
RE CDO MANAGEMENT LLC

7 Bulfinch Place, Suite 500

Boston, MA 02114

617-570-4600 (Phone)

617-570-4641 (Fax)

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This Brochure provides information about the qualifications and business practices of RE CDO Management LLC. If you have any questions about the contents of this Brochure, please contact us at 617-570-4600. The information in this brochure has not been approved by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

RE CDO Management LLC is a registered investment adviser. Registration does not imply a certain level of skill or training.

Additional information about RE CDO Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2. MATERIAL CHANGES

This brochure which is filed as part of RE CDO Management LLC's annual updated to its Form ADV contains the following material changes from the brochure filed by RE CDO Management LLC dated February 14, 2012:

Item 4. RE CDO Management LLC no longer serves as Advisor of Sorin Real Estate CDO III, Ltd. ("Sorin III"). Accordingly, all references to Sorin III, the Sorin III Collateral Management Agreement and the Sorin III Indenture have been eliminated. Further, as a result of RE CDO Management LLC no longer serving as Advisor of Sorin III, RE CDO Management LLC now only provides advisory, administrative and monitoring functions to one portfolio of real estate loans and securities.

Item 5. All references to the fees payable by Sorin III have been eliminated. In addition, the methodology used to calculate AUM in Sorin IV has been further detailed.

Item 11. RE CDO Management LLC's Chief Compliance Officer has been changed to Carolyn Tiffany.

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ITEM 4. ADVISORY BUSINESS

RE CDO Management LLC (“**RE CDO**”), a Delaware limited liability company is an investment management firm that was formed in June of 2011 to be the substitute collateral manager (“**Advisor**”) to Sorin Real Estate CDO III Ltd., (“**Sorin III**”) and Sorin Real Estate CDO IV Ltd (the “**Client**”). RE CDO Management resigned as the Advisor of Sorin III in February of 2013. RE CDO provides advisory, administrative, and monitoring functions for the Client.

RE CDO is directly owned by WRT-CDO LLC, a Delaware limited liability company and Gotham Hotel Funding LLC, a Delaware limited liability company (collectively, the “**Members**”). Gotham Hotel Funding LLC is owned 97% by Gotham Hotel Holding LLC, a Delaware limited liability company. WRT CDO LLC is wholly-owned by WRT Realty LP, a Delaware limited partnership. WRT Realty LP is wholly-owned by Winthrop Realty Trust, an Ohio trust and a public company traded on the New York Stock Exchange.

RE CDO does not have any direct employees. However pursuant to its operating agreement, it reimburses its administrative manager, WRP Submanagement LLC, for providing day-to-day functions for the Client. WRP Submanagement in turn has an agreement with First Winthrop Corporation (“**FWC**”) pursuant to which it utilizes five employees of, and shares facilities with FWC. RE CDO, WRP Submanagement LLC, and FWC are related entities.

The Client is a collateralized debt obligation special purpose vehicle and an exempted company with limited liability incorporated under the laws of the Cayman Islands. The original capital structure of the Client included \$400 million of notes (“**Notes**”) and \$250 of issued shares (“**Shares**”). The Notes were issued in reliance on Rule 144A of the United State Securities Act of 1933 issued to Qualified Institutional Buyers. The issued shares are legally owned by Maples Finance Limited (“**Maples**”) who holds the shares for the benefit of one or more charities in the Cayman Islands. The Client is governed by a board of directors appointed by Maples.

The Client is subject to strict guidelines on the types of securities it may own. The Client holds a portfolio of real estate loans and securities which include, without limitation, commercial mortgage loans, participations in commercial mortgage loans, commercial mortgage backed securities, residential mortgage backed securities, other real estate CDO bonds and other structured finance real estate related securities and synthetic securities (the “**Assets**”). The Assets are managed pursuant to the terms of the Collateral Management Agreement (the “**Management Agreement**”) between the Client and RE CDO, and in accordance with the Indenture (the “**Indenture**”), dated as of September 7, 2006, among the Client, Sorin Real Estate CDO IV Corp. (the “**Co-Issuer**” and, together with the Client, the “**Co-Issuers**”), Wells Fargo Bank, National Association, as Trustee and Securities Intermediary and Sorin Capital Management, LLC, as Advancing Agent and Override Servicer (collectively, the “**Operative Documents**”). In accordance with the Operative Documents, prior to October 2011, RE CDO had the right to purchase, sell or replace assets on behalf of the Client, subject to restrictions set forth in the Operative Documents. Subsequent to October 2011, the Client’s reinvestment period expired. As a result, the advisor’s ability to purchase new Assets on behalf of the Client is very limited, and therefore, the Advisor's primary activities currently consist of maintaining and disposing of the Client's Assets. The Client’s fund is closed to new investment.

The advisory services offered by RE CDO are tailored to the requirements of the Client's Operative Documents. These services include selecting Assets to be purchased or sold, provide the Trustee with information on a monthly basis with respect to the composition and characteristics of the Assets, monitor the performance of the Assets, provide valuation of non-performing assets characterized as a Defaulted Security, consent or refuse to consent to any modification of an Asset and to advise the Client with respect to any hedge agreements, which sets forth permitted investments and other restrictions based upon criteria such as type of asset, property type, interest rate, location of property, etc.

Substantially all investment advice offered by RE CDO is with respect to the Assets. FWC employees Michael Ashner, Carolyn Tiffany, and John Cramer provide investment advice and make investment recommendations for the Client. The officers of RE CDO, as Advisor provide a recommendation to the Members of RE CDO that requires unanimous consent to execute. Upon obtaining requisite consent, RE CDO directs the trustee to execute a trade on behalf of the Client. If the trade is in accordance with the Indenture, the Trustee executes the trade, if not, the Trustee would reject the trade and the trade would not be executed.

As of December 31, 2012, excluding the assets of Sorin III for which the collateral management position was terminated in February of 2013, RE CDO had approximately \$200,000,000 under management pursuant to the Management Agreement.

RE CDO has full discretionary authority over the Assets to operate within the parameters of the Operative Documents with respect to its Assets subject to the consent of the Members.

ITEM 5. FEES AND COMPENSATION

All fees are governed by the Management Agreement. Management fees are paid to RE CDO from the Client based on a percentage of AUM in the amount of 0.10% per annum. AUM is calculated in accordance with a contractual formula set forth in the Indenture that values performing assets at their par value and defaulted interests are valued at the lower of market value, S&P Recovery Rate, Moody's Recovery Rate or Fitch Recovery rate. The fee is calculated by the Trustee and confirmed by the Advisor. The fee is paid by the Trustee to RE CDO in the monthly remittance.

The Advisor's fees are negotiable, but only in the sense that the Management Agreement can be amended or terminated upon the mutual consent of the Advisor and the Client. The Client will incur brokerage and transaction costs. The Client should see Item 12 in this brochure regarding brokerage expenses.

Conflicts may arise in the management of the Assets of the Client. RE CDO acknowledges it has a fiduciary duty to act in the best interest of the Client regardless of compensation. Any conflict of interest will be brought to the attention of the Chief Compliance Officer who will resolve the conflict.

RE CDO does not deduct fees directly from the Client's account. Fees are paid by the Trustee from the accounts of the Client quarterly in arrears in accordance with the Operative Documents.

Other expenses the Client may pay besides management fees include, but are not limited to, (i) any reasonable expenses incurred by it to employ outside lawyers or consultants in accordance

with the Management Agreement and (ii) any reasonable expenses incurred by it (including any reasonable expenses incurred by it to employ outside lawyers or consultants) in connection with the performance of due diligence and (iii) brokerage commissions, transfer fees, registration costs, taxes and other similar costs and transaction-related expenses and fees arising out of transactions effected for the Client's account and the fees and expenses of the other service providers providing services to the Client.

Neither RE CDO nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

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

The Advisor does not receive performance-based fees.

ITEM 7. TYPES OF CLIENTS

RE CDO does not have a minimum client fund size requirement. The Client is the only client to whom RE CDO provides investment advice, and RE CDO currently does not anticipate taking any other clients.

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

Since the end of the reinvestment periods under the Indenture, the Advisor has not purchased new Assets on behalf of the Client. The Advisor's activities in maintaining and selling the Assets largely are controlled by the provisions of the Operative Documents. Thus, the Advisor's primary strategy does not involve frequent trading of securities. The Client's portfolio consists, as required by the Operative Documents, of the Assets.

The investment strategies of RE CDO pose the following material risks to the Client:

- **Limited Flexibility:** Due to the restrictions imposed on the Advisor by the Operative Documents, the Advisor may not be able to manage the assets in the manner that the Advisor believes would be most beneficial to the Client.
- **Limited Liquidity:** There is limited ability to sell the Assets as secondary markets often do not exist and the ability to transfer ownership to another entity is restricted. This risk may be heightened in times of economic downturn or in response to a specific economic event. In addition, loans to middle market companies or special purpose vehicles may trade less frequently than loans to larger companies and, in some instances, have no, or only a limited, trading market.
- **High Leverage:** The Client is highly leveraged and this may result in situations where the interest expense due is greater than interest income collected.
- **Concentration:** The Assets are concentrated in the real estate sector and therefore a downturn in the real estate sector could have a disproportionate negative impact on the Assets.

- Credit: A borrower with respect to an Asset may not make required principal or interest payment under its borrowing terms.
- Nonrecourse: Commercial mortgage loans generally are nonrecourse loans and in the event of a default generally there will be recourse only against the specific properties and other assets that have been pledged to secure such mortgage loans. Even if a commercial mortgage loan provides for recourse to a borrower or its affiliates, the Client is not likely to ultimately recover any amounts not covered by the commercial property. Therefore, the ability of a borrower to repay a loan secured by an income producing property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower.
- Interest Rate and Prepayment: Companies are likely to prepay their outstanding loans during periods of declining interest rates, and since the termination of the reinvestment period, the Advisor's ability to reinvest prepayment proceeds in additional Assets is very limited.
- Non-Investment Grade Investments: Non-investment grade loans will have greater credit and liquidity risk than investment grade obligations and are more likely to be impaired during periods of economic downturn.

The Client (and investors who purchased its securities) should be prepared to bear the risk of loss of principal as a result of investment in the Assets.

Additional risk factors are set out in detail in the Offering Memoranda, which was distributed to investors in the Client.

ITEM 9. DISCIPLINARY INFORMATION

RE CDO has no disciplinary information to report.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither RE CDO nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither RE CDO nor any of its 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.

RE CDO and FWC are related parties, and RE CDO's relationship with FWC is material to its advisory business. There is no conflict of interest created by the relationship between RE CDO and FWC. RE CDO annually pays a fixed amount to FWC in respect of RE CDO's use of certain employees and facilities RE CDO shares with FWC.

RE CDO does not select or recommend other advisers for any client.

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

RE CDO is in the process of completing its written code of ethics. Until complete and issued, RE CDO will abide by the code of ethics to which FWC employees are subject (the "Code"). The purposes of the Code are to (i) to set forth the standards expected by the company in the conduct of company business, (ii) to provide reference to the various company policies that relate to legal and ethical decision making; and (iii) to provide guidance and practical examples regarding the application of these legal and ethical principles, including methods of reporting possible violations and other concerns relating to our standard code of conduct. A copy of the Code can be obtained by contacting Jay Cramer at (617) 570-4600.

ITEM 12. BROKERAGE PRACTICES

RE CDO has full discretionary authority to place trades on behalf of its client. As a result, RE CDO is obligated to obtain best execution for client securities transactions. RE CDO considers best execution to be a duty to execute securities transactions so that a client's total costs or proceeds are the most favorable over the long term. Factors RE CDO may consider when selecting broker-dealers generally include price, the size of the transaction, the nature of the market for such security, the time constraints of the transaction, general market trends and the reputation and experience of any broker or dealer. Since the termination of the reinvestment period specified in the Indenture, the Advisor's brokerage activities have been almost exclusively with respect to the disposition of Assets.

In placing specific orders to sell Assets for the Client, RE CDO considers a number of factors in selecting the appropriate broker-dealer, such as:

- (i) determining which broker-dealers with whom RE CDO conducts business make an active market in the asset;
- (ii) determining what their respective current bid or offer prices, as applicable, are;
- (iii) comparing what, if any, assignment fees may be charged depending on which broker-dealer is selected; and
- (iv) taking into account whether the quoted prices are immediately actionable (i.e. whether the broker-dealer actually owns and is ready to sell an asset, or is ready to confirm an order for purchase).

Because of the nature of its business as a manager to a pool of fixed income real estate related assets, RE CDO does not enter into soft dollar arrangements or accept directions of brokerage from investors.

RE CDO does not consider, in selecting or recommending broker-dealers, whether RE CDO or a related person received client referrals from a broker-dealer or third party. RE CDO does not make or receive Client referrals.

ITEM 13. REVIEW OF ACCOUNTS

Day-to-day monitoring of the Client's portfolio composition enables RE CDO to customize its services to the needs of the Client. Weekly reviews of the Client's performance and portfolio composition are performed by middle and senior management of RE CDO to ensure the Client's portfolio is managed in accordance with the Operative Documents. In addition, as contractually required under the Operative Documents, the Client has engaged an administrator, servicers, an independent accounting firm, and a trustee to perform various review functions with respect to its Assets.

On a monthly and quarterly basis, the Trustee prepares written reports that are distributed on the Trustee's website to the Client and its investors as required by the Operative Documents. RE CDO performs a detailed review of all reports for accuracy and provide approval to the Trustee prior to the posting of the reports. Once a year, the Client engages a certified public accountant to provide testing on the data on the note valuation report from February of the prior year and the aggregate principal amount of the collateral debt securities, eligible investments, and equity securities securing the secured notes as of the immediately preceding calculation date.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Neither RE CDO nor its related persons operate under any arrangement where it or they receive compensation or any economic benefit from a non-client for providing advisory services to a client.

Neither RE CDO nor its related persons, directly or indirectly, compensate any person for client referrals.

ITEM 15. CUSTODY

RE CDO does not have custody of the assets of the Client. Any cash and securities owned by the Client are maintained by the Trustee and can be used by it only according to defined circumstances as outlined in the Operative Documents. The Client and its investors receive account statements prepared and provided by its trustee.

ITEM 16. INVESTMENT DISCRETION

RE CDO has full discretionary authority over the Client's Assets to operate within the parameters of the Operative Documents. RE CDO performs a thorough review of the Operative Documents and engages in day-to-day monitoring of the Client's performance and portfolio composition to ensure customization of its services to the best meet the needs of the Client. Since the termination of the reinvestment periods specified in the Indentures, RE CDO's ability to purchase Assets on behalf of the Client is very limited, and therefore, RE CDO's primary activities currently consist of maintaining, monitoring and disposing of the Assets.

ITEM 17. VOTING CLIENT SECURITIES

RE CDO does not engage in typical proxy voting activities, but considers voting on loan amendments, modifications, waivers and other similar items with respect to the Assets to be similar to proxy voting. Subject to the terms of the Operative Documents, RE CDO has the

authority to vote on behalf of the Client pursuant to its Management Agreement, and the Client otherwise is not able to direct or influence RE CDO's voting.

RE CDO possesses the overall responsibility to ensure compliance with its Operative Documents relating to approval of amendments, modifications and waivers with respect to the Assets. With respect to any such approval, RE CDO proposes a course of action to the Members, and if the Members affirm the proposal, RE CDO will pursue such proposed course of action.

RE CDO's general policy is to vote in favor of proposed amendments it believes to be a necessary aspect of a business's operations and/or that RE CDO believes will preserve or enhance the value of the Assets. RE CDO must act as a fiduciary when voting on behalf of the Client. In that regard, RE CDO will seek to avoid possible conflicts of interest in connection with voting. If a conflict of interest with respect to voting exists, RE CDO must either seek the Client's informed direction or abstain from voting

Additional information regarding RE CDO's voting policies and procedures and any specific voting decision are available upon request. Contact Carolyn Tiffany at 617-570-4600 or ctiffany@firstwinthrop.com to obtain further information.

ITEM 18. FINANCIAL INFORMATION

As of the date of this report, to the best of RE CDO's knowledge, no financial condition exists that is reasonably likely to impair RE CDO's ability to meet contractual commitments to the Client.

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