

Item 1 – Cover Page

LAPIS ADVISERS, LP
12 FUNSTON AVENUE, SUITE A
THE PRESIDIO OF SAN FRANCISCO
SAN FRANCISCO, CA 94129
415-376-6280
LAPISADVISERS.COM
MARCH 31, 2015

This Brochure provides information about the qualifications and business practices of Lapis Advisers, LP. If you have any questions about the contents of this Brochure, please contact us at 415-376-6280 and/or info@lapisadvisers.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.

Lapis Advisers, LP 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 Lapis Advisers, LP also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since our last brochure dated October 28, 2014, Lapis Advisers, LP changed auditors to Ernst and Young LLP and EisnerAmper LLP. In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting [Kjerstin Hatch, Managing Principal](#) at 415-376-6280 or khatch@lapisadvisers.com. Our Brochure is also available on the investor portion of our web site www.lapisadvisers.com free of charge.

Additional information about [Lapis Advisers, LP](#) is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with [Lapis Advisers, LP](#) who are registered, or are required to be registered, as investment adviser representatives of [Lapis Advisers, LP](#).

Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents.....	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	1
Item 6 – Performance-Based Fees and Side-By-Side Management.....	2
Item 7 – Types of Clients	2
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	2
Item 9 – Disciplinary Information	3
Item 10 – Other Financial Industry Activities and Affiliations.....	4
Item 11 – Code of Ethics.....	4
Item 12 – Brokerage Practices	5
Item 13 – Review of Accounts	6
Item 14 – Client Referrals and Other Compensation	6
Item 15 – Custody	6
Item 16 – Investment Discretion	7
Item 17 – Voting Client Securities	7
Item 18 – Financial Information.....	7
Brochure Supplement(s)	

Item 4 – Advisory Business

Lapis Advisers, LP has been an Investment Adviser to clients since 2010. Kjerstin Hatch, MPF Advisers, LP, and Barbara Terrell are the principal owners owning 75%, 12.5%, and 12.5%, respectively, of Lapis Advisers, LP.

Lapis Advisers, LP's advice is furnished on appropriate investments for limited partnerships, investing in real estate investment trust, distressed trade claims, municipal bonds, corporate bonds, bank debt, equity securities and other illiquid securities and investments. The adviser, through in-house and outside independent contractors' research and property inspections, generates research reports and financial models. Compensation is set by negotiations and written contacts with investment funds. With investors who are qualified to pay performance-based fees under the Investment Advisers Act of 1940, performance fees may be charged. Fees are negotiable. Clients are not requested to pay before work is done. Agreements cannot be terminated except pursuant to contractual buy-out provisions. The client should be aware that comparable investment advisory services may be available for lower fees from other sources. Some fees are payable quarterly for services rendered during the following quarter.

As of December 31, 2014, Lapis Advisers, LP managed six clients on a discretionary basis with a total of \$98,253,133 in assets and does not manage any clients on a non-discretionary basis.

Item 5 – Fees and Compensation

All fees are subject to negotiation.

The specific manner in which fees are charged by Lapis Advisers, LP is established in a client's written agreement with Lapis Advisers, LP. Lapis Advisers, LP will generally bill its fees on a quarterly basis. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Lapis Advisers, LP's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot

differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Such charges, fees and commissions are exclusive of and in addition to Lapis Advisers, LP's fee, and Lapis Adviser's LP shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Lapis Advisers, LP considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Lapis Advisers, LP has entered into performance fee/carried interest arrangements with qualified clients: such fees are subject to individualized negotiation with each such client. Lapis Advisers, LP will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Lapis Advisers, LP shall include realized capital gains and losses. Performance based fee arrangements may create an incentive for Lapis Advisers, LP to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Lapis Advisers, LP has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients. It allocates trades according to a written trade allocation policy, which determines which clients are entitled to purchase which assets, with the intent being that this conflict is avoided.

Item 7 – Types of Clients

Lapis Advisers, LP provides portfolio management services to limited partnerships.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Lapis Advisers, LP will perform a detailed analysis of the securities it believes may be suitable for acquisition by the client. Lapis Advisers, LP will review information obtained from various sources, including the seller, bankruptcy filings, the issuer, real estate publications, SEC filings, state securities filings, and other materials. During the detailed evaluation, Lapis Advisers, LP may use a number of procedures, some of which are described below, although such procedures will not necessarily be followed in all cases. First, Lapis Advisers, LP will estimate the current value of the assets owned by the issuer of the security based on evaluation methods deemed to be appropriate. Second, Lapis Advisers, LP will review the legal rights of the security analyzed to such assets. Third, Lapis Advisers, LP will estimate the net equity value of the issuer's securities by adjusting the aggregate net value of its assets to take into account (i) other rights to assets of the issuer, (ii) the issuer's liabilities, (iii) the estimated cash flow or changes to asset value of the issuer during the projected hold of the investment, (iv) the estimated amount of time it may take to sell or otherwise realize upon the assets of the issuer, and (v) an allowance for any uncertainty based on incomplete or conflicting information. Fourth, Lapis Advisers, LP will determine the net equity value per security by dividing the aggregate net equity value of all of the outstanding securities of the issuer by the number of outstanding securities. Fifth, Lapis Advisers, LP may adjust the net equity value per unit to take into account the illiquid position of a security holder.

Investing in securities involves risk of loss that clients should be prepared to bear. Lapis Advisers, LP may make errors in its calculations and estimates. If it does, this could result in loss of potential profit or loss of invested capital. Many of these risks are discussed with investors in the clients.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Lapis Advisers, LP or the integrity of Lapis Adviser's management. Lapis Advisers, LP has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Lapis Advisers, LP's executive officers' business also includes providing administrative services to limited partnerships acting as general partner to limited partnerships. Lapis Advisers, LP is partially owned by MPF Advisers, LP; an SEC registered Investment Adviser (SEC File No. 801-50572).

Lapis Advisers, LP does not intend to offer services to the general public, restricting its advisory services to existing clients who are private investment limited partnerships. Full disclosure of the relationship between Lapis Advisers, LP and its affiliates is made in the Limited Partnership Agreement provided to individual investors in such investment funds.

Item 11 – Code of Ethics

Lapis Advisers, LP has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Lapis Advisers, LP must acknowledge the terms of the Code of Ethics annually, or as amended.

Lapis Advisers, LP anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Lapis Advisers, LP has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Lapis Advisers, LP, its affiliates and/or clients, directly or indirectly, have a position of interest. Lapis Advisers, LP's employees and persons associated with Lapis Advisers, LP are required to follow Lapis Advisers, LP's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Lapis Advisers, LP and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Lapis Advisers, LP's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Lapis Advisers, LP will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their

own accounts. The Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Lapis Advisers, LP and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Lapis Advisers, LP's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Lapis Advisers, LP will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Lapis Advisers, LP's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Kjerstin Hatch.

While Lapis Advisers, LP does not currently affect any principal or agency cross securities transactions for client accounts, the firm may do so in the future. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

The majority of securities recommended by Lapis Advisers, LP are securities traded in the informal secondary market, although some are listed on a national exchange. For securities listed on a national exchange, Lapis Advisers, LP will normally place orders through Western International Securities, a FINRA-registered broker/dealer, although under

circumstances where Lapis Advisers, LP believes it beneficial to its clients, other broker/dealers will be used. For securities purchased in the informal secondary market for real estate securities, Lapis Advisers, LP will use one of approximately ten different broker/dealers who specialize in services in the market. Orders are generally placed depending on availability of bids or offers of securities at prices which meet the criteria of Lapis Advisers, LP. While it is possible that Lapis Advisers, LP will place security orders with broker/dealers at commission rates higher than offered by others in return for services, Lapis Advisers, LP does not anticipate such occurrences except under unusual circumstances which provide significant benefits to Lapis Advisers, LP's clients.

Item 13 – Review of Accounts

Kjerstin Hatch, manager of the General Partner of Lapis Advisers, LP, reviews each client's account at least quarterly to assure that the portfolio of investment meets with the stated objectives of the client and/or to determine if any investment ought to be purchased or sold. An extensive review and report to clients is made quarterly in writing including the presentation of unaudited financial reports. Total clients to which Lapis Advisers, LP has an advisory relationship is six and the review function is solely allocated to Ms. Hatch.

Item 14 – Client Referrals and Other Compensation

Lapis Advisers, LP does not have any applicable arrangements for this item.

Item 15 – Custody

Lapis Advisers, LP has custody of client funds and securities. The funds and securities are all held by qualified custodians, who send quarterly or monthly account statements to the Company. On behalf of such clients, Lapis Advisers, LP carefully reviews those statements.

Under the Investment Advisers Act, Lapis Adviser, LP has retained Ernst and Young LLP and EisnerAmper LLP to audit our clients on a yearly basis, beginning with the fiscal year ending December 31, 2014. Such audited financial statements will be sent to the investors of Lapis Advisers, LP's clients after they are completed.

Item 16 – Investment Discretion

Lapis Advisers, LP usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, [Lapis Advisers, LP](#) observes the investment policies, limitations and restrictions of the clients for which it advises.

Investment guidelines and restrictions must be provided to [Lapis Advisers, LP](#) in writing.

Item 17 – Voting *Client* Securities

Whenever [Lapis Advisers, LP](#) or its affiliate is in a position to vote proxies on behalf of its clients, Lapis Advisers, LP or its affiliate will determine whether or not the matters are of sufficient importance to vote, and if so, will follow the guidelines set forth in its compliance manual, as summarized below.

Generally, Lapis Advisers, LP will generally vote as follows: (i) in favor of the management-proposed slate of directors or for limited liability of directors; (ii) to ratify its choice of independent auditors; (iii) in accordance with the management on changes in corporate structure or stock splits; (iv) in favor of proposals that give shareholders a greater voice in the affairs of a company and oppose any measure that seeks to limit such rights; (v) in favor proposals that promote transparency and accountability. We believe proxy votes dealing with corporate reorganizations, plans of liquidation and/or plans of reorganization are an extension of the investment decision. Accordingly, we will analyze such proposals on a case-by-case basis and vote in accordance with our perception of our Funds' interests. We will review proposals related to social, political and environmental issues to determine whether they may adversely affect shareholder value. We may abstain from voting on such proposals where they do not have a readily determinable financial impact on shareholder value.

Clients may obtain a copy of [Lapis Advisers, LP's](#) complete proxy voting policies and procedures upon request. Clients may also obtain information from [Lapis Advisers, LP](#) about how it voted any proxies on behalf of their account(s).

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about **Lapis Advisers LP's** financial condition. **Lapis Advisers LP** has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 1- Cover Page

Kjerstin Hatch LAPIS ADVISERS, LP

12 Funston Avenue, Suite A, The Presidio of San Francisco

San Francisco, CA 94129

415-376-6280

March 31, 2015

This Brochure Supplement provides information about Kjerstin Hatch that supplements the Lapis Advisers, LP Brochure. You should have received a copy of that Brochure. Please contact Lapis Advisers, LP if you did not receive its Brochure or if you have any questions about the contents of this supplement.

Item 2- Educational Background and Business Experience

Kjerstin Hatch (DOB: 12/9/1972) earned a BA in the Political Economy of Industrialized Societies from the University of California, Berkeley. Kjerstin Hatch is a Managing Principal and Founder of Lapis Advisers. Mrs. Hatch has focused her career in special situation securities that require expert analysis and management. She has served as a portfolio manager and acquisitions specialist in alternative investments for over fifteen years, managing over 750 investments in illiquid real estate and other non-traded equity vehicles and over 120 distressed and bankrupt companies totaling in excess of \$1 billion.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Item 4-6

These items are not applicable.