be bought or sold; the brokers-dealer’s willingness to commit capital; reliability, responsiveness, and financial stability of the broker-dealer; the size of the transaction; availability of securities to borrow for short sales; and the market for the security.

The TTM Clients are closed to new investors and are no longer pursuing new investment opportunities.

#### **Soft Dollar**

In addition to execution quality, Atalaya may consider the value of various research products or services that a broker-dealer provides to the TTM Clients or to Atalaya. Selecting a broker-dealer in recognition of such other services or products is known as paying for those services or products with “soft dollars.” Because such research products or services could benefit Atalaya or its affiliates, Atalaya may have a conflict of interest in allocating TTM Clients’ brokerage business. While Atalaya does not currently engage in soft dollar arrangements with broker-dealers, if it were to do so in the future, Atalaya’s use of “soft dollars” would be within the parameters of Section 28(e) of the Securities Exchange Act of 1934 and any “soft dollar” products would be paid for and shared equitably by all TTM Clients.

#### **Aggregation and Allocation of Investment Opportunities**

Atalaya seeks to allocate investment opportunities in a manner which is in the best interest of all Clients. Atalaya owes each Client a duty of loyalty and a duty to act in the Client’s best interests. Accordingly, under no circumstances will Atalaya unfairly favor one Client over another. Although, when applicable, Atalaya generally seeks to allocate investment opportunities on a pro rata basis based on the size of each Client account, the allocation of an investment opportunity may be adjusted based on relevant circumstances including, without limitation: investment objectives, strategies and restrictions; portfolio and risk management strategies; tax, legal, regulatory and other considerations; asset levels and cash flow considerations; portfolio liquidity; timing and size of capital contributions and redemptions; market conditions; whether certain accounts would receive nominal or de minimis allocation amounts; portfolio concentration; participation in prior investments in the same issuer, and liquidity considerations, among

others. The potential for conflicts resulting from different fee structures among the TTM Clients and between the TTM Clients and the Atalaya Clients is mitigated by Atalaya's investment allocation policy, which addresses (and sets forth procedures designed to ensure) the fair allocation of investment opportunities with respect to all Clients.

**Trade Errors**

From time to time trade errors may occur with respect to transactions made on behalf of the TTM Clients. The TTM Clients bear the costs of correcting these trade errors unless they are attributable to gross negligence of Atalaya or its employees.

### **Item 13**

#### **Review of Accounts**

Ray Chan and Robert Flowers, two Atalaya Partners, review the contents of the TTM Clients' investment portfolios informally on a continual basis. Additionally, on a periodic basis, Mr. Zinn, the Firm's Chief Investment Officer reviews each TTM Client's investment portfolio with Mr. Chan and Mr. Flowers. During these meetings each investment held by a TTM Client is reviewed and discussed among these individuals. Due to the low turnover and long holding periods for typical TTM Client investments, more frequent formal review is conducted only as necessary.

The Firm does not utilize any specific criteria to trigger a review of Client investments at this time.

Within 120 days after the Firm's fiscal year-end, audited financial statements are delivered to each investor in the TTM Funds. The audited financial statements are prepared in accordance with U.S. generally accepted accounting principles by an independent public accounting firm that is registered with the Public Company Accounting Oversight Board. The Firm also sends investors unaudited performance information for the TTM Funds after each calendar quarter-end. Such reports will include the value of such investor's interest in the applicable TTM Fund, as determined based on the unaudited fair market value of the holdings in such fund.

**Item 14**  
**Client Referrals and Other Compensation**

Atalaya's Clients are the pooled investment vehicles, co-investment vehicles and separately managed accounts to which it provides investment advisory services. Atalaya does not receive any economic benefits from non-Clients for providing advisory services to its Clients.

Atalaya does not compensate third parties for Client referrals.

## **Item 15**

### **Custody**

The Firm is deemed to have custody of TTM Funds assets by virtue of it having the authority to obtain TTM Funds' assets, for example, by deducting advisory fees from a TTM Fund's account or otherwise withdrawing funds from a TTM Fund's account. Therefore, the Firm is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule").

In accordance with the Custody Rule, the Firm's CFO is responsible for ensuring that the TTM Funds' securities, other than certain "privately offered securities," are held only with a qualified custodian. The Firm's CFO is also responsible for arranging for annual independent audits of the TTM Funds by a major accounting firm within 120 days of the TTM Funds' fiscal year end and for obtaining audited financial statements prepared in accordance with GAAP. Atalaya arranges for the delivery of such audited financial statements to investors within 120 days of the TTM Funds' fiscal year end.

The Firm does not have custody of the assets of the TTM Managed Accounts.

## **Item 16**

### **Investment Discretion**

Atalaya has full discretionary authority to manage the assets of some TTM Clients, and non-discretionary authority to manage the assets of other TTM Clients. Each TTM Client specifies in its governing documents whether Atalaya has discretionary authority over the assets in the TTM Client or not.

With respect to those TTM Clients over which Atalaya does have full discretionary authority, the governing documents of such TTM Clients grant Atalaya full power of attorney over such TTM Clients' assets, including the right to pursue an investment program in its full discretion and all rights, privileges and powers of ownership with respect to the TTM Clients' assets.

With respect to those TTM Funds over which Atalaya does have full discretionary authority, this authority is conveyed pursuant to: (i) the investor's subscription agreement, (ii) the investment management agreement, and (iii) the governing documents in connection with each TTM Fund. These documents grant Atalaya broad investment mandates, with no contractual limitations on the types of instruments in which Atalaya may cause the TTM Funds to trade or invest. Generally, however, investment decisions for each TTM Fund are made in accordance with the investment objectives and guidelines set forth in each TTM Fund's private placement memorandum.

Subject to any investment restrictions or limitations that the owner of a TTM Managed Account may negotiate with Atalaya, the Firm has complete investment authority with respect to all securities owned by the TTM Managed Accounts.

The TTM Clients are closed to new investors and are no longer pursuing new investment opportunities.

## **Item 17**

### **Voting Client Securities**

Atalaya has voting authority and responsibility with respect to securities held by the TTM Funds and may have voting authority with respect to securities held by other TTM Clients. In addition to proxy solicitations in connection with equity securities of traditional operating companies, proxy voting is also deemed to include any consent requested in matters such as bankruptcy or insolvency, covenant waivers in connection with debt, approvals regarding the restructuring of debt and other rights and remedies with respect to securities.

Given that the TTM Clients' investment strategy does not generally involve the acquisition of securities with voting authority, it is unlikely that any TTM Client will be placed in a position of traditional proxy voting authority. However, in accordance with the more expansive definition of proxy voting outlined above, all such decisions will be made in accordance with Atalaya's proxy voting policy adopted pursuant to Rule 206(4)-6 of the Advisers Act.

The Firm's policy is to vote proxies solely in the best interests of its Clients, in accordance with general fiduciary principles. Generally, Atalaya believes that management is best suited to make the decisions that are essential to the ongoing operation of the company. Therefore, the Firm will generally vote proxies in line with management on routine and administrative matters, unless the Firm has a particular reason to vote to the contrary. This general policy is not a predetermination, however, to vote in favor of management, as the Firm will review all applicable proxies in accordance with the general fiduciary principles noted above. Under certain circumstances when Atalaya believes that management's proposal is not designed to maximize value for its Clients, the Firm will vote against management. Particularly with respect to non-recurring or extraordinary matters, the Firm will vote on a case-by-case basis in accordance with the goals of achieving a Client's stated objectives. The Firm at times may determine that refraining from voting a proxy is in the Client's best interest, such as when the Firm's analysis of a particular proxy indicates that the cost of voting the proxy may exceed the expected benefit to the Client.

If an Atalaya employee becomes aware that a conflict (or potential conflict) exists between (or among) the interests of Atalaya and one or more of its Clients or between (or among) one or more of its Clients with respect to a proxy vote, the employee must bring the conflict to the attention of the Chief Compliance Officer who (in conjunction with senior management) will determine the appropriate course of action. If it is determined that a conflict of interest or potential conflict of interest is material, one or more methods may be used to resolve the conflict, including (i) disclosing the conflict to the Client and obtaining its consent before voting, (ii) engaging a third party to recommend a vote with respect to the proxy or (iii) such other method as is deemed appropriate under the circumstances.

Atalaya may retain a third party to assist it in coordinating and voting proxies with respect to TTM Client securities. If so, the Chief Compliance Officer will monitor the third party to assure that all proxies are being properly voted and appropriate records are being retained.

Clients may obtain information about how proxies were voted or a copy of the Firm's proxy voting policies by contacting the Richard Lieberman at [lieberman@atalayacap.com](mailto:lieberman@atalayacap.com).



**Item 18**  
**Financial Information**

Atalaya does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

Atalaya does not believe there are any financial conditions reasonably likely to impair its ability to meet contractual commitments to Clients.

Atalaya has not been the subject of a bankruptcy petition at any time during the past ten years.