

## Uniform Application for Investment Adviser Registration

## OMB APPROVAL

OMB No. 3235-0049  
 Expires: January 31, 2008  
 Estimated average burden  
 hours per response...9.402

Name of Investment Adviser:

Terwin Money Management LLC

Address: (Number and Street) (City) (State) (Zip Code)  
 21700 Oxnard Blvd. Suite 950 Woodland Hills, CA 91367

Area Code: Telephone Number  
 (818) 887-3860

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
 The information has not been approved or verified by any governmental authority.**

## Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees.....	2
2	Types of Client .....	2
3	Types of Investments .....	3
4	Methods of Analysis, Sources of Information and Investment Strategies .....	3
5	Education and Business Standards .....	4
6	Education and Business Background.....	4
7	Other Business Activities .....	4
8	Other Financial Industry Activities or Affiliations .....	4
9	Participation or Interest in Client Transactions .....	5
10	Conditions for Managing Accounts .....	5
11	Review of Accounts .....	5
12	Investment or Brokerage Discretion .....	6
13	Additional Compensation .....	6
14	Balance Sheet .....	6
	Continuation Sheet .....	Schedule F
	Balance Sheet, if required .....	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients).

**Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

Applicant:

Terwin Money Management LLC

SEC File Number:

801-68267

Date:

10/1/2008

## Definitions for Part II

Related person – Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services – Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. A. **Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- |   |         |
|---|---------|
| <input type="checkbox"/> (1) Provides investment supervisory services.....  | _____ % |
| <input checked="" type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services .....  | 100 %   |
| <input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above .....   | _____ % |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription .....  | _____ % |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above .....  | _____ % |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... | _____ % |
| <input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities .....  | _____ % |
| <input type="checkbox"/> (8) Provides a timing service .....  | _____ % |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above .....  | _____ % |

(Percentages should be based on applicants last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? ..... ☐ Yes ☒ No

## C. Applicant offers investment advisory services for: (check all that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges                                     | <input type="checkbox"/> (5) Commissions       |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees)       | <input checked="" type="checkbox"/> (6) Other  |

## D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of Clients** – Applicant generally provides investment advice to: (check those that apply)

- |  |   |
|--|---|
| <input type="checkbox"/> A. Individuals                      | <input type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions     | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies             | <input checked="" type="checkbox"/> G. Other (describe on Schedule F)                       |
| <input type="checkbox"/> D. Pension and profit sharing plans |   |

Applicant:

Terwin Money Management LLC

SEC File Number:

801-68267

Date:

10/1/2008

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

3. **Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input type="checkbox"/> A. Equity Securities  | <input type="checkbox"/> H. United States government securities      |
| <input type="checkbox"/> (1) exchange-listed securities                                |  |
| <input type="checkbox"/> (2) securities traded over-the-counter                        | <input type="checkbox"/> I. Options contracts on:                    |
| <input type="checkbox"/> (3) foreign issuers   | <input type="checkbox"/> (1) securities                              |
|  | <input type="checkbox"/> (2) commodities                             |
| <input type="checkbox"/> B. Warrants   |  |
|  | <input type="checkbox"/> J. Futures contracts on:                    |
| <input type="checkbox"/> C. Corporate debt securities<br>(other than commercial paper) | <input type="checkbox"/> (1) tangibles                               |
|  | <input type="checkbox"/> (2) intangibles                             |
| <input type="checkbox"/> D. Commercial Paper   |  |
| <input type="checkbox"/> E. Certificates of deposit                                    | <input type="checkbox"/> K. Interests in partnerships investing in:  |
| <input type="checkbox"/> F. Municipal securities                                       | <input type="checkbox"/> (1) real estate                             |
|  | <input type="checkbox"/> (2) oil and gas interests                   |
| <input type="checkbox"/> G. Investment company securities:                             | <input type="checkbox"/> (3) other (explain on Schedule F)           |
| <input type="checkbox"/> (1) variable life insurance                                   | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities  |  |
| <input type="checkbox"/> (3) mutual fund shares  |  |

4. **Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |   |
|---|---|
| (1) <input type="checkbox"/> Charting               | (4) <input type="checkbox"/> Cyclical                                 |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical              |   |

B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services  |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities   | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases  |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F)   |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |  |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions   |
| (2) <input type="checkbox"/> Short term purchases<br>(securities sold within a year)             | (6) <input type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (Securities sold within 30 days)                            | (7) <input checked="" type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input checked="" type="checkbox"/> Short sales  | Swaps  |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant:

Terwin Money Management LLC

SEC File Number:

801-68267

Date:

10/1/2008

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?

Yes No  
☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| • name          | • formal education after high school               |
| • year of birth | • business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involving something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) broker-dealer  | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? ..... ☐ Yes ☒ No

(If yes, describe on Schedule F the partnerships and what they invest in.)

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

Applicant:

Terwin Money Management LLC

SEC File Number:

801-68267

Date:

10/1/2008

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

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?.....

Yes No

☐ ☒

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Trades are reviewed and confirmed by the CDO Analyst/trading assistant. Trade information is sent daily to the Trustee Bank. All trades are settled by the Trustee Bank.

The performance of the collateral underlying each CDO is reviewed by the Surveillance Group on a monthly basis. Scoring/ranking reports are produced and presented by the Assistant Surveillance Manager to TMM's Credit Committee which meets on a monthly basis. Discussions in the Credit Meeting may require further review of individual holdings and may result in additional review meetings.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Each CDO (client) has a trustee. The trustee represents the interests of the underlying bondholders and on a monthly basis issues reports to the CDO. TMM produces surveillance/delinquency reports on each CDO that show the individual performance of the underlying collateral. The trustee, underlying bondholders and other appropriate parties to the CDO can access surveillance reports on our password protected website. These reports are updated monthly by TMM.

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant:

Terwin Money Management LLC

SEC File Number:

801-68267

Date:

10/1/2008

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |                                     |                                     |
|--|-------------------------------------|-------------------------------------|
|  | Yes                                 | No                                  |
| (1) securities to be bought or sold .....                | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | Yes                                 | No                                  |
| (2) amount of the securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | Yes                                 | No                                  |
| (3) broker or dealer to be used? .....                   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | Yes                                 | No                                  |
| (4) commission rates paid? .....                         | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ..... ☐ Yes ☒ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                          |                                     |
|---|--------------------------|-------------------------------------|
| A. is paid by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?..... | Yes                      | No                                  |
|   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|   | Yes                      | No                                  |
| B. directly or indirectly compensates any person for client referrals? .....  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- |  |                          |                                     |
|--|--------------------------|-------------------------------------|
| Has applicant provided a Schedule G balance sheet? ..... | Yes                      | No                                  |
|  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

Applicant: Terwin Money Management LLC

SEC File Number:

Date: 10/1/2008

**Page 1**

801-68267

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

<p>I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: TMM Money Management LLC</p>	<p>IRS Empl. Ident. No.: 30-0206425</p>
<p>Item of Form (identify)</p>	<p>Answer</p>
<p><b>Part II</b> <b>Item 1.C.6</b></p> <p><b>Item 1.D.</b></p> <p><b>Item 2.G</b></p> <p><b>Item 3. L.</b></p> <p><b>Item 4.A. (5) and 4.B. (8)</b></p>	<p><b>Advisory Services</b> On a case by case basis, the Applicant may negotiate an upfront fee to manage the client's portfolio in addition to the management fees collected as a percentage of the assets under management.</p> <p><b>General</b> TMM Money Management LLC, a Delaware limited liability company ("TMM "), is dedicated to the management of structured finance collateralized debt obligations ("CDOs").  The investment objectives and the investment strategies of each client that is a CDO managed by TMM will be described in detail in the CDO's offering documents.</p> <p><b>Compensation</b> TMM does not maintain a basic fee schedule. Fees for each client are determined on a case-by-case basis.</p> <p>TMM provides investment advice to certain pooled investment vehicles such as CDOs.</p> <p><b>Types of Investments</b> Investment types are fixed income securities, including, asset backed securities, mortgage backed securities, collateralized debt obligations, commercial mortgage backed securities and credit default swaps.</p> <p><b>Investment Strategy</b> Currently almost all CDO vehicles managed by TMM are static and no new investments are being made. Generally, if new investments are made, TMM strives to provide a value oriented, highly disciplined approach, investing in mortgage credit assets designed to perform over the long term. In order to maximize returns and minimize losses, TMM generally conducts a high level of due diligence prior to purchasing bonds from an issuer and maintains a high level of surveillance subsequent to purchase. Generally, prior to approving an issuer/servicer company,</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

Applicant: Terwin Money Management LLC

SEC File Number:

Date: 10/1/2008

**Page 2**

801-68267

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

<b>I.</b> Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: TMM Money Management LLC	IRS Empl. Ident. No.: 30-0206425
Item of Form (identify)	Answer
<b>Item 4.C.(7)</b>	<p>underwriting guidelines and historical performance data are reviewed as well as rating agency reviews. A thorough on-site review is completed, including meeting with senior management and department heads to assess the quality of both the product originated and the servicing platform. Once approved, an analysis is performed to determine the relative value of the issuer's collateral, based on credit enhancement, rating and spread, and to set parameters of collateral type or rating level that can be purchased for that issuer. Bond structure is stressed under various default, recovery, prepayment and economic scenarios to ensure that credit support is adequate for the risk taken. Bond collateral characteristics are reviewed for strengths and weaknesses. The effect on portfolio diversity is considered with each transaction. Loss mitigation is supported through dialogue with the seller/servicer and close performance tracking on a bond-by-bond basis, including monthly or quarterly review of delinquency/loss ratios and actual versus projected performance.</p> <p>Swaps are used as a hedge in order to control interest rate and timing mismatches between the assets and liabilities of the CDO.</p>
<b>Item 5.</b>	<p><b>Educations and Business Standards</b></p> <p>TMM considers previous employment in the investment advisory industry, securities industry or related financial and professional experience or appropriate education experience to be important. TMM requires an individual to have a college degree or substantive experience in the financial industry.</p>
<b>Item 6.</b>	<p><b>Education and Five Year Business Background</b></p> <p>Sam Rainieri, Senior Vice President and Chief Investment Officer Year of Birth: 1958 Business Experience: Chief Investment Officer, TMM August 2003 to present Chief Credit Officer, Countrywide 2002 to July 2003</p> <p>RoseAnna Sevcik Year of Birth: 1963 Education: Missouri Southern University, BA Business Experience: EVP Senior Portfolio Manager, TMM April 2004 to present</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).



**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

Applicant: Terwin Money Management LLC

SEC File Number:

Date: 10/1/2008

**Page 3**

801-68267

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

<p>I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: TMM Money Management LLC</p>	<p>IRS Empl. Ident. No.: 30-0206425</p>
<p>Item of Form (identify)</p>	<p>Answer</p>
<p><b>Item 8. C.</b></p> <p><b>Item 9 D and E</b></p>	<p>First Vice President/Portfolio Manager Countrywide Home Loans 2002 to April 2004</p> <p>Karen Schnurr Year of Birth: 1957 Education: Colorado State University, BS Business Experience: Chief Compliance Officer/Chief Operating Officer, TMM September 2003 to present Portfolio Management, AIG SunAmerica 2000 to September 2003</p> <p>Masha Geeza Year of Birth: 1979 Education: University of Iowa, BBA; Northwestern University, MBA Business Experience: Portfolio Manager, TMM April 2007 to present Wharton Asset Management UK Ltd February 2006 to April 2007 JPMorgan Europe Limited September 2004 to January 2006 Bank One September 2001 to September 2004</p> <p>Affiliates of TMM include a securities broker-dealer Terwin Capital LLC.</p> <p>TMM's only clients are CDO's. TMM may recommend, or cause, a client to buy or sell securities in which it or one of its related persons has a financial interest. For example, TMM could recommend that a client sell a mortgage backed security issued by Terwin Advisors, a related company.</p> <p>TMM has adopted a personal trading policy and a policy to prevent the misuse of material, inside information, both of which are designed to avoid conflicts of interest that may arise when TMM personnel and members of their family engage in securities transactions for their own account.</p>
<p><b>Item 12</b></p>	<p><b>Limitations on Authority</b></p> <p>Any limitations on the authority of TMM are provided in the investment process and the CDO documents. TMM reviews investments offered by a variety of broker dealers during the asset accumulation and management stages. Virtually no new issue market currently exists and consequently any new trades are being done in the secondary market where the broker dealer collects the spread between the bid/offer and TMM pays the offer price.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

Applicant: Terwin Money Management LLC

SEC File Number:

Date: 10/1/2008

**Page 4**

801-68267

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

<p>I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: TMM Money Management LLC</p>	<p>IRS Empl. Ident. No.: 30-0206425</p>
<p>Item of Form (identify)</p>	<p>Answer</p>
	<p>Allocating investments among CDOs. Investment allocations are primarily based on three factors:</p> <ol style="list-style-type: none"><li>1. The bond's suitability for a particular CDO.</li><li>2. Timing factors currently affecting the CDOs.</li><li>3. The aggregation restrictions for originators and/or servicers for a specific CDO</li></ol> <p>Bond suitability is determined by the type of bond (mezzanine, high grade, super high grade) versus the type of CDO.</p> <p>If a bond is deemed suitable for a particular CDO and there are no specific timing issues then the bond is split evenly among the CDOs, subject to aggregation restrictions for originators and/or servicers.</p> <p>Subject to any limitations contained in the CDO deal documents, sales of securities are conducted via a competitive bid process where the highest bid is measured against potential longer term cash flows to ensure the highest recovery to the CDO.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).