

**Brochure**  
(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of CorAmerica Capital, LLC (“CorAmerica”). If you have any questions about the contents of this brochure, please contact Chien-Huang Chen, Chief Compliance Officer, at 310-606-8440 or [tchen@coramerica.com](mailto:tchen@coramerica.com)

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

March 27, 2015

**Item 2: Material Changes**

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**Annual Update**

Item 2 is currently not applicable and will be updated in the Annual Update.

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#### **Item 4: Advisory Business**

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##### **A: Firm Description**

CorAmerica Capital, LLC (“CorAmerica”) is a Delaware limited liability company formed on January 29, 2009. CorAmerica is principally owned indirectly through private intermediate subsidiaries by William Petak, an individual resident of the State of California, Ross Dworman, also an individual resident of the State of California and HRG Group, Inc., a Delaware corporation that is a publicly-traded company.

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##### **B: Types of Advisory Services**

CorAmerica provides investment advisory services on a non- discretionary basis to institutional clients (each, a “Client,” and collectively, the “Clients”). CorAmerica provides investment advice only with respect to the following limited types of investments: loans secured by real property and commercial improvements, interests in loans, real estate and commercial mortgage-based securities (“CMBS”).

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##### **C: Tailored Services**

CorAmerica can tailor its advisory services to the particular needs of Clients. Under certain circumstances, Clients may impose restrictions on investing in certain types of investments.

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##### **D: Wrap Fee Programs**

CorAmerica does not participate in any wrap fee programs.

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##### **E: Client Assets Under Management**

As of December 31, 2014, CorAmerica had regulatory assets under management totaling approximately \$527,318,886, all of which are managed on a non-discretionary basis. Currently, CorAmerica has no assets managed on a discretionary basis.

## **Item 5: Fees and Compensation**

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### **A. Description**

Since CorAmerica's brochure will only be delivered to "qualified purchasers," as such term is defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended, the information requested by Item 5A has not been provided in this brochure. Such information is available in the investment advisory agreement entered into between CorAmerica and the Client.

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### **B. Fee Billing**

CorAmerica bills Clients in arrears for fees incurred by sending such Client an invoice on a monthly or quarterly basis. Such fees may include a fee with respect to each loan purchased or originated by CorAmerica (the "Loan Origination Fee") and a monthly or quarterly fee in connection with CorAmerica's investment management services ("Investment Management Services").

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### **C. Other Fees and Expenses**

Each Client shall bear and be charged with all costs and expenses incurred by CorAmerica in providing services to the Client, including without limitation, due diligence and closing fees in connection with a loan origination, and any expenses incurred by CorAmerica during the performance of its servicing duties, including without limitation prepayment or exit fees, fees and costs associated with other miscellaneous services agreed to in advance by the Client, reimbursement of CorAmerica or its affiliates by a borrower of the reasonable costs and fees of third-party legal counsel, accountants, appraisers, real estate brokers, contractors, engineers, insurance brokers and other agents engaged by CorAmerica or its affiliate. CorAmerica may also charge a Client commitment fees, closing and due diligence fees, servicing fees, prepayment or exit fees and disposition fees, which shall be documented in the applicable investment advisory agreement signed by the Client. Such fees are typically due within thirty (30) days of receipt of such invoice.

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### **D. Fees in Advance**

Investment Management Services are billed monthly or quarterly in arrears by CorAmerica. CorAmerica does not currently bill its Clients any fees in advance.

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### **E. Securities Compensation**

Not applicable.

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

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CorAmerica currently accepts performance-based compensation (“Promote Fees”) from a few of its Clients as documented in the operating agreements for such Clients.

**Item 7: Types of Clients**

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**Description**

CorAmerica currently provides investment advisory services on a non-discretionary basis to institutional clients including insurance companies, pooled investment vehicles and other investment advisers.

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

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### **A. Methods of Analysis and Investment Strategies**

CorAmerica is a commercial real estate company investing in both debt and equity. CorAmerica invests its Clients' assets on a non-discretionary basis in senior loans, commercial mortgage-backed securities ("CMBS"), bridge lending, structured debt, REIT debt, commercial real estate related corporates and equity. CorAmerica assesses the potential risk-adjusted returns and inefficiencies in the marketplace before making a particular investment (each, an "Investment," and collectively, the "Investments").

CorAmerica conducts comprehensive commercially reasonable analysis and due diligence with respect to each loan investment, which will typically include a review of:

1. Primary strengths, risk and risk mitigants associated with the Investment;
2. Borrower and key sponsors: entity type(s), ownership structure, experience, financial strength and background and credit profile(s);
3. Property: property type, location, physical attributes, age, condition, functionality, cash flow and valuation;
4. Tenancy: rent roll, major leases and key tenant financial strength;
5. Market: market and submarket occupancy levels and key supply and demand factors;
6. Investment structure: term, loan amount, interest rate, rate reset provisions, call rights, amortization schedule, capital structure, prepayment provisions, extension provisions, credit enhancements, guarantees, fees, etc.
7. Performance of the Investment with CorAmerica's proprietary credit risk rating model, along with other credit risk analysis; and
8. Property due diligence reports prepare at borrower's expense by vendors selected by CorAmerica, including an MAI appraisal, environmental report, property physical condition report and for properties located in know seismically active zones, a seismic report.

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### **B and C. Material Risks for Investment Strategies and Types of Securities:**

CorAmerica's Investments involve a high degree of risk and are suitable only for persons having substantial financial resources who understand the consequences of, and the risks associated with such an investment. Some of those risks are summarized below. Clients should carefully consider all the risks discussed below and should consult their own legal, tax, and financial advisers about these and other risks associated with these Investments.

Such Investments involve risk of loss that Clients should be prepared to bear, including total loss of the invested amount.

***Disruptions in global capital and credit markets may have a material adverse effect on the Investments.***

Recent conditions in the global markets and economy are unprecedented and have become a challenge that generated tighter credit conditions, slower growth and recession in most of the major economies in 2009 and has continued until 2014. Despite signs of recovery, there is continuing concern about the systemic impact of inflation, the availability and cost of credit, the decline in property values and geopolitical problems that contribute to volatile markets and uncertain expectations for the global economy. These conditions, together with decreased levels of business and consumer confidence, rising unemployment and volatile oil prices, contributed to unprecedented levels of volatility in capital markets during recent years. Any additional disruption, continued or recurring, to the capital markets and credit can adversely affect the Investments and its ability to pay distributions. As a result of these market conditions, cost and availability of credit have been and may continue to be adversely affected. Concern about the stability of the markets in general and the strength of the counterparties in particular has led many institutional investors and creditors to reduce and in some cases fail to provide financing to businesses and consumers.

***We operate in a highly competitive market for investment opportunities.***

A number of entities will compete with us to make the types of investments that we plan to make. We will compete with other domestic and foreign public and private funds; commercial and investment banks, private and public finance companies, and a number of other investors. Many of our competitors are substantially larger and have considerably greater financial, technical and marketing resources than we do. Some competitors may have a lower cost of funds and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establishment relationships than us. We cannot assure you that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations. Also, as a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we can offer no assurance that we will be able to identify and make investments that are consistent with our investment objective.

***A prolonged economic downturn or recession would adversely affect our financial results.***

An economic downturn or a recession may have a significant adverse impact on our operations and our financial condition because it could negatively affect the value of properties underlying our Investments at a time when defaults on the mortgage loans underlying our Investments are more likely. Accordingly, we could experience larger than anticipated losses on our Investments due to higher loss rates on the underlying mortgage loans.

## **REAL ESTATE LOANS INVESTMENT RISKS**

### ***General risks.***

A significant portion of Clients' capital will be invested in real estate assets and/or loans secured by real property. Real property investments, like all investments, are subject to varying degrees of risk. The yields available from Investments depend on the amount of revenue generated and expenses incurred. If Investments do not generate sufficient revenues to meet their acquisition and operating expenses, the Clients' cash flow and ability to pay distributions may be adversely affected. The revenues generated by, and the value of, a particular Investment may be adversely affected by a number of factors, including: the cyclical nature of the real estate market; national, regional and local economic climates; local real estate market conditions; fluctuations in operating costs; changes in interest rates; and the availability, cost and terms of financing. Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, the availability of financing and potential liability under changing environmental and other laws.

### ***Development risks.***

The Clients may participate in real estate developments and may be subject to the risks normally associated with such activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Clients, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the Investment and on the amount of funds available for distribution. Properties under development or properties acquired for development may receive little or no cash flow from the date of acquisition through the date of completion of development and may continue to experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that makes such development less attractive than at the time it was commenced.

### ***Zoning risks.***

Governmental authorities at the federal, state and local levels are actively involved in the promulgation and enforcement of regulations relating to land use, zoning restrictions and building and development requirements. Regulations may be promulgated which could have the effect of restricting or curtailing certain uses of existing structures or requiring that such structures be renovated or altered in some fashion. Such regulations could have the impact of increasing the expenses and lowering the profitability of any of the properties affected thereby and/or preventing completion of development activities as originally planned.

### ***Environmental.***

The Investments may be subject to various federal, state and local laws, ordinances, regulations and administrative rulings, which, among other things, establish standards for the treatment, storage and disposal of hazardous waste. Joint and several liabilities may be imposed on past and present owners and users of real property for hazardous substance remediation and removal costs without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. Although CorAmerica intends to comply with applicable environmental rules and regulations, the Investments may be exposed to substantial risk of loss from environmental claims arising in respect of real estate acquired with undisclosed or unknown environmental liabilities. Also, CorAmerica cannot give any assurance that such conditions do not exist or may not arise in the future and the presence of such substances on the Clients' real estate Investments could adversely affect the Clients' ability to sell such Investments or to borrow using such Investments as collateral and also may have an adverse effect on the Clients' distributable cash flow and the value of the Investment. Under such environmental laws, the Clients could be liable for, among other things, the cost of removal or remediation of certain hazardous or toxic substances. The cost of any required remediation and the Clients' liability therefor as to any property are generally not limited under such laws and could exceed the value of the property underlying the Investments. Therefore, the Clients may be exposed to substantial risk of loss from environmental claims arising in respect of any real properties underlying the Investments.

### ***Expedited transactions.***

Investment analyses and decisions by CorAmerica may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to CorAmerica at the time of making an investment decision may be limited, and it may not have access to detailed information regarding the investment property, such as physical characteristics, environmental matters, zoning regulations or other local conditions affecting an investment property. Therefore, no assurance can be given that CorAmerica will have knowledge of all circumstances that may adversely affect an Investment. In addition, CorAmerica expects to rely upon independent consultants in connection with its evaluation of proposed investment properties, and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants.

### ***Impact of future terrorist activity.***

The terrorist attacks in the United States on September 11, 2001 disrupted the global financial and insurance markets and negatively impacted the global economy in general. Clients' Investments or the areas in which they are located could be subject to future acts of terrorism. In addition to the potential direct impact of any such future act, future terrorist attacks and the anticipation of any such attacks could have an adverse impact on the U.S. financial and insurance markets and economies, thus harming the demand for and the value of the Clients' Investments.

## **CMBS INVESTMENT RISKS**

CMBS evidence interests in or are secured by a single commercial mortgage loan or a pool of commercial mortgage loans. Accordingly, the CMBS that the Clients will invest in are subject to all of the risks of the underlying mortgage loans described above.

***Illiquidity of Investments.***

Clients' Investments may also be subject to certain transfer restrictions, including restrictions under applicable securities laws that may also contribute to illiquidity. Similarly affecting liquidity, CorAmerica and/or the Clients may from time to time possess material, non-public information about a borrower, which could limit the ability of CorAmerica and/or the Clients to buy and sell Investments.

***Real Estate Investment Risk.***

Clients' assets may be invested in assets secured by real estate. Real estate investments are subject to various risks, including acts of God, including earthquakes, hurricanes, floods and other natural disasters, which may result in uninsured losses; acts of war or terrorism, including the consequences of terrorist attacks; adverse changes in national and local economic and market conditions; changes in governmental laws and regulations, fiscal policies and zoning ordinances and the related costs of compliance with laws and regulations, fiscal policies and ordinances; environmental liabilities, including costs of remediation and liabilities associated with environmental conditions; and uninsured or under-insured property losses and property losses for which insurance coverage is unavailable. If any of these or similar events occur, it may reduce the return from an affected property or investment and thus adversely impact the Clients' Investment.

Commercial mortgage loans are secured by multifamily or commercial property and are subject to risks of delinquency and foreclosure and risks of loss that are material. 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. If the net operating income of the property is reduced, the borrower's ability to repay the loan may be impaired. Net operating income of an income producing property can be affected by, among other things: tenant mix, success of tenant businesses, property management decisions, property location and condition, competition from comparable types of properties, changes in laws that increase operating expense or limit rents that may be charged, any need to address environmental contamination at the property, the occurrence of any uninsured casualty at the property, changes in national, regional or local economic conditions and/or specific industry segments, declines in regional or local real estate values, declines in regional or local rental or occupancy rates, increases in interest rates, real estate tax rates and other operating expenses, changes in governmental rules, regulations and fiscal policies, including environmental legislation, acts of God, terrorism, social unrest and civil disturbances.

In the event of any default under a mortgage loan beneficially owned by the Clients, the Clients may bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the mortgage loan. In the

event of the bankruptcy of a mortgage loan borrower, the mortgage loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the mortgage loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent the lien is unenforceable under state law.

Foreclosure of a mortgage loan can be an expensive and lengthy process which could have a substantial negative effect on the Clients' anticipated return on the foreclosed mortgage loan.

### ***Interest Rate Risk.***

"Interest rate risk" refers to the risks associated with market changes in interest rates. Most CMBS (especially those with fixed rates) in which CorAmerica expects to invest are particularly subject to interest rate risk and typically decline in value when long-term interest rate increases. Even in the case of CMBS that are guaranteed by Fannie Mae, Freddie Mac or Ginnie Mae such guarantees do not protect the Clients from declines in market value caused by changes in interest rates. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. In the case of CMBS collateralized by ARMs, increases in interest rates can lead to increases in delinquencies and defaults as borrowers become less able to make their mortgage payments following payment resets. Declines in market value, if not offset by any corresponding gains on hedging instruments, may ultimately reduce earnings or result in losses to the Clients.

### ***Market Risk.***

The price of CMBS could be affected by factors affecting securities markets generally, such as real or perceived adverse economic conditions, supply and demand for particular instruments, changes in the general outlook for the real estate market or corporate earnings, interest rates or adverse investor sentiment generally. The market values of Clients' Investments may decline for a number of reasons, including increases in defaults resulting from changes in overall economic conditions, increases in prepayments resulting from increased borrower mobility or the availability of "cash-out," refinancing opportunities, and widening of credit spreads. Unfavorable market conditions may also increase the Investments' funding costs, limit its access to the capital markets or result in a decision by lenders not to extend credit to Investments. These events could have an adverse effect on the operating results of Investments.

### ***Credit Risk.***

In general, credit risk is broadly gauged by the credit ratings of the securities in which the Clients invests. However, ratings are only the opinions of the agencies issuing them, may change less quickly than relevant circumstances, are not absolute guarantees of the

quality of the securities and are subject to downgrade. Furthermore, the Clients' assets may not be rated by any rating agency or may be below investment grade. Clients will be more dependent upon the judgment of the Managing Entities as to the credit quality of such unrated securities.

CMBS investments are also subject to credit risk, i.e., the risk that an issuer of securities will be unable to pay principal and interest when due, or that the value of the security will suffer because investors believe the issuer is less able to pay. In particular, with respect to CMBS and related Investments in which the Clients will invest, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect the Clients' credit risk. Securities in which the Clients may invest may be deemed by rating companies to have substantial vulnerability to default in payment of interest and/or principal. Other securities may have the lowest quality ratings or may be unrated. In the case of below-investment-grade (or unrated) CMBS and related investments, these securities will generally be subordinated to other more "senior" securities of the same issue or series. The default-related risks of the underlying mortgages or assets may be severely magnified in subordinated securities. Default risks may also be further pronounced in the case of CMBS and related investments secured by, or evidencing an interest in, a relatively small or less diverse pool of underlying mortgage loans or assets. Accordingly, these securities may experience significant price and performance volatility with respect to a variety of market and non-market factors.

#### ***Concentration of Investments.***

Clients' Investments are concentrated in relatively few strategies, industries or markets. In addition, because of the type of Investments in which the Clients invests, the Clients may be especially susceptible to risks related to the real estate and mortgage sectors of the economy. Such non-diversification would make the Clients more susceptible to risks associated with a single economic political or regulatory occurrence than a more diversified portfolio might be. Clients could be subject to significant losses since it holds a relatively large position in a single strategy, issuer, industry, market or a particular type of investment that declines in value, and the losses could increase even further if the Investments cannot be liquidated without adverse market reaction or are otherwise adversely affected by changes in market conditions or circumstances.

#### ***Mortgage-Backed Securities.***

The value of some CMBS may be particularly sensitive to changes in prevailing interest rates. The yield and payment characteristics of CMBS differ from traditional debt securities. Interest and principal prepayments are made more frequently, usually monthly, over the life of the mortgage loans and principal generally may be prepaid at any time because the underlying mortgage loans generally may be prepaid at any time. Faster or slower prepayments than expected on underlying mortgage loans can dramatically alter the yield to maturity of a mortgage-backed security, and early repayment of principal on some mortgage-related securities may expose a distressed mortgage fund to a lower rate of return upon reinvestment of principal.

The value of most CMBS, like traditional debt securities, tends to vary inversely with changes in interest rates. When interest rates rise, the value of CMBS generally will decline; however, when interest rates decline, the value of CMBS with prepayment features may not increase as much as other fixed income securities because prepayment of mortgages tends to accelerate during periods of declining interest rates. The rate of prepayments on underlying mortgages will affect the price and volatility of CMBS, and may shorten or extend the effective maturity of the security beyond what was anticipated at the time of purchase. If unanticipated rates of prepayment on underlying mortgages increase the effective maturity of CMBS, the volatility of the security can be expected to increase. The value of such securities may fluctuate in response to the market's perception of the creditworthiness of the issuers. Further, prepayments shorten the time over which Investments receive income at the higher rate.

The value of CMBS may be substantially dependent on the servicing of the underlying asset pools, and are therefore subject to risks associated with the negligence by, or defalcation of, their servicers. Additionally, any fees related to such outside loan origination and servicing contracts could negatively affect returns. In certain circumstances, the mishandling of related documentation may also affect the rights of security holders in and to the underlying collateral. The insolvency of entities that generate receivables or that utilize the assets may result in added costs and delays in addition to losses associated with a decline in the value of underlying assets. Furthermore, debtors may be entitled to the protection of a number of state and federal consumer credit.

#### ***Lender Liability Considerations and Equitable Subordination.***

In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of the Clients' Investments, the Investments could be subject to allegations of lender liability.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lending institution (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower to the detriment of the other creditors of such borrower, a court may elect to subordinate the claim of the offending lending institution to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination."

If the Clients purchases debt securities of an affiliate in the secondary market at a discount, (i) a court might require the Clients to disgorge profit it realizes if the

opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (ii) the Clients might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt.

***Fraudulent Conveyance and Preference Considerations.***

Various federal and state laws enacted for the protection of creditors may apply to the purchase of the Clients' Investments, which constitute the primary assets of the Clients, by virtue of the Clients' role as a creditor with respect to the borrowers under such Investments. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of a borrower, such as a trustee in bankruptcy or the borrower as debtor-in-possession, were to find that the borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and the grant of any security interest or other lien securing such investment, and, after giving effect to the incurring of such indebtedness, the borrower (i) was insolvent, (ii) was engaged in a business for which the assets remaining in such borrower constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate, in whole or in part, such indebtedness and such security interest or other lien as fraudulent conveyances, could subordinate such indebtedness to existing or future creditors of the borrower or could allow the borrower to recover amounts previously paid by the borrower to the creditor (including to the Clients) in satisfaction of such indebtedness or proceeds of such security interest or other lien previously applied in satisfaction of such indebtedness. In addition, in the event of the insolvency of an issuer of an investment, payments made on the Clients' Investment could be subject to avoidance as a "preference" if made within a certain period of time (which may be as long as one year) before insolvency depending on a number of factors, including the amount of equity of the borrower owned by the Clients and its affiliates and any contractual arrangement between the borrower, on the one hand, and the Clients and its affiliates, on the other hand. The measure of insolvency for purposes of the foregoing will vary depending on the law of the jurisdiction which is being applied. Generally, however, a borrower would be considered insolvent at a particular time if the sum of its debts was greater than all of its assets at a fair valuation or if the then-present fair saleable value of its assets was less than the amount that would be required to pay its probable liabilities on its then-existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether a borrower was insolvent after giving effect to the incurrence of the loan or that, regardless of the method of evaluation, a court would not determine that the borrower was "insolvent" upon giving effect to such incurrence.

In general, if payments on an investment are avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as the Clients) or from subsequent transferees of such payments.

Clients does not intend to engage in conduct that would form the basis for a successful cause of action based upon fraudulent conveyance, preference or equitable subordination. There can be no assurance, however, as to whether any lending institution or other party from which the Clients may acquire such indebtedness engaged in any such conduct (or

any other conduct that would subject such indebtedness and the Clients to insolvency laws) and, if it did, as to whether such creditor claims could be asserted in a U.S. court (or in the courts of any other country) against the Clients.

**Item 9: Disciplinary Information**

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**Legal and Disciplinary**

There are no legal or disciplinary events that are material to a Client's or prospective client's evaluation of CorAmerica's advisory business or the integrity of its management persons.

- A. Not applicable.
- B. Not applicable.
- C. Not applicable.

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

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**A. Broker-Dealer**

Not applicable.

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**B. Financial Industry Activities**

Not applicable.

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**C. Affiliations**

1. Not applicable.
  2. Not applicable.
  3. Not applicable.
  4. Not applicable.
  5. Not applicable.
  6. Not applicable.
  7. Not applicable.
  8. Not applicable.
  9. Not applicable.
  10. Not applicable.
  11. Not applicable.
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**D. Compensation for Referrals.**

Not applicable.

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

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**A. Code of Ethics**

CorAmerica and its supervised persons have committed to a Code of Ethics that is available for review by Clients and prospective Clients upon request. Each supervised person of CorAmerica must read, sign and deliver a certificate of compliance with the Code of Ethics and may only effect a personal transaction in a limited offering or initial public offering by pre-approving such transaction with CorAmerica's Chief Compliance Officer. Each supervised person also must provide initial securities holdings reports and annual securities holding reports to the Chief Compliance Officer. Furthermore, subject to exceptions under Rule 204A-1 under the Advisers Act, each supervised person shall provide quarterly securities transaction reports related to reportable securities transactions that are directly or indirectly beneficially owned by such supervised person.

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**B. Participation or Interest in Client Transactions**

Not applicable

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**C. Participation or Interest in Client Transactions**

Not applicable.

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**D. Participation or Interest in Client Transactions**

Not applicable.

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## **Item 12: Brokerage Practices**

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### **A. Selecting Brokerage Firms**

CorAmerica may utilize broker-dealers to assist them in the purchase and selling securities on behalf of their Clients. CorAmerica considers such factors as price, the ability of the broker-dealers to distribute and underwrite such securities, their personnel, reputation, experience, particular industry knowledge, reliability, financial responsibility and financial stability. Accordingly, if CorAmerica determines in good faith that the fees charged by a broker-dealer are reasonable in relation to the value of the service provided by such broker-dealer, CorAmerica, its affiliates and/or the applicable Clients may pay fees to such broker-dealer that are greater than those fees another broker-dealer might charge.

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### **1. Research and Other Soft Dollar Benefits**

CorAmerica does not utilize any soft-dollar arrangements or maintain commitments with any broker-dealers to obtain any research or research-related services or products on a soft-dollar basis. CorAmerica however, receives research or brokerage services that are not in connection to its trading activities on behalf of a Client. If at such time CorAmerica determines to enter into soft dollar arrangements, the receipt will be in compliance with Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended.

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### **2. Brokerage for Client Referrals.**

- a. Not applicable.
  - b. Not applicable.
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### **3. Directed Brokerage**

- a. Not applicable.
  - b. Not applicable.
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### **B. Aggregation**

For any CMBS investments, CorAmerica will aggregate the purchase or sale of such CMBS investments among such Clients as applicable and necessary.

### **Item 13: Review of Accounts**

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#### **A. Periodic Review**

William Petak, CorAmerica's Chief Executive Officer, and Chien-Huang Chen, CorAmerica's Chief Compliance Officer, frequently review the investments and performance of Clients' accounts.

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#### **B. Review Triggers**

Other conditions that may trigger a review are changes in applicable laws, new investment information, a default, changes in the market, changes in a particular Client's circumstances and other events described in a Client's investment advisory agreement with CorAmerica.

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#### **C. Regular Reports**

CorAmerica will provide written reports to Clients as agreed upon and documented in the investment advisory agreement with each particular Client. These reports may include periodic (monthly and/or quarterly) transaction, holding and performance reports. Additional written or verbal reports may be provided to Clients subject to the investment advisory agreement or on an ad-hoc basis.

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

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**A. Referrals**

CorAmerica currently does not hire third-party solicitors to solicit new investment advisory clients. CorAmerica will enter into written solicitation agreements with any such solicitors in accordance with Rule 206(4)-3 under the Investment Advisers Act.

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**B. Other Compensation**

See response to Item 14.A above.

## **Item 15: Custody**

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### **Account Statements**

At the present time, CorAmerica is deemed to have custody of certain Clients' funds or securities. Such Clients will receive account statements from their applicable broker-dealer, bank or other qualified custodian and Clients should carefully review those statements. Clients should compare the account statements that they receive from a qualified custodian with any statements that they receive from CorAmerica.

**Item 16: Investment Discretion**

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**Discretionary Authority for Trading**

CorAmerica will accept discretionary authority to manage investments on behalf of its Clients. Any limitations on this discretionary authority will be disclosed in the applicable investment advisory agreement entered into between CorAmerica and such Client.

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**Assumption of Authority**

Before CorAmerica assumes discretionary authority for a Client's account, such Client will sign an investment advisory agreement with CorAmerica that provides discretionary authority to CorAmerica.

**Item 17: Voting Client Securities**

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**A. Proxy Voting**

CorAmerica does not currently accept authority to vote securities held by any of its Clients. If CorAmerica does accept authority to vote such securities in the future, CorAmerica will adopt voting policies and procedures in compliance with Rule 206(4)-6 under the Advisers Act. CorAmerica will vote on corporate actions on behalf of Clients who own bonds in accounts managed by CorAmerica.

B. Not applicable.

**Item 18: Financial Information**

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**A. Balance Sheet**

Not applicable.

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**B. Financial Condition**

Not applicable.

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**C. Bankruptcy Petition**

Not applicable.