

Item 1. Cover Page

**Old Orchard Capital Management LP**

90 Park Avenue, 5<sup>th</sup> Floor New York, NY 10016

**Part 2A of Form ADV  
(the “Brochure”)**

Updated: August 15, 2014

This Brochure provides information about the qualifications and business practices of Old Orchard Capital Management LP (the “Adviser”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). Registration with the SEC does not imply a specific level of skill or training. If you have any questions about the contents of this Brochure, please contact Ross Jackman at 212-848-0854 or [r.jackman@oldorchardcapital.com](mailto:r.jackman@oldorchardcapital.com). This information has not been approved or verified by the SEC or by any state securities authority.

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

## Item 2. Material Changes

This Item is not applicable.

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#### Item 4. Advisory Business

The Adviser is an investment advisory firm with its principal place of business in New York, New York. The Adviser commenced operations on January 14, 2014. The Adviser is owned and managed by Ross Jackman and Lawrence R. Fox, the managing members of the Adviser's general partner (the "Managing Members"), Old Orchard Capital Management GP LLC.

The Adviser provides investment advisory services to its advisory clients (collectively, "Clients") which include pooled investment vehicles and separately managed accounts intended for institutional and other sophisticated investors. Investment advisory services provided to each Client are tailored to such Client's specific investment strategy, objectives and restrictions, as set forth in each investment advisory agreement, private placement memorandum, offering circular and/or Client constituent document (collectively, "Governing Documents"). Each Client may have investment restrictions on investing in certain securities or other assets, to the extent that such securities are outside of the applicable Client's existing investment program.

As of August 15, 2014, the Adviser had approximately \$202,500,000 in Client regulatory assets under management, all of which were managed on a discretionary basis.

#### Item 5. Fees and Compensation

The relationship between the Adviser and its Clients is governed by the investment advisory agreements and/or other constituent documents. Fees for advisory services are negotiable. In most cases, either the Adviser or the Client may terminate the investment advisory agreement, without penalty, upon 30 days' prior written notice to the other party. Fees are generally payable quarterly in arrears. However, certain Clients may be charged monthly or quarterly in arrears or in advance. Pursuant to the terms of applicable investment advisory agreements, Clients who pay fees in advance would be refunded a pro rata portion of the fee if the advisory relationship is terminated prior to the end of the relevant billing period. Each investment advisory agreement or other constituent document generally provides for a management fee that is either (i) fixed or (ii) is up to 0.50% per quarter of the basis of assets under management. In addition, some Clients are subject to an incentive fee or incentive allocation of up to 20% of all income, gains and losses derived from portfolio investments.

In addition, Clients will be subject to other investment and related expenses pursuant to the terms of the Client's Governing Documents. Generally, such expenses include but are not limited to: investment expenses; fees of an administrator and custodian; accounting; audit; tax preparation; administration and legal expenses; government filing, licensing and registration fees; costs of holding any meeting of the Client's investors; costs of any liability insurance obtained on behalf of the Client, the Adviser or its affiliates; taxes; cost of any litigation or investigation involving Client activities; costs associated with reporting and providing information to existing and prospective investors; other expenses associated with the operation of the Client; and all extraordinary expenses.

Fees and expenses will generally be deducted directly from Clients that are pooled investment vehicles; fees and expenses for Clients that are separately managed accounts will be either invoiced or deducted directly as provided in the Client's Governing Documents.

#### **Item 6. Performance-Based Fees and Side-by-Side Management**

As discussed in Item 5, the Adviser is paid performance-based compensation by certain of its Clients.

Performance-based compensation may create an incentive for the Adviser to make investments on behalf of Clients that are riskier and more speculative than would otherwise be the case. It may also create an incentive for the Adviser to direct investments in favor of Clients that pay a higher performance-based fee relative to other Clients. Performance-based compensation could be based on unrealized gains that a Client may never realize.

To mitigate these conflicts, the Adviser has implemented a Trade Allocation Policy, as described in the Brokerage Practices section of Item 12 herein and has implemented controls to review investments for compliance with account guidelines and restriction and to review the performance of accounts with similar investment objectives.

#### **Item 7. Types of Clients**

As described in Item 4, the Adviser's Clients are private investment funds and separately managed accounts suitable for institutional and other sophisticated investors. Any initial and additional subscription minimums for investors are disclosed in the Client's Governing Documents.

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

The Adviser will invest and trade in credit markets and will use relative value analysis across credit, structure, sector and duration as well as technical and fundamental analysis. The Adviser may invest in municipal, corporate and sovereign securities as well as structured securities and asset backed products, real estate, mortgage related products, derivatives, debt and equity. The Adviser may invest both long and short and may enter into hedges. Unless specified in a Client's Governing Documents, there may be no limitations on the types of assets, securities, futures or other financial instruments or jurisdictions in which the Adviser may invest on behalf of its Clients. Furthermore, there may be no investment guidelines or limitations with respect to the concentration of assets or securities by jurisdiction, industry, asset class, issuer or otherwise.

Investing in securities involves significant risks, including the risk of loss of some or all of an investment. Prospective investors in a Client should speak with their legal, tax, and financial advisors prior to making an investment in a Client.

This summary does not intend to identify all possible risks of investing in a Client or provide a full description of the identified risks. Please refer to the Governing Documents of each specific Client for additional and specific risk disclosures applicable to such Client:

*Leverage.* The Adviser, on behalf of its Clients, generally will have the power to borrow money without limit or restriction. Leverage may take a variety of forms including without limitation, derivatives, margin, loans, and repurchase agreements. Leverage could substantially increase investment volatility and portfolio losses.

*Short Selling Risk.* Each Client's investment program may include short selling. Short selling involves the risk of loss of an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by a Client in connection with a short sale would need to be returned to the lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar request, a short squeeze can occur, wherein the Client might be compelled, at the most disadvantageous time, to replace the borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received from the transaction.

*Concentration.* A Client's investments may not be diversified among a wide range of types of securities, countries, industry sectors or issuers. Accordingly, each Client's portfolio is subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification.

*Hedging.* There can be no assurances that a particular hedge is appropriate, or that a certain risk is measured properly. Further, while the Adviser may enter into hedging transactions to seek to reduce risk of loss to a Client, such transactions may result in lower overall performance and increased risk for a Client's investment portfolio than if the Adviser did not engage in any such hedging transaction.

*Options.* Purchasing put and call options, as well as writing such options, are highly specialized activities and entail greater than ordinary investment risks.

*Derivatives.* Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instruments, including risks relating to the financial soundness and creditworthiness of the counterparty. In addition, investments in derivative instruments often involve a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the deposit used to buy the position in the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investments underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in condition, none of which can be controlled by the Adviser or the Clients.

*General Economic Conditions.* There can be no assurance that the equity and credit markets will be suitable for investment at any point in time. For example, a recession may result in significant losses to Clients.

*Overall Investment Risk.* All securities investments risk the loss of capital. The investment techniques and strategies and the nature of the securities to be purchased and traded by the Adviser may increase this risk. There can be no assurance that Clients will not incur losses. Many unforeseeable events may cause sharp market fluctuations, which could adversely affect Clients. Changes in economic conditions, including, for example, interest rates, inflation rates, industry conditions, competition, technological developments, political events and trends, changes to tax laws and innumerable other factors, can substantially and adversely affect the performance of the Adviser and its Clients. None of these conditions will be within the control of the Adviser. The extent to which Clients will be able to achieve their investment objectives will depend on the ability of the Adviser to evaluate and develop the information it receives into a successful investment program. The values of the securities and other instruments in which the Adviser will invest fluctuate, and, therefore, the value of the investor's account

at the time of withdrawal or redemption may be more or less than such investor's account at the time of subscription.

*Unregulated Transactions.* Instruments traded by the Adviser will not necessarily be traded on regulated exchanges. As a result, investments may experience price volatility that would not exist if such products were traded on regulated marketplaces. In addition, the absence of regulated exchanges may increase the risks of transacting in the underlying securities, commodities, or derivatives at prices that do not accurately reflect the market clearing price. In addition, the regulation of the municipal bond market is materially less extensive than the regulation of the market for corporate securities. This may increase the risk of loss arising from, among other market distortions, incomplete or incorrect disclosure, market fraud, or manipulation.

*Change in Law.* Investment prospects may be materially affected by changes in law, including tax law, which are impossible to forecast. Certain changes in law and/or adverse interpretations of law, including tax law, could have a material negative impact on performance.

*Market Disruptions.* Clients may incur substantial losses in the event of a market disruption or other extraordinary event. During a market disruption historical pricing relationships could become materially distorted. This risk of loss may be further compounded by a decrease in liquidity which may make it difficult or impossible to close out of positions.

*Liquidity Risk.* Illiquid markets may prevent the Adviser from closing out of positions to realize gains or limit losses. In addition, illiquidity may interfere with the Adviser's ability to obtain accurate market values for positions.

*Lower Credit Quality Investments.* There may be no restrictions on the credit quality of the investments of certain Clients. Instruments in which certain Clients may invest may be deemed by rating companies to be vulnerable to default in payment of interest and/or principal. Other investments may not be rated. Lower-rated and unrated instruments in which Clients may invest are subject to significant uncertainties or major risk exposures to adverse conditions, and are considered to be predominantly speculative in nature.

*Illiquid Instruments.* Certain instruments may have no readily available market or third-party pricing. The Adviser may be unable to sell particular securities when necessary to meet a Client's liquidity needs or in response to a specific economic event, such as the deterioration for creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotation based on actual trades for the purpose of valuing a Client's portfolio.

*Issuer and Counterparty Credit Risk.* The issuer or the guarantor of a debt security or the counterparty to a derivatives contract, may, in certain circumstances, be unable or unwilling to make timely principal and/or interest payments, to return posted collateral or margin, or to otherwise honor its obligations. While the Adviser will take care in selecting reputable financial institutions to trade with there will nevertheless be a risk that any such counterparty could become insolvent or unwilling to honor its obligations, which may result in material losses.

*Dependence on Key Personnel.* The success of the Clients is significantly dependent upon the expertise of the Adviser's professionals, including the Managing Members. The loss of the services of any or all of these individuals could have a material adverse effect on the operations and performance of the Clients.

In addition, the Adviser is not restricted from forming other Client, from entering into other investment advisory relationships, or from engaging in other business activities, even though such activities may be in competition with existing Clients and/or may involve substantial time and resources of the Adviser and its management team.

*Electronic Communications.* The Adviser, on behalf of its Clients, may provide investors with statements, reports and other communications relating to the Client in which such investor has invested in electronic form such as email (“Electronic Communications”). Electronic Communications may be modified, corrupted or contain viruses or malicious code, and may not be compatible with an investor’s electronic system. In addition, reliance on Electronic Communications involves the risk of inaccessibility, power outages or slowdowns for a variety of reasons. The periods of inaccessibility may delay or prevent receipt or reports or other information by an investor.

*Reliance on Technology/Systems.* The Adviser’s trading strategy is dependent upon various computer and telecommunications technologies and systems, including those provided by third parties such as prime brokers, market counterparties and other service providers. The strategies, and various other critical activities of the Adviser could be severely compromised by telecommunications failures, power loss, software related system crashes, fire or water damage, or various other events or circumstances. The failure, corruption or breach of one or more of these technologies or systems could have a material adverse effect on the operations, financial condition and prospects of the Clients.

#### **Item 9. Disciplinary Information**

This Item is not applicable.

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

The Adviser and certain of its affiliates, are registered as a Commodity Pool Operator and a Commodity Trading Advisor with the Commodity Futures Trading Commission.

The Adviser has entered into a Services Agreement with FNY Capital Management LP (“FNY”) and consequently may conduct certain of its operations from the offices of FNY. The Adviser may purchase and utilize various information and technology systems maintained or procured by FNY as well as certain support service provided by FNY. As a result of the Adviser’s relationship with FNY, the Adviser may be subject to certain laws, regulations or policies, including FNY’s restricted securities list, that may limit the amount of a particular security that the Adviser may purchase or sell for its Clients or may affect the timing of such purchase or sale.

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

The Adviser has adopted a Code of Ethics (the “Code”) that obligates the Adviser and its related persons to put the interests of the Clients before their own interests and to act honestly and fairly in all respects in their dealings with the Clients. All of the Adviser’s personnel are also required to comply with applicable federal securities laws. For additional information about the Code, contact Lawrence Fox by email at [l.fox@oldorchardcapital.com](mailto:l.fox@oldorchardcapital.com) or by telephone at 212-848-0756.

The Adviser, in the course of its investment management and other activities, may come into possession of confidential or material nonpublic information about issuers of securities, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of a Client. The Adviser is

prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, including its Clients. The Adviser maintains written policies and procedures reasonably designed to prohibit the communication of such information to persons who do not have a legitimate need to know such information and to otherwise ensure that the Adviser is acting in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security. The Adviser and its personnel are prohibited from communicating such information with respect to any Client or using such information for any Client's benefit.

To the extent that the Adviser or its related persons invest in the same securities that the Adviser or a related person recommends to a Client, such practices present a conflict where, the Adviser or its related person is in a position to trade in a manner that could adversely affect a Client. In addition to affecting the Adviser's or its related person's objectivity, these practices by the Adviser or its related persons may also harm a Client by adversely affecting the price at which the Client's trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts: the Adviser requires its related persons to pre-clear all reportable transactions in their personal accounts with the Adviser's chief compliance officer (the "Chief Compliance Officer") or his delegate, who may deny permission to execute the transaction if such transaction will have any adverse economic impact on a Client. In addition, the Code prohibits the Adviser or its related persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All related persons to the Adviser are also required to provide broker confirmations of each transaction in which they engage and a quarterly certification of such transactions. Trading in employee accounts will be reviewed by the Chief Compliance Officer and compared with transactions for the Client accounts and reviewed against the restricted securities list.

To the extent the Adviser buys or sells securities for a Client, at or about the same time that the Adviser or a related person buys or sells the same securities for its own account the Adviser and the related person, if applicable, will do so in accordance with the procedures described above in order to minimize the conflicts stemming from situations where the contemporaneous trading would result in an economic benefit for the Adviser or its related person to the detriment of the Client.

#### **Item 12. Brokerage Practices**

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution.

In selecting a broker-dealer to execute transactions and determining the reasonableness of the broker-dealer's compensation the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, the Clients may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate.

The Adviser may receive research or brokerage services from a broker-dealer and/or a third party in connection with a Client's securities transactions. This is known as a "soft dollar" relationship. Currently, the Adviser has no formal soft dollar arrangements. To the extent the Adviser enters into any soft dollar



arrangements, the Adviser will limit the use of “soft dollars” to obtain services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934.

The Adviser may arrange for a transaction between certain Clients, in which one Client buys a security from, or sells a security to, the account of another Client (“cross transactions”). The Adviser receives no compensation (other than its advisory fee), directly or indirectly, for effecting a particular cross transaction. The Adviser engages in cross transactions only after determining the transaction is in the best interest of each participating Client and that the securities or other instruments are suitable and appropriate for each Client.

Orders for the same security or obligation entered on behalf of more than one Client will generally be aggregated subject to the aggregation being in the best interest of all participating Clients. All Clients participating in each aggregated order shall generally receive the average price and pay a pro rata portion of commissions and/or execution costs.

If a security or other instrument is suitable for multiple Clients, it will generally be allocated pro rata across the applicable Clients pursuant to the Adviser’s Trade Allocation Policy. The Adviser may consider the following factors, among others, in allocating securities among its Clients: (i) each Client’s investment objective and strategy; (ii) available capital (which may include leverage); (iii) the maximum position size or any restrictions or guidelines applicable to a particular Client; (iv) each Client’s risk profile; (v) tax status and restrictions placed on the Client’s portfolio by the Client or by applicable law; (vi) size of the Client; (vii) nature and liquidity of the security to be allocated; (viii) size of available position; (ix) minimum or round lot restrictions; (x) current market conditions; and (xi) account liquidity, account requirements for liquidity and timing of cash flows. Taking these factors into account, the Adviser may allocate certain investment opportunities in a manner other than pro rata but will strive to allocate trades and investment opportunities in a manner that is fair and equitable to all Clients over time.

### Item 13. Review of Accounts

The Managing Members regularly review and monitor each Client’s investment portfolio to determine whether positions should be maintained in view of, among other things, current market conditions. The Adviser’s review may consider specific securities held, adherence to investment guidelines and the Client’s performance.

Investors in each Client will receive reports as described in that Client’s Governing Documents.

### Item 14. Client Referrals and Other Compensation

The Adviser may receive certain research or other services from broker-dealers through “soft dollar” arrangements. “Soft dollar” arrangements may create an incentive for the Adviser to select or recommend broker-dealers based on the Adviser’s interest in receiving the research or other products or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by the Adviser on behalf of a Client. Currently, the Adviser has no formal soft dollar arrangements in place.

### Item 15. Custody

This Item is not applicable.

#### Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to its Clients. Please see Item 4 for a description of any limitations the Clients may place on the Adviser's discretionary authority.

The Adviser entered into an investment management agreement with each of the Clients, which sets forth the scope of the Adviser discretion, prior to assuming full discretion in managing the Clients' assets.

The Adviser has the authority to determine (i) the securities to be purchased and sold for each Client, subject to each Client's investment restrictions, and (ii) the amount of securities to be purchased or sold for each Client. Because of the differences in the Clients' respective investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among the Clients in invested positions and securities held. The Adviser's Trade Allocation Policy is also discussed in Item 12.

The General Partner and/or the Adviser has and may in the future enter into agreements or "side letters," with certain prospective or existing investors whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the offering memorandum or other Governing Document for a particular Client. For example, such terms and conditions may provide for special rights to make future investments in a Client, other investment vehicles or managed accounts; special withdrawal rights relating to frequency, notice, a reduction or rebate in fees or withdrawal penalties to be paid by the investor and/or other terms; rights to receive reports from the Client on a more frequent basis or that include information not provided to other investors (including, without limitation, more detailed information regarding portfolio positions) and such other rights as may be negotiated by the Client and such investor. The modifications are solely at the discretion of the Client and may, among other things, be based on the size of the investor's investment in the Client, with an affiliated investment entity or a managed account, an agreement by an investor to maintain such investment in the Client for a significant period of time, or other similar commitment by an investor to the Client.

#### Item 17. Voting Client Securities

To the extent the Adviser has been delegated proxy voting authority on behalf of a Client, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where the Adviser votes proxies with respect to a Client's securities, such proxies are voted in the best interests of the Client.

If a material conflict of interest between the Adviser and the Client exists, the Adviser will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interests of the Clients or take some other appropriate action.

For additional information about the Adviser's proxy voting policies and procedures and information about how the Adviser voted the Partnerships' proxies, please contact Lawrence Fox at 212-848-0756 or [l.fox@oldorchardcapital.com](mailto:l.fox@oldorchardcapital.com).

#### Item 18. Financial Information

This Item is not applicable.

