

MERION INVESTMENT MANAGEMENT, LP
PART 2A OF FORM ADV: FIRM BROCHURE

Merion Investment Management, LP
280 King of Prussia Road
Radnor, Pennsylvania 19087

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This brochure provides information about the qualifications and business practices of Merion Investment Management, LP (“Merion” or the “Firm”). If you have any questions about the contents of this brochure, please contact Merion’s Chief Compliance Officer, Katherine Brewster, at (267) 948-2504 or KB@MerionCap.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.

For “Registered Investment Advisers”: “Any reference to Merion as a registered investment adviser does not imply a certain level of skill or training.

Additional information about Merion also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Since the most recent Other Than Annual Update to our Form ADV on June 3, 2015, the Firm has launched a new private fund named Merion Partners LP.

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Item 4: Advisory Business

Item 4.A.

Merion Investment Management LP (“**Merion**” or the “**Firm**”), a Delaware limited partnership, commenced its operations as an investment manager on October 1, 2009. Merion’s principal place of business is Radnor, Pennsylvania, with a second office in New York, NY. Andrew L. Barroway is the principal owner of the Firm by way of his sole ownership of ALB MC Investments LLC, which is Merion’s majority Partner.

Item 4.B.

Merion is an investment management firm that provides advisory services on a discretionary basis to privately offered pooled investment vehicles, which are intended for investment by certain investors that are accredited investors and also must be qualified purchasers as defined in Section 2(a)(51) of the Investment Company Act of 1940 so as to comply with the exemption under Section 3(c)(7) of the Investment Company Act of 1940. MC Investment Management LLC, a Delaware limited liability company is the General Partner of Merion Investment Management LP. Merion’s clients are the following: Merion Capital LP, a Delaware limited partnership, Merion Capital II LP, a Delaware limited partnership, Merion Partners LP, a Delaware limited partnership, and Merion Capital Offshore LP, a Cayman Islands limited partnership (collectively, the “**Funds**”). Merion Capital Partners LP (the “**General Partner**”) is the General Partner to all of the Funds.

The investment objective of Merion Capital is to seek profit by way of investing in, as a minority interest, publicly traded companies engaging in mergers and other transactions that Merion perceives to be undervalued.

The strategy of Merion Capital is to generate a gain by exiting its position at fair value, through a variety of strategies including overbid of the merger target by an interloping bidder, or other methods at its disposal including litigation, with respect to each investment made by the General Partner. Additionally, Merion Capital may engage in hedging transactions in connection with any investment with the plan that any such hedging would take place simultaneously with or following an investment. Merion Capital may also choose to retain cash for the purposes of establishing and replenishing capital reserves and invest said cash in interest-bearing securities. Merion Capital may also choose to employ leverage in its strategy but has not done so to date.

Investment Strategy Risks for Merion Capital’s Investment in Merion Capital

Availability of Transaction: There can be no assurance that sufficient transactions will be available for the evaluation and pursuit by Merion Capital. Further, it is possible that a portion of the capital commitments of the Partners may never be called or invested.

Nature of the Claim: In pursuit of litigation upon the closing of a transaction that is the subject of the investment, the securities that were purchased in connection with the investment are no

longer publicly traded. As a result, this illiquidity limits the ability of the Funds to thereafter realize a cash return on the investment without either (i) a settlement of the litigation or (ii) a court determination with respect to the litigation.

Changes in Law: Merion Capital may pursue one of its investment strategies based on the current status of the law in many jurisdictions throughout the United States. Should there be a material change in the law, some of the investment strategies of the Funds may be frustrated. There can be no assurances regarding the legal landscape in which the Funds operate over the proposed lives of the Funds.

Item 4.C.

The Firm's advisory services are provided to its clients, the Funds, pursuant to the terms of the Funds' relevant offering documents and based on the specific investment objectives and strategies as disclosed therein. The advisory services each client receives are tailored to their individual needs and specified investment objectives and strategies as set forth in each client's offering documents. The clients may impose restrictions on investing in certain types of securities in accordance with achieving their investment objectives and strategies.

Item 4.D.

Not Applicable. Merion does not participate in a wrap fee program.

Item 4.E.

As of October 6, 2015, Merion manages approximately \$798,000,000 in client assets on a fully discretionary basis, as described in the Funds' offering documents. Merion does not manage any client assets on a non-discretionary basis.

Item 5: Fees and Compensation

Item 5.A.

The Firm receives a management fee from Merion Capital as a separate fee collected during every capital call made for the purpose of purchasing securities for an investment, which is equal to one percent (1%) multiplied by the total contributions received by Merion Capital with respect to each capital call. The General Partner, in its sole discretion, may waive, reduce or calculate differently with respect to certain Partners.

In addition to the management fee for Merion Capital described above, the General Partner receives a performance-based fee from Merion Capital, which is equal to thirty percent (30%) of all proceeds available for distribution from an investment after the return of the Limited Partners' capital contributions with respect to such investment and the general expenses of Merion Capital allocated to such investment subject to the restoration of a Limited Partner's loss carry forward amount.

Item 5.B.

Merion deducts the management fee from client accounts by instructing the client's custodian. Management fees for Merion Capital are a separate fee collected during every capital call made for the purpose of purchasing securities for an investment

Item 5.C.

Merion Capital will be responsible for organizational expenses, general and administrative expenses, and any taxes or fees levied against Merion Capital. All such fees and expenses shall be billed directly to and paid by Merion Capital, or Merion Capital shall reimburse the General Partner for such expenses. Merion Capital will be responsible for expenses such as brokerage commissions, incurred in connection with the acquisition of investments, and for the reimbursements described within Merion Capital's offering memorandum.

Item 5.D.

As investors in the Funds are not able to redeem intra month, Merion does not anticipate there being an instance in which a refund of a management fee would be necessary.

Item 5.E., Item 5.E.1, Item 5.E.2, and Item 5.E.3

Please see responses to Item 10 and Item 11 below.

Item 5.E.4.

Not Applicable. Merion does not charge advisory fees in addition to commissions or markups.

Item 6: Performance-Based Fees and Side-by-Side Management

Please see response to Item 5.A. Additionally, the existence of the performance-based fee, as discussed in response to Item 5.A., may create an incentive for the Firm to be more aggressive than would be the case in the absence of the performance-based fee.

As the structure and relationships of Merion Capital present various potential and actual conflicts of interest, Merion has adopted and implemented policies and procedures intended to address such conflicts of interest relating to the management of multiple accounts. Examples of what the conflicts of interest may involve include, among other things: (i) the inability of the principals of the General Partner to give exclusive time and attention to the Funds due to their involvement in other activities, (ii) the fact that the performance-based fee discussed in Item 5.A., fee, compensation, purchase price and other arrangements among the Funds and the Firm and its affiliates will not have been established at arm's length, (iii) the existence of the performance-based fee discussed in Item 5.A. may create an incentive for the Firm to be more aggressive than would be the case in the absence of the performance-based fee, (iv) that the Funds may face

procedural, business or legal conflicts in the future based on the objectives and operation of the Funds, and (v) that the principals of the Firm and/or the Firm may manage capital or pools of capital with investment objectives different or similar to that of the Funds, on terms substantially different from the terms associated with the Funds.

Item 7: Types of Clients

The Firm's clients are privately offered pooled investment vehicles, which are intended for investment by certain investors that are both accredited investors and qualified purchasers as defined by the Investment Company Act of 1940. The respective minimum initial and subsequent subscription amounts required of the investors in any of the Funds is detailed within each offering memorandum of the relevant Fund.

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

Item 8.A.

Investment in the Funds involves significant risks and is suitable only for investors who can bear the economic risk of losing their entire investment and who have limited need for liquidity in their investment. There can be no assurance that any of the Funds will achieve their investment objective. Each prospective investor should carefully review the Firm's offering documents and the agreements referred to therein prior to deciding to invest in any of the Funds.

Item 8.B.

Investment Strategy Risks for Merion Capital

Business Dependent on Key Individuals. The investors will have no authority to make decisions or to exercise business discretion on behalf of the Funds. The authority for all such decisions is delegated to the Firm. The success of the Funds is expected to be significantly dependent upon the expertise and efforts of the Firm to implement the Funds' investment strategy. The loss of the services of either of the key individuals, which are generally the Portfolio Managers to the Funds, for any reason can be expected to have a material adverse impact on the Firm and the Funds.

Interests Are Not General Obligations of General Partner. An investment in the Funds does not represent an obligation of the Firm or its affiliates or principals and is not guaranteed by the Firm or its affiliates or principals.

Services Not Exclusive. The relevant partnership agreement does not obligate any of the principals or employees of the Firm to give exclusive time or attention to the Funds.

Carried Interest. The allocation of a percentage of the Funds' net profits to the Firm may create an incentive for the Firm to cause the Funds to make investments that are riskier or more speculative than would be the case if this allocation were not made. The relevant partnership agreement does not require the Firm to return distributions previously made to the Firm in accordance with the relevant partnership agreement on account of the Carried Interest. The Carried Interest to be allocated to the Firm was determined by the Firm and is not to be considered as having been negotiated at arm's-length.

Investment Strategy Risks for Merion Capital

Availability of Transactions. There can be no assurance that sufficient transactions under the relevant corporate statute will be available for the evaluation and pursuit by Merion Capital. Further, it is possible that a portion of the capital commitments of the Partners may never be called or invested.

Nature of the Claims. Upon the closing of a transaction that is the subject of the investment, the securities that were purchased in connection with the investment are no longer publicly traded. As a result, this illiquidity limits the ability of the Funds to thereafter realize a cash return on the investment without either (i) a settlement of the litigation or (ii) a court determination with respect to the litigation.

Changes in Law. Merion Capital is pursuing its investment strategy based on the current status of the law in many jurisdictions throughout the United States. Should there be a material change in the law; the investment purpose of the Funds may be frustrated. There can be no assurances regarding the legal landscape in which the Funds operate over the proposed lives of the Funds.

Item 8.C.

Item 9: Disciplinary Information

Item 9.A.

Not Applicable.

Item 9.B.

Not Applicable.

Item 9.C.

Not Applicable.

Item 10: Other Financial Industry Activities and Affiliations

Item 10.A.

Patrick Horsman, Merion's Chief Operating Officer, is a registered representative with Blue Sand Securities LLC, an affiliated third-party broker-dealer for which he is a Co-Founder, Managing Partner, and has an ownership interest.

Item 10.B.

Not Applicable. Neither Merion, nor any of its management persons are registered, have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Item 10.C.

The nature of Patrick Horsman's relationship with Blue Sand Securities LLC, as a registered representative, Co-Founder, and Managing Partner as well as having an ownership interest, could create a conflict of interest with the Firm's advisory business; however, in its fiduciary capacity to act in the best interest of its clients, Merion has put in place procedures to prevent said possible conflicts of interest, which include not trading any securities through Blue Sand Securities LLC, nor paying any trading commissions to Blue Sand Securities LLC for any trading done with other brokers. Additionally, Patrick Horsman is not involved in the selection or negotiation of any brokerage relationships for any of the Funds and has no involvement in trading securities for any of the Funds.

Item 10.D.

Not Applicable. Merion does not recommend or select other investment advisers for its clients.

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

Item 11.A.

Merion has adopted a Code of Ethics that states the requirement of the Firm, its personnel, and any related persons to fulfill their fiduciary duty to the Firm's clients and therefore be honest and truthful in all dealings with clients and place the interests of the clients ahead of those of the Firm, its personnel, and/or any related persons at all times.

As outlined in Merion's Code of Ethics, the Firm's personnel, including directors, officers, partners, other persons occupying a similar status or performing similar functions, and employees, are subject to the personal account disclosure requirements and restrictions, which

require personnel to disclose any and all personal securities holdings on an initial and annual basis, request pre-approval for any personal trade in certain securities, and provide the Chief Compliance Officer, on a monthly basis, with duplicate account statements for all accounts in which they have personal securities holdings. Additionally, Firm personnel are to refrain from trading in any securities in which any of the Funds hold a position in or intend to hold a position.

Additionally, Merion's Code of Ethics details restrictions and reporting requirements regarding the giving or receiving of gifts and/or entertainment to and/or from, among others, current or prospective investors, government officials, and union officials, by any of the Firm's personnel.

A copy of the Firm's Code of Ethics may be made available to investors and prospective investors upon their individual request.

Item 11.B.

Merion's General Partner acts as general partner to all of the Firm's Funds.

Items 11.C. and 11.D.

Merion, as a fiduciary to its clients and endeavoring to be honest and truthful to its clients at all times, prohibits investments in the personal account of any Firm personnel or related person in a security in which any of the Funds currently hold a position or intend to hold a position. If, at the time the Firm buys a position in which any Firm personnel has an interest in its personal account, said Firm personnel will be required to sell the position within 10 business days of the Firm buying the position. Approval of a personal trading request generally must be made on the same day on which the personnel intends to place that trade however the approval for said trade will be valid for the 24 hours following the trade to allow for requests that may come after the market is closed.

Item 12: Brokerage Practices

Item 12.A.1.

Merion seeks to obtain the best execution of the Funds' securities transactions by placing orders for the purchase and sale of securities with brokers and dealers based on the Firm's evaluation of the ability of the broker or dealer to execute orders in a prompt and effective manner as well as a consideration of such factors as the nature and quality of the brokerage services the broker or dealer provides, the size and breadth of the market for the security, the reliability, integrity, and financial condition of the broker or dealer, and the size and difficulty of effecting the order and the best net price. There may be instances when, in the judgment of the Firm, more than one broker or dealer is able to offer comparable brokerage services to the Funds. In selecting among such brokers or dealers, consideration may be given to those brokers or dealers that provide research services to the Funds, the Firm, and any of the Firm's affiliates. However, it is not the policy of the Firm to pay higher commissions to a broker because it has supplied such services. Research services furnished by brokers may include, but are not limited to, research reports on particular industries and companies, economic surveys and analyses, recommendations as to

specific securities and other services providing lawful and appropriate assistance to the Firm in the performance of its investment decision-making responsibilities on behalf of the Funds and other accounts which it and its affiliates manage.

Merion does not currently engage in the usage of soft dollars. However, consistent with Merion's offering documents, the Firm may choose to direct the brokerage transactions of one of its Funds to brokers in order to obtain research services, some of which were described above, provided that the Fund does not pay a rate of commission in excess of what is competitively available from comparable brokers for comparable services taking into account various factors, including commission rates, financial responsibility and strength and ability of the broker to efficiently execute transactions as permitted by Section 28(e) of the Securities Exchange Act of 1934, as amended.

Item 12.A.2.

Merion does not participate in selecting or recommending broker-dealers in exchange for client referrals.

Item 12.A.3.

Not Applicable. Merion does not engage in directed brokerage by its clients.

Item 12.B.

Not Applicable. Merion does not generally aggregate the purchase or sale of securities for client accounts as the investment objectives and strategies of each client rarely overlap.

Item 13: Review of Accounts

Item 13.A.

No less than once a month, the Firm's Chief Compliance Officer will review the client accounts in order to make a determination as to what securities should be included on the Firm's restricted securities list for purposes of personal trading. The Chief Compliance Officer and his designees, as appropriate, will review the client accounts as well as their trading activity against the activity of any personal accounts of Firm personnel on no less than a monthly basis to monitor potential insider trading. On a periodic basis no less than semi-annually, the Firm's Brokerage Committee, which includes the Managing Partner, Head Trader, Chief Compliance Officer, and Chief Operating Officer, will meet to review client accounts for discussion regarding best execution and other brokerage related matters. The Chief Compliance Officer shall, on a periodic basis no less than semi-annually, review determinations regarding the allocation of investment opportunities between the Funds to confirm that fair and equitable allocations were carried out.

Item 13.B.

Client accounts are monitored on an ongoing basis by the Firm's Managing Partner for adherence to the Firm's valuation policies and procedures. A formal review of the client accounts would occur in the event the Managing Partner's monitoring requires the valuation policies and procedures to be updated. As allocating investment opportunities is rare due to the different investment objectives and strategies of each of the Funds, a need to review client accounts may arise if an instance occurs that requires the Firm to consider whether and how to allocate securities between the Funds.

Item 13.C.

For investors in Merion Capital Funds, each will receive written monthly performance statements from the Administrator during months in which their particular Fund holds an investment or capital contribution intended for use as an investment. These written monthly performance statements are unaudited and are sent to investors following a review by the Firm's Valuation Committee. Merion also makes its Portfolio Managers available to the Funds' investors on a periodic basis to discuss exposures and portfolio structure; these reports will not be written, they will be verbal in nature.

Item 14: Client Referrals and Other Compensation

Item 14.A.

As noted in the response to Item 12.A.1. and 12.A.2., while it is not Merion's policy to engage directly in soft dollar activities, the Funds may indirectly benefit from research services acquired by the Firm as a result of the brokerage transactions of the Funds.

Additionally, Merion does not receive a direct economic benefit, in any form, from any third party for providing investment advice or other advisory services to its Funds.

Item 14.B.

Merion currently utilizes the services of Blue Sand Securities LLC, an affiliated third party distributor, to assist in the sale of limited partnership interests in its Funds and may choose to engage others from time to time.

For client or investor referrals involving Merion Capital, Blue Sand Securities LLC will receive, as disclosed in the relevant offering document, thirteen and one third percent (13.33%) of the performance-based fee (as discussed above in response to Item 5.A.) as well as thirteen and one third percent (13.33%) of the Management Fee (as discussed above in response to Item 5.A.) collected for limited partnership interests attributable to Blue Sand Securities LLC.

Item 15: Custody

Due to the fact that Merion acts as investment adviser to the Funds and has an affiliated party that acts as general partner to those Funds, Merion may be deemed to have custody of certain client assets under current applicable regulatory interpretations. As such, and as is required by the safekeeping requirement in Rule 206(4)-2 of the Investment Advisers Act of 1940, all assets in the accounts of Merion's clients are held by a qualified custodian. On an annual basis, the Administrator delivers the audited financial statements to the investors in the Funds within 120 days of fiscal year-end.

In addition, each investor in Merion Capital will receive monthly performance statements from the Administrator with respect to the activities of the relevant Fund.

Item 16: Investment Discretion

Merion accepts discretionary authority to manage securities accounts on behalf of clients and therefore, determine which securities and the amounts of securities it buys and sells for the clients. This authority has been granted to Merion by means of the execution of the relevant organizational and/or advisory agreements that set forth the scope of the Firm's discretion with respect to each Fund.

Item 17: Voting Client Securities

Item 17.A.

Merion has proxy voting authority due to the fact that it has discretionary authority over the securities held by its clients and accordingly, Merion understands its fiduciary responsibility to monitor corporate events and to vote proxies and cast votes in the best interest of clients and not put client interest second to its own interests. It is the Firm's general policy to vote, in its discretion, in a manner that serves the best interest of its clients by taking into account relevant factors, including, but not limited to the impact on the value of the securities, the anticipated costs and benefits associated with the proposed vote, the effect on liquidity, and customary industry and business practices.

The Firm's Portfolio Manager, Samuel I. Johnson, is responsible for making all proxy voting decisions according to the Firm's proxy voting procedures and is therefore responsible for determining whether each proxy is for a routine matter or not. All proxies identified as routine will be voted by the Firm in accordance with the policies. Any proxies that are not definitively routine or non-routine will be submitted to the Managing Partner, who will determine how to vote each such proxy by applying the policies to the specific circumstance. Upon making a decision, the proxy will be executed and submitted to the company, with a copy of the vote also sent to the Chief Compliance Officer for the firm records. In the event the Firm determines that

a client should rely on the advice of an independent third party or a committee regarding the voting of a proxy, the Firm will submit the proxy to such third party or committee for a decision. The Portfolio Manager will execute the proxy in accordance with such third party's or committee's decision.

Merion will generally vote in favor of routine matters, which may include, but are not limited to, a change in the fiscal year of the company, a change in the name of the company, the election and re-election of Board members, an increase in fees paid to Board members, as well as the appointment of auditors and the authorization of the Board to fix auditor fees unless certain factors exist, and in accordance with the recommendation of the company's management, directors, general partners, managing members or trustees, unless such recommendation is not in the best interests of the Firm's clients.

Merion will generally vote on a case-by-case basis for non-routine matters, which may include, but are not limited to, a measurable change in the structure, management, control or operation of the company, a measurable change in the terms of, or fees or expenses associated with, an investment in the company or a change that is inconsistent with industry standards and/or the laws of the state of incorporation applicable to the company.

Merion will abstain from voting, which generally requires submission of a proxy voting card, or affirmatively decide not to vote if the Firm determines that abstaining or not voting is in the best interests of the client. In making such a determination, the Firm will consider various factors, including, but not limited to, the costs associated with exercising the proxy, any legal restrictions on trading resulting from the exercise of a proxy, and whether the Firm has sold the underlying securities since the record date for the proxy.

Clients are not permitted to direct the Firm's vote in a particular solicitation.

At times, conflicts may arise between the interests of the clients and the interests of the Firm or its affiliates. If the Firm determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, it will address matters involving such conflicts of interest by adhering to its proxy voting policies as often as practicably possible, departing from the Firm's policies when doing so is in the best interest of the clients, voting in the best interest of the client when a proxy is not addressed in the Firm's specific policies or requires a case-by-case determination by the Firm so long as the vote would be against the Firm's own best interest, and taking appropriate steps to involve an independent third party or independent committee to determine how to vote the proxy, request consent from investors, or request consent from the Firm's Chief Compliance Officer when the Firm believes it should vote in a way that may also benefit, or be perceived to benefit, its own interest. Additionally, the Firm will not abstain from voting or affirmatively decide not to vote merely to avoid a conflict of interest.

Clients may obtain information regarding how Merion voted its securities by requesting records of the Chief Compliance Officer, who is responsible for retaining all records relating to proxy voting. Additionally, clients may obtain a copy of the Firm's Proxy Voting Policies and Procedures upon request of the Chief Compliance Officer.

Item 17.B.

Not Applicable; see response to Item 17.A. Merion has authority to vote client securities.

Item 18: Financial Information

Item 18.A.

Not Applicable. Merion does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Item 18.B.

Merion is not aware of any financial condition that is reasonably likely to impact its ability to meet its contractual commitments to clients.

Item 18.C.

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

Item 19: Requirements for State Registered Advisers

Not Applicable.