

Form ADV Part 2A: Firm Brochure

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This brochure provides information about the qualifications and business practices of Caspian Capital LP. If you have any questions about the contents of this brochure, please contact us at 212-826-6970 and/or email adele@caspianlp.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Caspian Capital LP also is available on the SEC's website at <http://www.adviserinfo.sec.gov>.

Material Changes

This is the first version of our Form ADV Part 2A Brochure.

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1. Advisory Business

- A. Caspian Capital LP, formed in October 2010, is an investment advisory services firm specializing in alternative investment management. The principal owners of our firm are Adam S. Cohen, David N. Corleto and Mark A. Weissman (the "Principals"). MIG Holdings, LLC owns a minority, non-controlling interest in our firm as well. ORIX AM Holdings LLC owns over 25% of MIG Holdings, LLC, ORIX AM Holdings LLC is majority owned by ORIX USA Asset Management, LLC. ORIX USA Asset Management, LLC is 100% owned by ORIX USA Corporation, which is in turn owned 100% by the listed/publicly traded entity ORIX Corporation (NYSE ADR "IX").

Prior to the formation of Caspian, the three Principals led the Caspian unit within Mariner Investment Group, LLC ("Mariner"), where they managed the same private investment funds operating under the Caspian name which they currently manage at Caspian. The first Caspian fund was established by Mariner in 1997. Our firm was formed in connection with a restructuring of Mariner.

We use the terms "Caspian" and "we" in this brochure to refer to Caspian Capital LP and various affiliates and related entities that are also involved in conducting our business.

- B. Caspian specializes in offering investment management services to private investment funds and similar institutional accounts. In providing our advisory services, our objective is to achieve long term capital appreciation, on a favorable risk-adjusted basis, by applying a flexible and opportunistic approach to investing which involves evaluating the current attractiveness of various asset classes, including bank loans, bonds, equities, speculative investments and cash equivalents. We may trade and make investments in public and private debt and equity securities. Consistent with this opportunistic approach, however, there are no fixed limitations or diversification requirements as to specific asset classes in which we invest.

We use the term "Caspian Funds" in this brochure to refer to the private funds and other collective investment vehicles that we manage and advise.

- C. Our firm tailors our advisory services to the specified investment mandates of our clients. Our portfolio managers adhere to the investment strategy set forth in each client's private placement memorandum. Investors can impose upon our clients restrictions on investing in certain securities or types of securities. In such cases we may create a new class of interest in such client for the investor and not allocate any such restricted securities to such class. These types of terms are all arranged on a case-by-case basis.
- D. We do not participate in wrap fee programs.

- E. The amount of client assets that we advise or manage on a discretionary basis, as of March 1, 2011, is approximately \$2.6 billion. We do not manage any client assets on a non-discretionary basis.

2. Fees and Compensation

- A. We receive compensation from each of our clients based on both a percentage of value of the net assets we manage and on performance achieved for the account of each investor in each client's account. Detailed information concerning our compensation and fees is contained in the private placement memorandum of each client fund that we manage.
- B. We generally deduct the asset-based fee from clients' accounts quarterly in advance. We generally deduct the performance-based fee described above from clients' accounts at the end of each calendar year or at the time of investor withdrawals.
- C. Each client generally bears its own investment and trading expenses; its organizational expenses; and its accounting and administrative expenses. Investment and trading expenses generally include brokerage commissions and spreads, custody charges, interest expenses, risk management expenses, fees of legal advisers and other consultants relating to investments and prospective investments, and insurance premiums. Organizational expenses generally include the expenses of preparing organizational and offering documents as well as filing fees. Accounting and administrative expenses generally include the fees and expenses of third party administrators, independent auditors as well as other costs of maintaining records and reporting to investors. Please see Section 9 which discusses our brokerage practices.
- D. Our client funds generally do not permit withdrawals except as of quarter-end dates. Therefore, no fees that are billed at the beginning of a quarter are subject to refund. If we do permit a withdrawal in the middle of a calendar quarter, we will refund a pro rata portion of any fees paid at the beginning of the quarter.
- E. Neither our firm nor any of the Principals or employees receives any transaction-based compensation for the sale of securities or other investment products.

3. Performance-Based Fees and Side-By-Side Management

Caspian receives performance-based compensation from each of our clients. We do not manage any client accounts that do not pay performance-based compensation.

4. Types of Clients

All of our clients are private investment funds and similar private investment entities. Our clients' investors include a broad range of U.S. and non-U.S. institutions and high

net worth individuals. We require investors that are U.S. persons to be “accredited investors” and “qualified purchasers” (as defined in applicable federal securities laws and regulations).

5. Methods of Analysis, Investment Strategies and Risk of Loss

Caspian’s investment objective is to achieve long term capital appreciation, on a favorable risk-adjusted basis, by applying a flexible and opportunistic approach to investing which involves evaluating the current attractiveness of various asset classes, including bank loans, bonds, equities, speculative investments and cash equivalents. We may trade and make investments in public and private debt and equity securities. Consistent with this opportunistic approach, however, there are no fixed limitations or diversification requirements as to specific asset classes in which we invest.

As a result of Caspian’s investment objective, Caspian invests in a variety of securities but has historically focused on three trading strategies: (1) stressed/distressed corporate situations, (2) capital structure arbitrage and (3) value shorting. We may engage in other kinds of strategies where we believe the risk/reward parameters may be favorable for our clients. In addition, the diversification of the various strategies that we employ will vary depending on market conditions and opportunities. Each strategy employed involves the risk of capital loss that clients must be prepared to bear.

Most strategies are based on fundamental analysis, with valuation work and models focusing on, among other things, going concern and asset liquidation scenarios. Caspian also seeks to benefit from optionality by exploiting asymmetric risk in the credit markets. Caspian opportunistically buys stressed/distressed positions of companies we believe have great assets, high market share, strong free cash flow and a near-term catalyst. We continually look for relative pricing and valuation anomalies which drives our capital arbitrage opportunities. We also short debt and equity of companies whose business models expose them to significant cyclicity or potential negative events with asymmetric risk/reward.

We may participate in credit committees at times but generally do not seek to take control of companies. We generate ideas through direct research of specific companies and sectors and through discussion with sell-side broker/dealers and research analysts, other investment funds, restructuring lawyers and financial advisors. We investigate ideas from multiple angles and perspectives, looking up and down the capital structure and across industries at competitors, suppliers and/or customers.

Our client accounts have the ability to invest in all securities in the capital structure of a company. We have significant experience in corporate credit, and we may invest (long and short) in credit instruments such as (i) first and second lien bank loans, and (ii) senior secured, junior secured, senior unsecured, junior unsecured, mezzanine, and subordinated corporate bonds. In addition, we expect to have exposure to equities (including common and preferred), options, warrants, swaps (including credit default swaps), other

derivatives, and/or convertible bonds depending on our point of view on hedging relative value and overall portfolio risk. We tend to focus on asset heavy businesses.

Our investment strategies and the securities and other assets in which we invest give rise to a variety of risks, including the following:

Non-investment grade investments: We rarely invest in investment grade securities. Our strategies often call for us to invest in debt of companies experiencing financial distress or stress, and our credit investments often are unsecured or subordinated. As a consequence of the nature of our strategies and our investments, there is a risk that we may lose some or all of the cost of almost every investment that we make. Our strategies and the success of our accounts depend upon our ability to gather all relevant information about each investment and to assess it accurately, not only at the time of investment but through our holding period until we dispose of the investment. Our expectations regarding the favorable outcome of any investment can be adversely affected by numerous factors beyond our control, including our receipt of incomplete or inaccurate data, our failure to assess it accurately and unpredictable changes in circumstances, including unforeseeable macro-economic circumstances unrelated to our analysis of the specific investment.

Illiquidity. We make investments in securities or other assets that are not readily marketable or that may cease to be readily marketable after we make our investment. During market dislocations, these types of investments often experience extreme price volatility, which may make it difficult for us to realize the full intrinsic value of such investments if we were forced to sell them.

Valuation. Investors in the client funds that we manage purchase and redeem interests in the funds based on a determination of the fair value of the assets and liabilities of the fund. In addition, our management and incentive fees are determined by reference to these valuations. We may make investments that are difficult to value due to the absence of quoted prices for identical assets or liabilities in an active market. Investors can be adversely affected if we are not able to realize the value that we ascribe to an investment upon the sale of the security or asset.

Competition. The success of our investments may depend on our ability to identify or exploit opportunities more efficiently than other market participants. Our ability to do so may be adversely affected by as a result of the highly competitive nature of the asset management industry.

Short sales. Our strategies call for short sales not only for hedging purposes but also to exploit situations in which we believe an investment has been overvalued by market participants. If our assessment is incorrect, there is risk that we could incur a potentially unlimited amount of loss from the short sale.

Leverage. We generally have the discretion to use borrowing and other forms of leverage in our strategies. While the use of leverage can amplify the profit on successful investments, it can also amplify the losses incurred on unsuccessful investments.

Fund structure: limited liquidity and transparency. An investor's investment in one of the funds that we manage is subject to the structure and terms of the fund. These include rights to liquidity and transparency that are much more restricted than would be the case for a separate account held by a custodian in the name and for the personal account of the investor in its own name.

Conflicts of interest. As described elsewhere in this brochure, we are subject to various conflicts of interest as a result of our management of multiple accounts, the nature of our compensation arrangements, the use a fund structure and our relationships with Mariner. The existence of these conflicts of interest may influence the independence of our judgment.

The private placement memorandum for each of our funds contains a discussion of various risk considerations that is more extensive in scope and depth than the foregoing summary.

6. Disciplinary Information

There have been no legal or disciplinary events involving Caspian, its general partner or any of our Principals or executive officers that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

7. Other Financial Industry Activities and Affiliations

Relationship with the Caspian Funds

We manage each of the Caspian Funds either as the general partner (in the case of Caspian Funds formed as partnerships) or by designating Principals of our firm to serve on the board of directors (in the case of Caspian Funds formed as corporations). The Caspian Funds do not have independent management, and most do not have independent boards of directors. As a result of our sponsorship of and control over the Caspian Funds, the terms of the Caspian Funds are not subject to arms-length negotiation. The principal Caspian Funds include:

- Caspian Alpha Long Credit Fund, L.P.
- Caspian Capital Partners, L.P. and Caspian Capital Partners International, Ltd.
- Caspian Select Credit Fund, L.P., Caspian Select Credit International, Ltd. and Caspian Select Credit Master Fund, Ltd.
- Caspian Solitude Fund, L.P., Caspian Solitude International, Ltd. and Caspian Solitude Master Fund, Ltd.
- Caspian Offshore SIV 2009-1, L.P. and Caspian Offshore SIV 2009-1, Ltd.

Since we have more than one client, our personnel cannot devote their exclusive attention to any single client.

On occasion, the interests of one client may conflict with those of another. For example, certain Caspian Funds have similar investment mandates. As a result, it is sometimes necessary for us to allocate limited opportunities among them rather than allocating the

entire opportunity to any one client. We seek to make these allocations in a fair and equitable manner.

We may receive material non-public information about a company on behalf of one client (for example, as a member of a creditors committee in a bankruptcy or as a holder of bank debt), which restricts us from trading in the securities of the company not only for that client but for all other clients, some of which could be disadvantaged by the trading restriction.

Situations may occur in which we conclude that it is in the best interests of one client to purchase an investment (for example, when a Caspian Fund has received new capital from investors) and in the best interests of another client to sell the same investment (for example, when a Caspian Fund must raise cash to fund investor redemption requests). In these circumstances, we may determine that both clients will benefit by crossing the position privately rather than by effecting independent purchase and sale transactions in the secondary market. In general, while we seek to effect any cross trades at a price and on terms that we believe are arms-length and fair, there may be no opportunity for any investor in a Caspian Fund to consent to or receive notification of these cross trades.

Relationship with Mariner

We have a services agreement with Mariner under which Mariner Group Capital Markets, Inc., a registered broker-dealer and an affiliate of Mariner, provides marketing services to our firm and generally serves as a non-exclusive placement agent in private offerings of the Caspian Funds. Mariner also provides certain back office and middle office services and support to Caspian pursuant to the services agreement. Another affiliate of Mariner, Back Office Services Group, Inc. ("BOSG"), provides certain accounting and administrative services for the Caspian Funds at the expense of the Caspian Funds. Mark A. Weissman and Adam S. Cohen, two Principals of Caspian, each hold a minority equity interest in Mariner. In addition, Mark A. Weissman is a member of Mariner's Management Committee, a committee which may provide advice regarding overall operational matters but does not control any investment decisions made by Mariner. While we believe that our services agreement with Mariner and the Caspian Funds' agreements with BOSG benefit our firm and its clients, the selection of Mariner and BOSG, and the terms of these agreements, were not negotiated at arms' length.

8. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Caspian has adopted a Code of Ethics and related Personal Investment Policy (the "Code"), which sets forth standards of business and personal conduct for partners, directors and officers of Caspian and Caspian employees (collectively hereinafter defined as "Covered Persons") and addresses conflicts that arise from personal trading by such Covered Persons. The Code is predicated on the basic principle that employees of Caspian will adhere to high ethical standards and fiduciary principles, and must:

- Place client interests first;

- Engage in personal securities transactions consistent with the Code and avoid any actual, potential or apparent conflict of interest or any abuse of position of trust and responsibility;
- Keep security holdings and financial circumstances of clients confidential; and
- Adhere to the principal that fairness and independence in the investment decision-making process is of paramount importance.

Covered Persons are prohibited from purchasing initial public offerings, except with the express written approval of Caspian's General Counsel or Chief Compliance Officer. In addition Covered Persons are generally prohibited from purchasing most other types of securities with limited exception. Specifically, Covered Persons are permitted to personally invest in "Exempt Transactions" as defined under the Personal Investment Policy (e.g., registered open-end mutual fund shares, unit investment trusts that hold securities in proportion to a broad based market index, Treasury obligations or other securities issued by or guaranteed by the U.S. government, bankers certificates of deposit, commercial paper and other short term high quality debt instruments with one year or less to maturity etc.) and subject to pre-clearance, Covered Persons may also purchase and sell registered closed-end mutual fund shares, municipal securities and limited offerings including private partnerships. Covered Persons are discouraged from frequent personal trading.

Exceptions to these policies and procedures may, from time to time, be granted where Caspian believes that the expected activity would not be likely to compromise client interests. Employee violation of Caspian's Code can result in remedial measures including disgorgement of profits (if any), and depending upon the facts or circumstances, more severe actions up to and including monetary fines and termination of employment.

In addition to the Personal Investment Policy described above, the Code is comprised of several other policies and procedures that are designed to eliminate or reduce potential conflicts of interest, including prohibitions against market manipulation, deceptive practices, front running or scalping. Caspian prohibits the misuse of material non-public information ("inside information") and maintains a Restricted List of securities that may not be purchased or sold by its employees for their own accounts or for client accounts because of the actual or possible possession of inside information. Caspian also has a gifts & entertainment policy which covers the acceptance of gifts or entertainment from service providers and other parties.

See Item 7 for information concerning the possibility of cross-trades between accounts.

9. Brokerage Practices

- A. In placing orders for the purchase and sale of securities for clients, Caspian's policy is to seek the best execution of orders, which means that it seeks to ensure that the client's total cost or proceeds is the most favorable under the circumstances. Caspian does not adhere to any rigid formulas in making its

selection of broker-dealers to effectuate securities transactions on behalf of its clients, but weighs a combination of qualitative and quantitative factors or criteria which may include the following:

- a broker's reliability, reputation and integrity;
- a broker's experience in the industry;
- financial stability, liquidity and or ability to commit capital;
- efficiency in executing and clearing transactions (e.g., ability to prospect for and provide liquidity and block trades, while avoiding unwanted market impact);
- competitive commission rates, markups and other fees and spreads and general responsiveness to our firm;
- the size of the order; and
- availability of alternative trading systems.

The applicability and importance of specific criteria will vary depending upon the nature of the transaction, the asset class, the market in which it is effected, and the extent to which it is possible to select from among multiple brokers or dealers capable of effecting the transaction.

We have not entered into any soft dollar agreements or understandings with brokers or others although we accept research materials from various broker dealers free of charge. We do not consider referrals in selecting broker-dealers, nor do we permit clients or investors to direct brokerage.

B. Trade Allocations- Policies and Procedures

Our clients have substantially similar investment strategies. As a result, our clients tend to participate in the same investment opportunities. For each investment opportunity, we place one aggregate order which is then allocated among our clients' accounts on a pro rata basis. When a transaction is suitable for more than one client, we will generally attempt to allocate purchase and sale opportunities on a fair, equitable and consistent basis. We may consider some or all of the following factors in making allocation decisions among Caspian Funds: the investment objectives, policies, restrictions, risk tolerance, time horizon, tax sensitivity, desired capitalization range, nature and size of the account, suitability, tolerance for portfolio turnover, availability of cash or buying power, account "ramp-ups", and whether the fund or a particular class of shares is eligible to participate in a trade pursuant to applicable compliance regulations or client specific policies or restrictions.

Allocations are designed with a view towards ensuring that over time no client (or group of clients) will be systematically favored over any other client (or group of clients). Allocation methodologies are generally made pro rata based on the capital amount in each account. In the event an order is only partially filled, we will generally attempt to allocate the position pro rata based upon the original

allocation statement (“Pro Rata”). There are exceptions to this policy. For example, if the Pro Rata allocation results in a cash position that is different from the desired cash level, or if the position would be inconsistent with the investment objectives of one or more accounts, we may deviate from the Pro Rata formula. We may also deviate from its policy in order to address liquidity concerns and other practical limitations associated with partial fills or small allocations by allocating to participating accounts a minimum number of shares or bonds. Notwithstanding the above, securities may not be allocated Pro Rata or otherwise as described above in the case of a transaction involving so few shares or bonds such that normal allocations among client accounts would be impracticable or result in a nonconforming allocation for one or more particular clients (e.g., when securities only trade in larger blocks). In such cases, we will use our best efforts to allocate amounts obtained from partial fills fairly, and we will regularly document all deviations from standard allocation guidelines and practices in writing.

10. Review of Accounts

- A. Our Risk Committee, which includes the Principals, the Chief Operating Officer and the Chief Compliance Officer, review all of our client fund portfolios and analyze their performance on a regular basis, but no less than monthly. Where applicable, these reviews include an assessment of daily profit and loss reports with respect to our clients’ investment positions.
- B. Aside from our regular reviews described above, we may choose to review a client account if it is out of balance between capital or there is a severe dislocation in the financial markets.
- C. We provide investors in the Caspian Funds with written monthly reports that contain information about the fund in which they have invested. The monthly reports include their estimated actual performance on a monthly, quarterly, year-to-date, and since inception basis. Our administrator also provides each investor in our funds with the investor’s own individual monthly capital account statements. We also provide them with written annual reports that contain audited financial statements and tax information.

Upon request, our investors may receive intra-monthly emails containing estimated account performance details.

11. Client Referrals and Other Compensation

As described in Item 7, an affiliate of Mariner acts as a non-exclusive placement agent in connection with the offer and sale of equity interests in the Caspian Funds, and Mariner provides additional marketing and investor relations services to us pursuant to our services agreement with them.

We do not have any other arrangements with placement agents or arrangements to compensate third party persons or entities for client referrals or to solicit clients.

12. Custody

Due to our access to client funds and securities as general partner or manager of the Caspian Funds and other client accounts that we manage, and our authority to deduct fees and other expenses from a client's account, we are deemed to have constructive custody of our clients' funds and securities within the meaning of Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended (the "Custody Rule").

We utilize the services of unrelated financial institutions or other qualified custodians (as defined in the Custody Rule) to hold all funds and securities of any of our clients, with the exception of certain uncertificated privately offered securities. We also ensure that the qualified custodian maintains such funds in accounts that contain only clients' funds and securities, under our name as agent or trustee for the client.

All of our clients are collective investment funds or similar entities. Accordingly, we comply with the periodic reporting requirements of the Custody Rule by arranging for annual financial statements, which are prepared in accordance with generally accepted accounting principles and are audited by an independent auditor that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, to be delivered to each investor in the Caspian Funds within 120 days of the end of the fiscal year of the fund.

13. Investment Discretion

All of our firm's investment advisory services involve the management of client accounts on a fully discretionary basis. We have the authority to determine, without obtaining specific client consent, which securities to buy or sell and the amount of securities to buy or sell, the broker through which we effect trades, and the commission rates at which we effect trades. In exercising this authority, we adhere to the investment strategy and program set forth in each of the Caspian Funds' private placement memorandum.

Each investor in one of our client funds is required to complete our subscription documents to acquire an interest in the fund, which, among other things, confirms that the investor has reviewed the relevant disclosure document describing the scope of our authority and the inability of any investor to direct our trading activities.

14. Voting Client Securities

A. Because clients have delegated the power to vote their securities to our firm, we have implemented proxy voting policies and procedures in accordance with securities laws and our fiduciary obligations to our clients. We always strive to vote client proxies in a manner consistent with each client's best interests and that will protect and enhance shareholder returns. Our officers, directors and

employees will not be influenced by outside sources whose interests conflict with our clients' interests.

We have retained Broadridge Investor Communication Solutions, Inc. ("Broadridge"), an unaffiliated third-party proxy voting research service, to assist us in researching and voting proxies. While we ultimately make all voting decisions, we generally expect to vote in accordance with its recommendations. If one of our portfolio managers determines that it is in a client's best interest to vote differently from the Broadridge recommended vote, he or she must obtain approval from the Legal/Compliance Department. The Legal/Compliance Department will make a determination as to whether a potential material conflict of interest exists. We will memorialize the basis for any decision to override a Broadridge recommendation or to abstain from voting.

We have reviewed and approved Broadridge's proxy voting guidelines and we believe that the guidelines accurately reflect our objective standards in voting practices.

Potential Conflicts of Interest

While we always seek to effect proxy voting in the best interests of our clients, there may be instances where voting client proxies present an actual or a perceived conflict of interest between our firm or employees and our clients. Some examples in which potential conflicts of interest may exist include instances where our firm or an affiliate of our firm also:

- Manages the issuer's or proponent's pension plan;
- Administers the issuer's or proponent's employee benefit plan; or
- Manages money for an employee group.

Additional material conflicts may exist if one of our officers, directors, or employees is a close relative of, or has a personal or business relationship with participants in a proxy contest, corporate directors, officers, or candidates for corporate directorships.

Recordkeeping

We or Broadridge maintain records of (i) all proxy statements and materials received on behalf of clients; (ii) all proxy votes that are made on behalf of the clients; (iii) all documents that were material to a proxy vote; (iv) all written requests from clients regarding voting history; and (v) all responses (written and oral) to clients' requests.

Upon request, any of our clients or any of the investors in our clients can obtain (i) a copy of our proxy voting policies and procedures and (ii) information concerning proxy voting on its behalf.

- B. In some situations, we may not have the authority to vote on certain clients' securities. In these cases, clients may request information concerning the reason why we do not have the authority to vote on clients' securities.

15. Financial Information

- A. We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B. We are not aware of any financial condition that is likely to impair our ability to meet our contractual commitments to our clients.
- C. Our firm has never been the subject of a bankruptcy petition.