

BROCHURE ADV, PART IIA

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CS CAPITAL MANAGEMENT, INC.

FILE NO. 801-106492

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The purpose of this brochure is to provide our clients and prospective clients with information about the real estate investment management and advisory services of CS Capital Management, Inc. (the "Company" or "CSCM"). The contents have not been approved or verified by the SEC or any state securities authority.

CS Capital Management, Inc. is a registered investment advisor ("RIA") regulated by the Securities Exchange Commission ("SEC"). This qualification does not imply a certain level of skill or training.

The contents of this brochure will be regularly reviewed and updated as necessary.

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ADVISORY BUSINESS

CS Capital Management, Inc. provides investment management and advisory services to institutional investors, only for the asset class of real estate.

The Company's business model has three segments: (1) origination and management of programmatic operating ventures between institutional investors and real estate development and operating companies; (2) provision of asset and portfolio management services for institutional investors; and (3) provision of advisory services to institutional investors and real estate companies for various strategic initiatives. These services relate to various forms of equity and debt investments, property types and investment structures.

The Company currently has \$714,996,496 of assets under management.

FEES AND COMPENSATION

Fees and Compensation arrangements are negotiable and are handled on a case by case basis.

We are compensated for services by annual fixed fees based on a percentage of assets under management and by one-time fees received at the conclusion of an engagement. We are also compensated in advance. This fee is computed based upon the market value of the account managed as of the last day of the preceding quarter. If the contract is terminated, fees will be pro-rated based on the number of days the services were provided in the quarter and refunded.

Invoices are processed in accordance with each investment management and advisory agreement. Currently all clients are billed quarterly or monthly.

The Company does not engage in the sale of securities or investment products and therefore does not receive compensation attributable to such transactions.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

This section is not applicable. CS Capital Management, Inc. does not charge performance-based fees and does not conduct any form of side-by-side management.

TYPES OF CLIENTS

Clients of the Company include institutional investors, government agencies and real estate companies requiring various real estate-related advisory services.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK LOSS

CS Capital Management, Inc. provides investment management and advisory services for long term purchase and financing of real estate assets, real estate portfolios and real estate operating entities potentially yielding the highest returns proportionate with the risks.

Investment analyses are conducted through a thorough due diligence process, to ensure that each acquisition or financing meets the criteria of the client's investment objectives and risk tolerance. The main sources of information used include the Company's internal database, industry research and analytical reports.

Current real estate investments under management are in the sectors of office, retail, industrial, market rate and affordable apartments and hotels/resorts.

As with any real estate investment, there are various risks associated and it is not possible to address all relevant factors in this Brochure; however, potential risk factors for each investment are carefully identified and disclosed in the Company investment summaries written to the client.

DISCIPLINARY INFORMATION

The Company and Paul H. Saylor executed a Consent Order with the Department of Labor (the "DOL") dated December 9, 2010, which was filed in the United States District Court for the Eastern District of Virginia to end discussions over allegations by the DOL relative to CSCM's representation of a union pension fund in a real estate development project. The Consent Order represented full and complete resolution of all claims and issues without admission of guilt or impact on the Company's qualifications as a fiduciary. The DOL alleged a breach of ERISA-based obligations, which was adamantly denied by CSCM. This denial was completely supported by CSCM's fiduciary counsel. CSCM agreed to a settlement of \$1.2 million (in part paid by CSCM's insurer), again without admission of guilt or wrongdoing, to end a process CSCM and its counsel believe was initiated without merit or basis.

The Company is willing to provide additional information on this matter if contact is made directly with Paul H. Saylor at psaylor@cscapitalinc.com, 770/818-4040 or by mail:

CS Capital Management, Inc.
One Overton Park – Suite 240
3625 Cumberland Blvd.
Atlanta, GA 30339

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

CS Capital Management, Inc. serves as one of three (3) members of Multi-Employer Development Partners Management, LLC, which is the general partner of Multi-Employer Development Partners, LP. Majority votes of members are required in all matters.

Efforts are underway to complete the disposition of the last remaining asset in the fund, which will allow for the closing of the fund.

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

Code of Ethics

CS Capital Management, Inc. adheres to a high standard of business conduct, which reflects the Company's fiduciary obligations and those of its employees. It expects employees to comply with all laws, rules and regulations applicable to the Company and its operations and business including federal securities laws and rules. In an effort to ensure compliance, the Company educates its employees on laws, rules and regulations related to its business activities and it maintains various policies and procedures, proposed under SEC's Rule 204A and 204A-1.

The Company's *Code of Ethics & Conflict and Trading Policy* is available upon request.

Participation or Interest in Client Transactions and Personal Trading

CS Capital Management, Inc. serves as one of three (3) members of Multi-Employer Development Partners Management, LLC, which is the general partner of Multi-Employer Development Partners, LP. CS Capital Management, Inc. is also one of four (4) members of Multi-Employer Development Limited Partners, LLC, which has a 1% interest in Multi-Employer Development Partners, LP (CSCM .40% of 1%). The limited partnership is in the process of liquidating its assets.

BROKERAGE PRACTICES

This section is not applicable. The Company does not engage in any brokerage practices.

REVIEW OF ACCOUNTS

All accounts are reviewed on a monthly basis; however, any account with new transactions or material changes during the month will be reviewed as needed.

Initial reviews are carried out by the financial analyst and directors of the Company. The final reviews are completed and approved by Paul H. Saylor (CEO), Michael L. McHargue (Managing Director) and Brian W. Love (Managing Director).

Formal reports are provided to clients on a quarterly basis. The contents of these reports detail the financial, operating and performance characteristics of the investments and the overall real estate portfolio.

CLIENT REFERRALS AND OTHER COMPENSATION

This section is not applicable. The Company does not engage or receive any form of compensation from any client referral programs.

CUSTODY

The Company currently has custody of client funds through our access to custodial accounts. In accordance with the Investment Advisers Act of 1940 (the "Advisers Act") Rule 206(4)-2(a)(3), we have elected qualified custodians to send monthly account statements directly to our clients.

INVESTMENT DISCRETION

The Company has discretionary authority over client accounts. The terms of each agreement are negotiated on a case by case basis.

VOTING CLIENT SECURITIES

This section is not applicable. The Company does not engage in any proxy voting practices.

FINANCIAL INFORMATION

This section is not applicable.