

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

COMMERCE STREET
Investment Management

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This brochure provides information about the qualifications and business practices of Commerce Street Investment Advisor, LLC, doing business as Commerce Street Investment Management. It is prepared pursuant to regulatory requirements. If you have any questions about the contents of this brochure, please contact us at the phone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Commerce Street Investment Management is a registered investment adviser with the SEC under the Investment Advisers Act of 1940 (the "Advisers Act"). However, such registration does not imply a certain level of skill or training. Additional information about Commerce Street Investment Advisor, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Dated: March 30, 2012

Item 2 Material Changes

This brochure is a new document prepared to reflect Commerce Street Investment Advisor, LLC's status as of 3/31/2011. It is materially different from previous Commerce Street Investment Advisor, LLC filings and includes certain new information that the previous filings did not require.

The changes in this brochure reflect Commerce Street Investment Advisor, LLC's decision do business under the name Commerce Street Investment Management, and to no longer provide management services for proprietary trading strategies using a market timing model known as the Predictive Path Trading Strategy.

Item 3 Table of Contents

Part 2A of Form ADV: Firm Brochure	1
Item 1 Cover Page	1
Item 2 Material Changes	2
Item 3 Table of Contents.....	3
Item 4 Advisory Business.....	4
Item 5 Fees and Compensation	5
Item 6 Performance-Based Fees and Side-By-Side Management	5
Item 7 Types of Clients	5
Item 8 Methods of Analysis Investment Strategies and Risk of Loss.....	5
Item 9 Disciplinary Information.....	5
Item 10 Other Financial Industry Activities and Affiliations	6
Item 11 Code of Ethics, Participation or Interest in Client Transactions & Personal Trading.....	6
Item 12 Brokerage Practices.....	6
Item 13 Review of Accounts	6
Item 14 Client Referrals and Other Compensation	7
Item 15 Custody.....	7
Item 16 Investment Discretion	7
Item 17 Voting Client Securities	7
Item 18 Financial Information.....	7
Item 19 Requirements for State Registered Advisers	7

Item 4 Advisory Business

INTRODUCTION

Commerce Street Investment Advisor, LLC dba Commerce Street Investment Management is a Registered Investment Advisory firm registered with the U.S. Securities and Exchange Commission (SEC) since January 22, 2008. We are noticed filed in California, Connecticut, DC, Florida, Georgia, Iowa, Illinois, Kansas, Louisiana, Minnesota, Mississippi, New Jersey, New Mexico, New York, Oklahoma, Pennsylvania, South Dakota, Tennessee, Virginia and our home state of Texas which means we are registered to do business in these states. We may conduct business in other states by claiming an exemption from registration. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide you, including this Brochure, is information you can use to evaluate us and other advisers, which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship. This Brochure provides information about our qualifications and business practices. Commerce Street Investment Advisor, LLC does business under the name Commerce Street Investment Management.

OWNERSHIP

Commerce Street Investment Advisor, LLC is a limited liability company headquartered in Dallas, Texas. Commerce Street Holdings, LLC is the sole member of the firm. Dory A. Wiley and James B. Gardner are the equal members of Commerce Street Holdings, LLC.

ADVISORY SERVICES OFFERED

Commerce Street Investment Advisor, LLC provides management services for private equity funds ("Funds"), which we also sponsor. Typically, our private equity funds are 10 year, closed-end limited partnerships in which investors subscribe for interests.

FUND MANAGEMENT SERVICES:

Investors who subscribe to our Funds are accredited investors, including high net worth individuals, trusts, institutions, pension funds, endowments and insurance companies, and typically will be sophisticated investors with substantial investment assets who wish to participate in partnerships formed to invest in professionally managed private equity funds and hedge funds.

An investor in our Funds will be a "qualified client" as defined in Rule 205-3e of the Rules and Regulations promulgated under the Investment Advisers Act of 1940. Our Funds are invested in bank equity securities, bank debt securities, and commercial real estate mortgage instruments.

Qualified Client

Only qualified investors as defined by Sec. 205-3 of the Investment Advisers Act at the time of investment who meet the required threshold are permitted to invest in investments that charge performance fees. Typically, this includes a minimum liquid net worth excluding the value of the investor's primary residence and minimum assets under management. The thresholds will be adjusted for inflation every five years with the initial rule effective date of May 22, 2012.

Key provisions of Section 205-3 are paragraph (d) which can be found at:

<http://taft.law.uc.edu/CCL/InvAdvRIs/rule205-3.html>

The firm will assure the investor meets these thresholds prior to accepting the investor into the investment vehicle which charges performance fees. Custody of client accounts for both securities and funds is maintained at Penson Financial Services, Inc. the designated custodian and clearing firm for Commerce Street Capital, LLC, an affiliated broker dealer firm. Neither Commerce Street Investment Advisor, LLC nor any of its employees are affiliates of Penson Financial Services, Inc. (Member FINA/SIPC).

ASSETS UNDER MANAGEMENT:

As of December 31, 2011, Commerce Street Investment Management had approximately \$238,310,626 in assets under management.

Item 5 Fees and Compensation

FUND MANAGEMENT SERVICE FEE SCHEDULE:

Commerce Street Investment Advisor, LLC receives a management fee based on committed capital in accordance with the terms of the Partnership Agreement for each fund. The fee is calculated and paid quarterly in advance as of the beginning of each calendar quarter. The management fee is pro-rated for any period less than a full quarter.

Termination:

Agreements are continuous until the earlier of the dissolution of the Partnership or termination by either the Manager or the General Partner on behalf of the Partnership upon at least a thirty (30) days prior written notice. Should the agreement be terminated the Partnership will receive a pro-rated share of any prepaid management fees.

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

Commerce Street Investment Management does not receive performance-based fees. Commerce Street Investment Management receives a management fee based on committed capital in accordance with each Fund's Partnership Agreement.

Item 7 Types of Clients

Client Base:

Our fund investors consist of accredited investors, including individuals, pension and profit sharing plans, trusts, estates, charitable organizations, endowments, insurance companies, corporations and other business entities.

Conditions for Account Management:

We have no imposed minimum account size to be managed by us unless set forth by a fund private placement memorandum.

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

The methods of analysis, investment strategies and risk of loss for each Fund are presented in the private placement memorandum related to each Fund.

Item 9 Disciplinary Information

Commerce Street Investment Advisor, LLC has not been subject to any disciplinary action and has no disciplinary information to present.

Item 10 Other Financial Industry Activities and Affiliations

Commerce Street Capital, LLC Relationship:

Commerce Street Capital, LLC, (Member FINRA/SIPC) is a registered broker-dealer and an affiliated firm through the ownership of Jim Gardner and Dory Wiley.

Penson Financial Services, Inc. is the designated custodian for Commerce Street Investment Management. Neither our Firm nor any of its employees are affiliates of Penson Financial Services, Inc.

General Partner Relationships:

Our related persons are general partners of our various private equity and investment funds. These related persons are permitted to invest in our Funds.

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

Code of Ethics:

Commerce Street Investment Management has adopted a Code of Ethics Policy to prohibit conflicts of interest from personal trading by our employees and has established standards of conduct expected of our employees. We have set forth in the Code of Ethics Policy statements of general principles, required course of conduct, reporting obligations, and review and enforcement of the Code of Ethics Policy. We will provide a copy of the Code of Ethics Policy to our clients or prospective clients upon written request.

Participation or Interest in Client Transactions / Personal Trading:

Employees of Commerce Street Investment Management may be permitted to invest in the private equity funds and hedge funds that we sponsor.

Item 12 Brokerage Practices

It is our policy to select brokers for our Fund transactions on the basis of the best combination of cost and execution capability.

Item 13 Review of Accounts

Each Fund has an annual audit which is provided to each investor along with a K-1 for tax reporting purposes. We also provide quarterly reports to the fund and/or client for all assets under management. Reviewers include Suzanne Hickey, CCO and Tina Schirle, Chief Financial Officer. All reviewers are aware of the investment philosophy and strategies for each fund.

Item 14 Client Referrals and Other Compensation

Client Referrals:

Commerce Street Investment Management's clients are private equity funds which we also sponsor.

Other Compensation:

No other compensation is received other than what is already disclosed.

Item 15 Custody

All funds and securities for each of our Funds are maintained with a "qualified custodian" as required under Rule 206(4)-2 under the Investment Advisers Act of 1940. Commerce Street Investment Management does not take physical possession of any funds or securities. Custody of both securities and funds for our Funds is maintained at Penson Financial Services, Inc. the designated custodian for Commerce Street Investment Management.

Item 16 Investment Discretion

Investment discretion in each of our Funds is described in the private placement memorandum and subscription agreement related to each Fund.

Item 17 Voting Client Securities

When we receive proxy materials for investments in our Funds, we promptly forward such materials to the security holder of record for voting, the fund manager. Our Fund managers are fully licensed with Commerce Street Investment Management and in their capacity as a fund manager they vote proxies. Procedures for voting proxies have been established for each fund and are set forth in the fund's private placement memorandum. You can contact our office at 214-545-6800 for any questions about a particular solicitation.

Item 18 Financial Information

Each of our funds has an annual audit which is provided to each investor along with a K-1 for tax reporting purposes. We also provide quarterly reports to the fund investors for all assets under management.

Item 19 Requirements for State Registered Advisers

Commerce Street Investment Advisor, LLC is an SEC registered investment advisor doing business as Commerce Street Investment Management.