

## **Item 1 – Cover Page**

# **DOMAIN CAPITAL ADVISORS, LLC**

1100 ABERNATHY ROAD NE, NORTHPARK 500, SUITE 700

ATLANTA, GEORGIA 30328

770-390-3928

Year: March 31, 2011

This Brochure has been prepared as part of the March 31, 2011 filing requirements of Form ADV. The Brochure provides information on the qualifications, advisory business, fee arrangements, types of clients, investment strategies, code of ethics, custody policies and financial information of Domain Capital Advisors, LLC. 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.

Domain Capital Advisors, LLC is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

If you have any questions about the contents of this Brochure or would like to request a Brochure, please contact John R. Lockett – Vice President and Chief Compliance Office of Domain Capital Advisors, LLC at 770-390-3928 or by email at [john.lockett@domaincapitaladvisors.com](mailto:john.lockett@domaincapitaladvisors.com). Additional information about Domain Capital Advisors, LLC is available on the Securities Exchange Commission's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

This Brochure is the inaugural brochure of Domain Capital Advisors, LLC and as a result has no material changes to discuss. In future publications of the Brochure, Domain Capital Advisors, LLC will discuss material changes to our policies, practices and conflicts of interest in this section.

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#### **Item 4 - Advisory Business**

Domain Capital Advisors, LLC was organized on May 30, 2008 and is engaged in the business of providing investment management services. Domain Capital Advisors, LLC is the successor entity to Domain Capital Advisors, Inc. (year 2002); SHLP Realty Advisors, Inc. (year 1998) and Raymond James Realty Advisors, Inc. (year 1989). The principal owner of Domain Capital Advisors, LLC is Leardo Asset Management, LLC.

The majority (70%) of the advisory services performed by Domain Capital Advisors, LLC are investment supervisory services of existing investments. The remaining services (30%) pertain to the furnishing of investment advice and performance of due diligence on potential investments. Domain Capital Advisors, LLC manages investments on a non-discretionary basis. As of December 31, 2010, Domain Capital Advisors, LLC has eight separate investments for one client. The unaudited value of these eight investments totaled \$1,530,808,760 as of December 31, 2010.

#### **Item 5 - Fees and Compensation**

The fees for Domain Capital Advisors, LLC services are determined at the outset of each investment by negotiations between Domain Capital Advisors, LLC and our client. The fee structure is calculated as either a percentage of assets under management arrangement or a fixed fee arrangement.

The fees charged by Domain Capital Advisors, LLC are documented in a written agreement between the client and Domain Capital Advisors, LLC. Domain Capital Advisors, LLC bills its fees on a quarterly basis. Sometimes the fee document calls for the quarterly fee to be paid in advance and sometimes in arrears. Investments that begin or cease during the quarter are charged a prorated fee unless the fee document states otherwise.

In addition to the quarterly fee described above, Domain Capital Advisors, LLC may negotiate an appropriate disposition fee or incentive fee subject to agreement by the client. All fees are directly deducted from the client's account upon the payment due date. Upon dissolution or exiting of an investment, prepaid fees will be promptly refunded.

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

Although Domain Capital Advisors, LLC may negotiate a disposition fee or incentive fee with its client upon the investment exit or disposition, Domain Capital Advisors, LLC does not charge any performance-based fees on an ongoing basis.

#### **Item 7 - Types of Clients**

Domain Capital Advisors, LLC provides investment advisory services exclusively to state pension funds.

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

Domain Capital Advisors, LLC investment analysis is based on traditional real estate valuation and investment return models. Specific due diligence and acquisition techniques and information come from traditional real estate information sources, market studies, brokers appraisals, engineering studies, environmental reports, title examinations, survey and similar sources and take into account revenues, assets, markets, management services, earnings and financial structure, and other market related factors. Although the majority of investment strategies implemented for our client are long-term, all investments are continually monitored for a profitable disposition strategy.

There are material risks to each investment type included in Domain's assets under management. Real estate investments represent 87% of the assets under management and this investment type is subject to special risks, including illiquidity, fluctuations in the value of the underlying properties, the effects of economic conditions on real estate values, changes in interest rates and risks related to renting properties, such as rental defaults. The additional material investment types include subordinated and mezzanine debt which have most of the risks described above and the special risk of the performance of the underlying assets; life settlement investments also have the illiquidity risk described above in addition to specific insurance industry risks including policy fraud, policy rescission and the negative publicity of this investment type.

The investments that are managed by Domain Capital Advisors, LLC on behalf of its client have significant risk of loss. The client should be prepared to bear a complete loss of its investment.

## **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose herein material facts about any legal or disciplinary event that is material to a client or prospective client's evaluation of Domain's advisory business or the integrity of Domain or its management personnel. Domain Capital Advisors, LLC has had no legal or disciplinary action brought against it or its executives which are applicable to Item 9.

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

Domain Capital Advisors, LLC serves as manager and 1% - 5% owner of six limited liability companies. These six limited liability companies are the general partner or manager entity for each of the client's investments. The remaining 95% - 99% owner of the six limited liability companies is the client. This 1% - 5% ownership interest is disclosed to the client and does not create a conflict of interest because the client requires Domain to be the manager and minority owner.

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

Domain Capital Advisors, LLC maintains a Policy and Supervisory Procedure Manual ("Policy Manual") which is read by and acknowledged in writing by Domain Capital Advisors, LLC key personnel. The Policy Manual includes provisions relating to registration and licensing, compliance, books and records, fiduciary capacity, client accounts and documents, advertising, disclosure requirements, trading/prohibited transactions, outside securities transactions and insider trading policies. Our Policy Manual has been in place since January 1, 2005 and was last amended on July 14, 2009. The Policy and Supervisory Procedure Manual is available to all clients upon their request by writing Mr. John R. Lockett, 1100 Abernathy Road NE, Northpark 500, Suite 700, Atlanta, Georgia 30328.

As mentioned in Item 10 above and as disclosed in Item 7B of Domain's Form ADV, Domain Capital Advisors, LLC serves as the manager and minority owner of the entities in which the client invests.

## **Item 12 - Brokerage Practices**

Neither Domain Capital Advisors, LLC nor its related persons suggest brokers to our client nor do we have investment or brokerage discretion. Furthermore, Domain Capital Advisors, LLC does not compensate or otherwise reward any parties for client referrals.

## **Item 13 - Review of Accounts**

Domain Capital Advisors, LLC provides investment supervisory services by managing the investment accounts of its one client.

The review process, the individual responsible for the review and the reports issued are described below.

Review: Written quarterly reports are assembled by an employee of Domain Capital Advisors, LLC. The reports are then reviewed by Domain Capital Advisors, LLC's vice president and chief compliance officer (CCO) and the client is notified if significant appreciation or depreciation (>10%) occurs to the investment.

Reviewer: Due to the small number of investments (less than a dozen) there is only one reviewer who is Domain Capital Advisors, LLC's vice president and CCO.

Reports: Clients are sent asset management packages quarterly that provide the investment net asset value and a summary of the quarterly and year to date operations of the investment. If applicable, the investment performance is compared to an industry benchmark such as Green Street. Annual independent audits of the investments and independent valuations are also provided to the client.

## **Item 14 - Client Referrals and Other Compensation**

Domain Capital Advisors, LLC does not compensate others for client referrals. Domain Capital Advisors, LLC does receive economic benefit from one non-client in connection with giving advice to our client on two investments. The payment from this non-client is disclosed to, agreed to and documented to our client in our executed fee agreements, which both the client and Domain Capital Advisors, LLC sign.

Domain Capital Advisors, LLC receives an annual fee totaling 50 basis points of the capital investment made into one of our client's investments and receives \$175,000 plus expenses annually for a second client investment. Domain Capital Advisors, LLC believes that any conflict of interest presented by these payments are adequately addressed through disclosure and obtaining the written acknowledgement of the client.

## **Item 15 - Custody**

Domain Capital Advisors, LLC maintains custody of client funds. The funds that Domain Capital Advisors, LLC has custody of include cash held at a qualified custodian in a bank account with the bank account titled under the investment name. Clients receive a monthly duplicate bank statement mailed directly from the bank that maintains the cash. Domain Capital Advisors, LLC urges its client to carefully review the monthly bank statements and asks them to compare the bank statement balance to the reports that are sent by Domain Capital Advisors, LLC. The bank statement balances may vary slightly from our reporting due to deposits in transit or uncleared checks. Domain Capital Advisors, LLC prepares a reconciliation each month reconciling the report balance to the bank statement balance, and will share that reconciliation paperwork and supporting backup with its client upon request.

## **Item 16 - Investment Discretion**

Domain Capital Advisors, LLC does not have discretionary authority over client accounts. Investment guidelines and restrictions are determined by the client, and Domain Capital Advisors, LLC performs due diligence of the potential investment on behalf of the client. Domain Capital Advisors, LLC is responsible for the investment reporting process after the investment is made.

## **Item 17 - Voting Client Securities**

Domain Capital Advisors, LLC does not have the authority to and does not vote proxies on behalf of our client.

## **Item 18 - Financial Information**

Domain Capital Advisors, LLC is required to have an annual balance sheet audit performed. As evidenced by our past Form ADV – Part 2 filings, Domain Capital Advisors, LLC shares the annual audit results with our client. Domain Capital Advisors, LLC has no financial condition that could impair its ability to meet our contractual commitments to our client. Furthermore, Domain Capital Advisors, LLC has not been the subject of a bankruptcy petition nor is it currently involved in a bankruptcy proceeding.

The December 31, 2010 balance sheet audit of Domain Capital Advisors, LLC will once again be delivered to our client upon completion.

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770-390-3928

Year: 2011

The Brochure Supplement

Patrick R. Leardo  
President – Domain Capital Advisors, LLC



## **Item 2 - Educational Background and Business Experience**

Patrick R. Leardo – graduated from Upsala College with a Bachelor of Science degree in Engineering. Prior to joining Domain Capital Advisors, LLC, Mr. Leardo spent 22 years in the global real estate advisory business, most recently as Partner in Charge of the aforementioned business unit of PricewaterhouseCoopers LLP. Mr. Leardo was also the Real Estate Industry Chairman for Coopers & Lybrand's real estate activities. As part of legacy Coopers & Lybrand and post the merger with Pricewaterhouse, the real estate advisory practice, under Mr. Leardo's direction, grew globally to include over 450 people with 44 offices in 16 countries. In addition to overseeing the local leadership in Europe and Asia, Mr. Leardo was responsible for leading the practice in the United States and Canada, developing strategic core services in the areas of Capital Markets/Asset Advisory, Valuation and Restructuring. Mr. Leardo's 35 years in the real estate industry include 10 years as Chief Operating Officer for a major northeast real estate development and syndication firm.

## **Item 3 – Disciplinary Information**

“Supervised Persons” as defined by the requirements of Rule 204-3(b)(3) must disclose any legal or disciplinary events that is material to a client's evaluation of a supervised person's integrity. It includes certain disciplinary events that the commission presumes are material to such an evaluation if they occurred during the last ten years. Patrick R. Leardo has had no legal or disciplinary event or action brought against him which would be applicable to this disclosure requirement.