

FIRM DISCLOSURE BROCHURE



Cherokee & Walker Management, LLC
6440 So. Wasatch Boulevard, Suite 200
Salt Lake City, UT 84121
(801) 278-7800
www.cherokeeandwalker.com

COVER PAGE

DISCLAIMER

This *Firm Brochure* provides information about the qualifications and business practices of Cherokee & Walker Management, LLC ("Cherokee & Walker"). If you have any questions about the contents of this brochure, please contact us at (801) 278-7800. This information has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Cherokee & Walker is available on the SEC's website at www.adviserinfo.sec.gov (the CRD number for Cherokee & Walker is 160962).

NOTE

While Cherokee & Walker may refer to itself as a "registered investment advisor" or "RIA", clients should be aware that registration itself does not imply any level of skill or training. In addition, clients should note that Cherokee & Walker is now registered with the SEC, while having discontinued its registration with the Utah Division of Securities.

MATERIAL CHANGES FROM PREVIOUS VERSION

Material changes to this brochure since the firm's most recent brochure in April of 2018, include:

- Updating the firm's assets under management in the Advisory Business section under the Management services subsection.
- Reducing potential conflicts of interest by eliminating Pooled Investment Vehicle ("PIV") lending to and investing in affiliated businesses. This is reflected in changes to the Fees and Compensation section under the Other Compensation subsection; in the Other Financial Industry Activities and Affiliations section; and in the Code of Ethics, Participation or Interest in Client Transactions and Personal Trading section under the Potential Conflicts of Interest subsection.
- Discontinuing the affiliated entities: Cherokee & Walker Enterprises II, LLC, Cherokee & Walker Holdings, LLC, and CW Onset LLC. This is reflected by the removal from the Other Financial Industry Activities and Affiliations section.
- Changing the PIV auditor from Allred Jackson to Tanner LLC in the Financial Information section.

TABLE OF CONTENTS

COVER PAGE	1
MATERIAL CHANGES FROM PREVIOUS VERSION.....	2
TABLE OF CONTENTS.....	3
ADVISORY BUSINESS	4
FEES AND COMPENSATION	5
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	7
TYPES OF CLIENTS.....	8
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	8
DISCIPLINARY INFORMATION.....	9
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	9
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	11
BROKERAGE PRACTICES	12
REVIEW OF ACCOUNTS	13
CLIENT REFERRALS AND OTHER COMPENSATION	13
CUSTODY	13
INVESTMENT DISCRETION	14
VOTING CLIENT SECURITIES	14
FINANCIAL INFORMATION.....	14

ADVISORY BUSINESS

Introduction

Cherokee & Walker is a private investment firm established in 1999 to manage the investment of its founder's capital across various investments including business ventures, real estate acquisition and development, and debt financing. Prior to 2012, Cherokee & Walker operated on a limited basis which did not require registration as an investment advisor.

Cherokee & Walker does not accept direct investments into Cherokee & Walker but has formed proprietary Pooled Investment Vehicles ("PIVs"), as Utah limited liability companies, to accept capital from its qualified clients and to deploy that capital consistent with the PIV documents. Cherokee & Walker's management services consist of directing the investment of the funds held by the PIVs, as well as managing capital for non-managing members of Cherokee & Walker and for board members of affiliated companies.

Management Services

Cherokee & Walker provides management services to four proprietary PIVs: Red Bridge Capital, LLC ("RBC"), Cherokee & Walker Fund II, LLC ("CW Fund II"), Red Bridge Capital II, LLC ("RBC II") and Red Bridge Capital III, LLC ("RBC III"), together with management services to the non-managing members and to board members of affiliated companies.

The funds held by RBC, RBC II and RBC III are invested through real estate or other lending-oriented transactions in which the PIV is generally a secured lender. RBC is currently being wound down, so no new loans are being originated, while RBC II and RBC III are originating new loans. These lending transactions generally consist of the following:

- **Loans for acquisition of real property for development.** These loans are typically provided to finance all or a portion of the acquisition cost of real property for development.
- **Loans for construction financing.** These loans are provided to finance the construction of residential or commercial projects, which may include tenant improvements.
- **Loans for equipment financing.** These loans are typically used to purchase equipment that is then leased to a third-party lessee.
- **Loans for purchasing, renovating and selling foreclosed or distressed personal residences and single-family dwellings.** These loans or participation interests are typically provided to finance all or a portion of the acquisition and renovation costs for real property.
- **Loans for consumer lending.** These loans may be extended through an intermediary and may be in the form of participation interests.
- **Loans to provide business development financing.** These loans are typically provided for specified business development activities.

CW Fund II is a venture capital fund which is winding down, or managing existing assets, which were classed at time of investment as follows:

- **In earlier stage companies where potential for involvement or influence existed.** A flexible, opportunistic approach was employed across various industries.
- **In acquisitions and development of real property and real estate.** Insight from and work provided by related real-estate development and construction companies was relied upon.

- **In activities related or incidental to early stage companies and in acquiring and developing real property and real estate.** This included secured loans of the nature described above with respect to RBC and RBC II.

Additionally, Cherokee & Walker, as the manager of the PIVs, may make other private investments authorized by each PIV's governing board.

As of December 2018, Cherokee & Walker, as the manager of the PIVs, has discretionary management responsibility for approximately \$77,141,000 (based on net unreturned capital plus committed capital and outstanding debt) in the lending-oriented PIVs of RBC, RBC II and RBC III, and for approximately \$1,612,000 (based on net unreturned capital raised plus outstanding debt) in CW Fund II, an equity-oriented PIV.

Investments made into PIVs managed by Cherokee & Walker are and will likely be illiquid because the units in the PIVs are not publicly traded. Any offerings involving the units of the PIVs have been conducted as private offerings exempt from state and federal security registration requirements. Typically, such offerings have been conducted in compliance with Rule 506 of Regulation D. Accordingly, prior to making any investment into a Cherokee & Walker managed PIV, investors are provided extensive disclosure documents for their review and are required to acknowledge understanding of the offering documents and to confirm their status as accredited investors and qualified clients.

Cherokee & Walker places the interests of the PIVs and the overall performance of each PIV as its first priority. Decisions regarding investment, management, and distributions are governed by the Managing Directors of Cherokee & Walker and are made in accordance with the PIV governing documents.

In addition to the PIVs, Cherokee & Walker provides personal investment advisory services to its non-managing members and to board members of affiliated companies.

FEES AND COMPENSATION

Management Fees

Cherokee & Walker charges a .167% per month (2% annualized) management fee for providing supervisory services to the proprietary PIVs. This fee is charged and deducted directly from each PIV on a monthly basis, calculated on the amount of net unreturned capital contributed to the PIV. The management and fees charged by Cherokee & Walker are fixed for each PIV and are not negotiable; however, Cherokee & Walker reserves the right, for any reason, to defer, reduce and/or waive the management fees charged to a PIV such that all members of that PIV benefit equally from the deferral, reduction or waiver of fees. If Cherokee & Walker defers, reduces or waives a fee, all members of the benefitted PIV are informed.

Cherokee & Walker does not require prepayment of management or performance fees. Such fees are withdrawn from each PIV in arrears, on a monthly or quarterly basis.

Cherokee & Walker may also charge a .167% per month (2% annualized) management fee on a similar basis for providing supervisory services to its non-managing members and to board members of affiliated companies, and reserves the same right, for any reason, to defer, reduce and/or waive the management fees charged.

Performance Fees

Cherokee & Walker charges a 20% performance fee on distributed profits, in excess of operating expenses and management fees, from each PIV. The performance fee is charged on a monthly basis for lending-oriented PIVs and on a quarterly basis for equity PIVs.

As an example of the management fees and performance fees charged by Cherokee & Walker, assume a lending-oriented PIV with \$10 million net unreturned capital raised and monthly portfolio income (net of expenses other than fees) of \$130,000, such PIV would be assessed the following fees during the month:

Calculation of Management Fee:

\$10 million net unreturned capital raised X .167% = \$16,666.67

Calculation of Performance Fee:

\$113,333.33 (Portfolio income after payment of management fee) X 20% = \$22,666.67

Total monthly management and performance fees assessed: \$39,333.34.

Statements are sent to the respective members of each PIV on a monthly or quarterly basis (depending on the PIV) by Cherokee & Walker and such statements list each member's pro-rata share of income and describe the management and performance fees deducted from the respective PIV.

The performance fees charged by Cherokee & Walker are fixed for each PIV and are not negotiable; however, Cherokee & Walker reserves the right, for any reason, to defer, reduce and/or waive the performance fees charged to a PIV such that all members of that PIV benefit equally from the deferral, reduction or waiver of fees. If Cherokee & Walker defers, reduces or waives a fee, all members of the benefitted PIV are informed.

During the first year an investor is invested in a particular PIV, that investor will accrue a performance-based fee, although that fee will not be paid until the end of such first year.

The capital invested in CW Fund II and RBC II pays for customary operating expenses and some expenses attributable to portfolio investments; provided, however, most expenses incurred in connection with a portfolio investment are reimbursed by the portfolio company as part of the lending or investment transaction. With respect to RBC, Cherokee & Walker pays the operating expenses. Examples of operating expenses may include PIV organizational costs and fees, legal fees associated with fund-raising, PIV accounting expenses, other PIV-specific legal fees, due diligence costs, abandoned deal costs, portfolio investment-related travel expenses, PIV tax return preparation and PIV audit costs. If Cherokee & Walker forms new PIVs, the capital invested in such PIVs will be used to pay the customary operating expenses that cannot be passed through in connection with a portfolio investment.

Cherokee & Walker also charges a 20% performance fee on a similar basis for providing supervisory services to its non-managing members and board members of affiliated companies, and reserves the same right, for any reason, to defer, reduce and/or waive the performance fees charged.

Cherokee & Walker does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to manage PIVs.

Other Compensation

Cherokee & Walker does not accept compensation for the sale of investment products, markups, or other sales charges or services fees. However, in addition to distributions received as a result of their ownership of Cherokee & Walker, Cherokee & Walker non-managing members and Managing Directors may receive compensation from the management and ownership of non-PIV businesses and real-estate-oriented projects. Conflicts of interest may exist between Cherokee & Walker managed PIVs, Cherokee & Walker managed capital for its non-managing members and board members of affiliated companies, and such other businesses and real-estate-oriented projects. Examples of such potential conflicts and the methods used to address them are included below. Please refer to the “OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS” Section for additional information.

Potential conflicts may arise when contracting services provided by those real-estate-oriented entities to assist with, develop, build-through, manage, or dispose of assets owned by proprietary PIVs. No such contracts are currently in place but could be established for real estate workout services due to collateral taken subject to defaulted loans. The terms of such contracts would be similar to those that would reasonably result from negotiations between unaffiliated or unrelated parties as determined by Cherokee & Walker.

Other conflicts include making loans or equity investments in behalf of non-managing members and/or board members of affiliated companies alongside loans or equity investments made in behalf of the PIVs when PIV lending or investment criteria are met. Those loans or equity investments for non-PIV clients are only made after the PIVs lending or investment needs have been met and then are made on the same or less attractive terms than the loans or equity investments made in behalf of the PIVs. When the PIVs’ lending or investment criteria is not met, resulting in the loan or investment being declined by the PIVs, those loans or equity investments for non-PIV clients are still made on similar or less attractive overall terms than the loans or equity investments made in behalf of the PIVs. Notwithstanding such conflicts of interest, each contract, service, or transaction is entered into and conducted on terms that Cherokee & Walker believes are fair and equitable.

Potential conflicts are disclosed, in detail, in offering documents for each PIV and are permitted under the governing documents for each PIV. As described above, prior to investing in any PIV under Cherokee & Walker’s management, investors are required to acknowledge receipt and understanding of such offering and governing documents.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Cherokee & Walker charges a 20% performance fee on distributed profits, in excess of operating expenses and management fees, from each PIV. The performance fee is charged on a monthly basis for lending-oriented PIVs and on a quarterly basis for equity PIVs.

As an example of the management fees and performance fees charged by Cherokee & Walker, assume a lending-oriented PIV with \$10 million net unreturned capital raised and monthly portfolio income (net of expenses other than fees) of \$130,000, such PIV would be assessed the following fees during the month:

Calculation of Management Fee:

\$10 million net unreturned capital raised X .167% = \$16,666.67

Calculation of Performance Fee:

\$113,333.33 (Portfolio income after payment of management fee) X 20% = \$22,666.67

Total monthly management and performance fees assessed: \$39,333.34.

Statements are sent to the respective members of each PIV on a monthly or quarterly basis (depending on the PIV) by Cherokee & Walker and such statements list each member's pro-rata share of income and describe the management and performance fees deducted from the respective PIV.

The performance fees charged by Cherokee & Walker are fixed for each PIV and are not negotiable; however, Cherokee & Walker reserves the right, for any reason, to defer, reduce and/or waive the performance fees charged to a PIV such that all members of that PIV benefit equally from the deferral, reduction or waiver of fees. If Cherokee & Walker defers, reduces or waives a fee, all members of the benefitted PIV are informed.

During the first year an investor is invested in a particular PIV, that investor will accrue a performance-based fee, although that fee will not be paid until the end of such first year.

The performance fees charged to the PIVs and on Cherokee & Walker managed capital for its non-managing members and for board members of affiliated companies are only assessed against profit distributions rather than on appreciated investments in the PIVs or other accounts.

Cherokee & Walker proprietary PIV capital and Cherokee & Walker managed capital for its non-managing members and for board members of affiliated companies is generally subject to both management fees and performance fees. Based on circumstances specific to an individual PIV or to other managed capital, the management and/or performance fees may be deferred, reduced or waived. The resulting difference in fees charged may create an incentive to favor capital that is charged performance-based fees. This conflict is addressed by always evaluating investment opportunities first for the PIVs, and then allocating those opportunities across PIVs based on a pre-determined allocation method which removes bias. In addition, performance-based fees may create an incentive for Cherokee & Walker to advise or direct the PIVs to make investments that carry a higher degree of risk to the PIVs. Likewise, performance-based fees may create an incentive for Cherokee & Walker to advise or direct the non-managing members and/or board members of affiliated companies to make investments that carry a higher degree of risk to their capital.

TYPES OF CLIENTS

Cherokee & Walker provides management services to proprietary lending and equity PIVs, as well as to its non-managing members and board members of affiliated companies, but not to other individual or institutional investors. Cherokee & Walker's investment advice is based on the belief that the interests of the PIVs are paramount and supersede the interest of any individual member of such PIV. As such, Cherokee & Walker will not place any member's interest ahead of another member or that of the PIV. Members of PIVs are accredited investors, including individuals, trusts, foundations, individual retirement plans, and businesses or other individuals or entities as may be allowed by law or regulation.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The methods of analysis used by Cherokee & Walker are specific to each PIV and investment type. Most investments, including loans, are made in or extended to private companies or enterprises and, as such, financial and other available business information, relative to a publicly-traded entity, is limited.

For loans, the following are typical considerations:

- The strategic position of the borrower, business, or project;

- The importance of the financing and the related collateral value to the borrower;
- The loan amount compared to the collateral value;
- The planned repayment method and likelihood;
- The financial strength of the borrower; and
- The financial strength of the loan guarantor (if any).

For equity or venture investments, Cherokee & Walker typically considers the following:

- The ability to achieve strong positions or possess proprietary technology or other barriers to entry;
- Experienced and proven management teams or founders that are committed to hiring experienced or proven management teams;
- The ability to achieve rapid growth; and
- Evidence of a clear path to sustainable earnings.

Cherokee & Walker uses modest (typically less than 30%) or no borrowing to leverage the capital held by the PIVs. It is Cherokee & Walker's philosophy that the use of any borrowing increases risk for PIV investments. Even with limited leverage, the PIVs may not be able to meet interest or principal repayment requirements, which would expose all PIV assets to repayment demands and potential loss. Moreover, despite the analysis performed by Cherokee & Walker, any PIV investment in loans or ventures carries credit and/or fundamental business risk and, therefore, PIV units may lose their entire value. The risk factors for investment in any PIV are set forth in detail in each PIV's offering documents.

With respect to potential investors in the PIVs, Cherokee & Walker does not conduct analysis or provide guidance regarding the appropriateness of investing in the PIVs. In the offering documents for the PIVs, such prospective investors are made aware of the risks of investment in a PIV including the fact that Cherokee & Walker, as the manager of the PIV, causes the PIVs to lend or invest in illiquid, speculative, and risky investments. Furthermore, the offering documents make clear that prospective investors should not invest amounts in excess of what such investor can afford to lose entirely.

Investing in securities involves risk of loss that investors should be prepared to bear. Investing in privately offered investment funds, such as the PIVs, may involve a higher degree of risk than investing in publicly traded securities or investment funds that are registered with the SEC that offer more liquidity. Such risks include the risk of losing the entire amount invested.

DISCIPLINARY INFORMATION

Neither Cherokee & Walker nor any of its related persons have any reportable legal or disciplinary events. Clients and prospective Clients can access the CRD records (registration records) for Cherokee & Walker through the SEC's Investment Adviser Public Disclosure (IAPD) website at www.adviserinfo.sec.gov. The CRD number for Cherokee & Walker is 168696.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

None of the non-managing members or Managing Directors of Cherokee & Walker is registered as a broker-dealer or as registered representatives of a broker dealer. Cherokee & Walker manages four PIVs, three of which are involved in lending (with one in the winding-down phase) and one of which is a venture capital fund

in the winding-down phase. As manager of these PIVs, Cherokee & Walker solicits capital for investment in the PIVs from existing members of the PIVs, who may be deemed to be clients, and from third parties. This may present a conflict of interest, as Cherokee & Walker is soliciting funds in which it will receive a management fee and, potentially, performance-based compensation. An associated conflict of interest is addressed primarily through disclosure of material risks and conflicts in offering documents.

The non-managing members and Managing Directors may have ownership interests in and/or may be involved in managing, individually or by virtue of Cherokee & Walker having been appointed as the manager, other real estate and operating businesses, including the entities identified below. Except as expressly noted below, the PIVs have not contracted with or invested in any of the following entities.

- Rimrock Construction, LLC, a Utah limited liability company, was formed in 1999 and has grown to become one of the ten largest commercial construction companies in Utah. Cherokee & Walker and Red Rim, LLC own membership interests in Rimrock Construction. Shane Peery is a member of the board of directors of Rimrock Construction and participates in regular director meetings. Additionally, Shane participates in the management of Rimrock Construction, which includes negotiating various financial facilities. In addition, some of the entities to which the PIVs lend money have contracted with Rimrock Construction for construction services. Finally, Mark Hampton, CEO of Rimrock Construction, may provide real estate consulting services to the PIVs. With the exception of the foregoing arrangements, Rimrock Construction does not have any arrangements with Cherokee & Walker or the PIVs. The relationship and arrangement with Shane Peery presents a conflict of interest because the time Shane spends attending to his responsibilities with Rimrock Construction detracts from the time spent with Cherokee & Walker and the PIVs. The relationships between Rimrock Construction and some of the borrowers of the PIVs may present conflicts of interest.
- Cornerstone Concrete, LLC, a Utah limited liability company, was formed as a concrete subcontractor for Rimrock Construction projects. Cherokee & Walker and Red Rim, LLC own membership interests in Cornerstone Concrete. Shane Peery is a member of the board of directors of Cornerstone Concrete. Shane Peery and Blair Jenkins participate in the management of Cornerstone, which includes participating in regular meetings. With the exception of the foregoing arrangements, Cornerstone Concrete does not have any arrangements with Cherokee & Walker or the PIVs. The relationship and arrangement with Shane Peery and Blair Jenkins presents a conflict of interest because the time Shane Peery and Blair Jenkins spend attending to their responsibilities with Cornerstone Concrete detracts from the time spent with Cherokee & Walker and the PIVs.
- Rockworth Companies, LLC, a Utah limited liability company, including additional wholly owned subsidiaries, were formed to develop and own real estate and to provide property management services. Cherokee & Walker Management and Red Rim own membership interests in Rockworth Companies. Brent Wilson is a member of the board of directors of Rockworth Companies. Blair Jenkins and Shane Peery are managers of the company with Blair Jenkins acting as the onsite general manager for the Rockworth Companies, which function requires the majority of his time, and Shane Peery advises on company matters. If necessary, the PIVs would contract with the Rockworth Companies as an asset and property manager for foreclosed properties held by the PIVs. The relationship and arrangement with Brent Wilson, Blair Jenkins and Shane Peery present a conflict of interest because of the time Brent Wilson, Blair Jenkins and Shane Peery spend attending to their responsibilities with Rockworth Companies detracts from the time spent with Cherokee & Walker and the PIVs. Additionally, the potential arrangement between Rockworth Companies and the PIVs for asset and property management functions for a fee presents a conflict of interest.

- Green Light Auto Solutions, LLC, a Utah limited liability company, is a sub-prime auto finance company, which was originally formed to provide lending opportunities for the lending-oriented PIVs. James Jenkins (through Jenkins Family Investments, LLC), Brent Wilson (through Red Arches, LLC), Shane Peery (through Peery Family, LLC), Blair Jenkins (through 69th Street, LLC) and Paul Erickson (through Rosenvall Holdings, LLC) are among the members of Green Light Auto Solutions. The Managing Directors participate in providing managerial oversight to Green Light Auto Solutions. The relationships and arrangements with James Jenkins, Brent Wilson, Shane Peery, Blair Jenkins and Paul Erickson present a conflict of interest because the time they spend attending to their responsibilities with Green Light Auto Solutions detracts from the time spent with Cherokee & Walker and the PIVs.
- Green Light Leasing Solutions, LLC, a Utah Limited Liability company, is an office furniture leasing company. James Jenkins (through Jenkins Family Investments, LLC), Brent Wilson (through Red Arches, LLC), Shane Peery (through Peery Family, LLC), Blair Jenkins (through 69th Street, LLC) and Paul Erickson (through Rosenvall Holdings, LLC) are among the members of Green Light Leasing Solutions. Green Light Leasing Solutions is currently being wound down, with no new leases being originated and minimal time devoted to operating the business.
- Red Arches Investments, LLC, a Utah limited liability company, provides shorter term real-estate loans, including loans for renovating distressed and/or foreclosed properties, business loans to fund growth, and it makes equity investments. Red Arches was formed to invest the personal capital of Brent Wilson and is managed by Mr. Wilson. Red Arches is a lender to the PIVs at commercially-reasonable and arms-length terms and co-funds loans alongside the PIVs at the same or less favorable terms than the PIVs lend. Red Arches presents a conflict of interest to the PIVs due to the lending relationship to the PIVs and due to funding loans and making investments that may be similar to those made by the PIVs. Also, Red Arches' co-lending and co-funding alongside the PIVs at the same or less-favorable terms might be considered a conflict. Since Mr. Wilson is a non-managing member of Cherokee & Walker, Red Arches and the PIVs are managed independently.
- Red Rim, LLC, a Utah limited liability company, provides business loans to fund growth and also seeks equity investment opportunities. Red Rim was formed to invest the personal capital of Brent Wilson and is managed by Mr. Wilson. Red Rim is a lender to the PIVs at commercially-reasonable (or less favorable to Red Rim) terms and co-funds loans alongside the PIVs at the same or (more favorable to the borrower) terms than the PIVs lend. Red Rim presents a conflict of interest to the PIVs due to the lending relationship to the PIVs and due to funding loans and making investments that may be similar to those made by the PIVs. Also Red Rim's co-lending and co-funding alongside the PIVs at the same or less-favorable terms might be considered a conflict. Since Mr. Wilson is a non-managing member of Cherokee & Walker, Red Rim and the PIVs are managed independently.

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

Code of Ethics

Cherokee & Walker has adopted a Code of Ethics that is designed to ensure that the ethical standards long maintained by Cherokee & Walker continue to be applied. The purpose of the Code of Ethics is to provide guidance with respect to Cherokee & Walker's, including its representatives, fiduciary obligations when dealing with clients and to preclude activities that may lead to or give the appearance of conflicts of interest,

insider trading and other forms of prohibited or unethical business conduct. A full copy of the Code of Ethics is available upon request.

In addition to adhering to the principles set forth in the Code of Ethics, Cherokee & Walker puts each PIV's interests first in directing the investments of such PIV. In most cases, at least one owner of Cherokee & Walker or board member of the PIVs (or their affiliates) invests in each PIV; and when investing, does so on the same terms and under the same conditions as other PIV members. Owner or board member capital is subject to the same risks and potential returns as other member capital.

Potential Conflicts of Interest

Cherokee & Walker and/or its non-managing members or the Managing Directors may manage or advise multiple businesses or PIVs, which may be competitive with one another. Notwithstanding the conflicts of interest, these potentially competitive businesses and PIVs are operated in a manner designed to minimize the potential for conflicts of interest.

Generally, the potential conflicts of interest arise out of the fact that the Managing Directors allocate time to the management of businesses other than the PIVs (including those listed above), which may limit the Managing Directors' availability to direct Cherokee & Walker as the manager of the PIVs. Additionally, some of the outside businesses could be service providers directly to the PIVs or may be service providers to their portfolio companies or borrowers, e.g., Rockworth Companies could provide real estate development, consulting and property management to the PIVs. Such arrangements create a conflict of interest.

The foregoing conflicts of interest are addressed by ensuring that market terms (or better) are provided for contracts and services provided.

Additionally, Cherokee & Walker owners may lend to the PIVs at commercially-reasonable (or less favorable to the lender) terms, as well as co-lending or co-investing alongside the PIVs at similar or (more favorable to the borrower) terms than the PIVs lend or invest. Such arrangements may create a conflict of interest.

Potential conflicts of interest are disclosed, in detail, in offering documents for each PIV, including potential conflicts of interest among PIVs. Furthermore, financial records and transaction documents for each PIV are available to members of such PIV for inspection in accordance with the offering documents, which offering documents must be approved by each member prior to investing.

Participation or Interest in Client Transactions and Personal Trading

Cherokee & Walker members do not participate in nor have an interest in PIV transactions under an advisory relationship, beyond the performance fees addressed in the "FEES AND COMPENSATION" section above.

Since Cherokee & Walker does not invest in publicly-traded securities in PIV portfolios, restrictions on personal trading of any public securities on behalf of Cherokee & Walker or its non-managing member's or Managing Directors do not apply.

BROKERAGE PRACTICES

Cherokee & Walker does not manage publicly-traded securities, and as such, a brokerage firm would only be utilized to liquidate securities acquired through the sale of a portfolio company.

REVIEW OF ACCOUNTS

Cherokee & Walker is an advisor to PIVs, its non-managing member's and board members of affiliated companies, rather than to outside individual accounts. Typical supervisory processes for the PIVs are described below:

Management meetings for each PIV are typically held on a bi-weekly basis, which meetings include reviews of existing portfolio investments and consideration of potential portfolio investments. Three Managing Directors usually participate in the management meetings. The Managing Directors represent backgrounds in accounting, business, and real estate. Each Managing Director participates across all PIVs, depending on the nature of individual portfolio investments.

Next, administrative processes are undertaken monthly to invoice and to reconcile lending PIV portfolio investments, to calculate, management and performance fees, and to send any distributions to members. Similar processes occur quarterly for equity PIV investments. The processes outlined above also generate and send monthly statements to members in lending PIVs and quarterly statements to members in equity PIVs.

Board meetings for the governing boards of each PIV are held at least annually. Typically, three Managing Directors participate in those meetings as well as a non-managing member and a fifth director, who is a significant PIV investor, but not an owner of Cherokee & Walker.

The Managing Directors typically review financial statements (and annual reports, where available) as they become available, which is often on a quarterly basis. Board seats for portfolio companies are filled by Managing Directors where advisable, to gain additional insight into and to provide direction to portfolio companies. Updates on portfolio holdings are typically provided on a quarterly basis for members of the equity PIV through a written report and on an annual basis for members of the lending PIVs through a meeting or telephone discussion.

Each PIV is audited annually by an independent public accounting firm which is registered with and is subject to oversight by the Public Company Accounting Oversight Board. The resulting audit reports, which include year-end financial statements, are provided to respective members of each PIV.

CLIENT REFERRALS AND OTHER COMPENSATION

Cherokee & Walker neither provides compensation for investor referrals nor receives compensation for investor referrals.

CUSTODY

Cherokee & Walker has custody of PIV and investor assets. Segregated accounts are maintained with a major banking institution for each PIV, with cash transfer controls in place. Each PIV is audited annually by an independent accounting firm approved and reviewed by the Public Company Accounting Oversight Board, with the resulting audit report being provided to each PIV member.

Each member of a lending PIV receives a monthly statement prepared by Cherokee & Walker, while members of the equity PIV receive a quarterly account statement. Those statements list the management and performance fees withdrawn on a pro-rata (individual investor) basis from each PIV, as well as distribution amounts.

INVESTMENT DISCRETION

As described in the “ADVISORY BUSINESS” section above, Cherokee & Walker has discretion for selecting investments for the PIVs under its management. Investments for those PIVs are selected within the guidelines provided by the offering documents for each PIV. Typical guidelines might restrict the percentage of PIV assets that may be invested in a single portfolio holding or they might restrict the term of a loan being originated.

VOTING CLIENT SECURITIES

Because Cherokee & Walker does not manage publicly-traded securities portfolios nor invest client money directly, Cherokee & Walker does not receive proxy statements and proxy requests from public companies. With respect to companies in which CW Fund II has an interest, the Managing Directors evaluate information provided by management and vote based upon their determination as to the best interest of CW Fund II, without reference to recommendations of any shareholder advisory service or other third party.

FINANCIAL INFORMATION

Each proprietary PIV is audited annually by Tanner LLC, an independent public accounting firm located at 36 South State Street, Suite 600, Salt Lake City, UT 84111. Tanner is registered with the Public Company Accounting Oversight Board, and, as such, is subject to regular inspection by the Public Company Accounting Oversight board.

Tanner conducts audits of the PIVs under Cherokee & Walker’s management during the first quarter of the calendar year, so that tax statements may be generated from each PIV in time to typically meet the individual tax filing deadline in April. Because each PIV has numerous portfolio investments which must report necessary information to that PIV for audit completion and tax return preparation for that PIV, the distinct possibility exists that audits and resulting tax returns may not be complete in time for the individual income tax filing deadline, which may require each PIV member to request a tax filing extension.

The PIVs make loans and investments in businesses, real estate projects and other illiquid assets. These assets are often difficult or costly to accurately value. Because of this difficulty and cost, portfolio holdings are often only valued upon sale, termination, payback or foreclosure. This means that portfolio valuation on a quarterly or annual basis may be unavailable. Given that management fees are based on net unreturned capital raised and performance fees are based on actual cash distributions, this lack of valuation has not proven to be problematic.

Cherokee & Walker strives to protect PIV value by collecting on non-performing loans. When necessary, collateral is repossessed or foreclosed upon and personal guarantees are pursued when economically feasible.

Cherokee & Walker does not require prepayment of management or performance fees. Such fees are withdrawn from each PIV in arrears, on a monthly or quarterly basis.

Cherokee & Walker does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to manage PIVs.

Neither Cherokee & Walker nor its non-managing members nor any of its Managing Directors has filed a petition, or had an involuntary petition filed against it, to commence any proceeding under any bankruptcy, reorganization, dissolution or liquidation law or statute of any jurisdiction in the past ten years. In 2009, J.

Blair Jenkins, one of Cherokee & Walker's Managing Directors, was party to a negotiated compromise with a mortgage creditor related to a personal real estate investment which was fully resolved and is unrelated to any Cherokee & Walker investment advisory services or PIV investments.