

**Part 2A of Form ADV: Firm Brochure
Dated March 31, 2015**

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This brochure provides information about the qualifications and business practices of Baker Capital Corp. If you have any questions about the contents of this brochure, please contact us at 212.848.2000. 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 Baker Capital Corp. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

This summary describes the material changes that have been made to Baker Capital's Disclosure Brochure since our last annual update, which was filed on March 26, 2014. Certain disclosures relating to the risk factors associated with an investment in a Baker Capita Fund have been enhanced in Item 8, as have disclosures relating to potential conflicts of interest in Item 6. Other updates have also been made to this Disclosure Brochure, but we do not consider those updates to be material.

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Item 4 Advisory Business

Baker Capital Corp., a New York corporation ("Baker Capital" or "we"), is a privately held investment firm, based in New York, New York, which focuses on investing in growth companies engaged in emerging digital technologies in the United States and Europe. Baker Capital is owned by John C. Baker, our Founder, Partner and Chairman. Baker Capital was founded in 1995.

We provide investment advisory services to pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended, and whose securities are not registered under the Securities Act of 1933, as amended. We currently provide investment advice to Baker Communications Fund II (QP), L.P. and Baker Communications Fund II, L.P., and their alternative investment vehicle Baker Communications Fund II (Cayman), L.P., as well as Baker Capital III, LLC (collectively, the "Funds"). We may in the future advise other funds in addition to those listed herein.

As investment adviser for each Fund, Baker Capital identifies investment opportunities and participates in the acquisition, management, monitoring and disposition of investments for each Fund. Baker Capital provides these investment advisory services to each Fund pursuant to separate investment advisory agreements (each an "Advisory Agreement"). The terms of the investment advisory services to be provided by Baker Capital to a Fund, including any specific investment guidelines or restrictions, are set forth in such Fund's Advisory Agreement and/or in its limited partnership agreement or limited liability company agreement, as applicable (together, the "Governance Agreements"). We tailor our advisory services to the individual needs of each of the Funds. Individual needs are identified through a review of each Fund's overall investment guidelines and objectives, as well as specific investment goals.

We do not participate in any wrap fee programs.

As of December 31, 2014, we managed a total of approximately \$545,066,313 of assets for the Funds on a discretionary basis. We do not manage any assets on a non-discretionary basis.

Item 5 Fees and Compensation

We are compensated by our Funds for our investment advisory services based on a percentage of committed or invested capital. Generally, the Funds pay us a management fee of 2% of committed capital during the investment period. After the investment period, the percentage rate is subject to downward adjustment and the management fee is generally based on the amount of invested capital. We initially negotiated the rate with investors in each Fund at the time such Fund was established. We are entitled to collect management fees from the Funds on a semi-annual basis.

Management fees are generally payable semi-annually on the 15th day of the period. As required by the Investment Advisers Act of 1940, as amended (the "Advisers Act"), if the Advisory Agreement is terminated before the end of the applicable period, management fees will be charged on a pro rata basis through the date of termination, and any fees paid in advance but

not earned will be refunded. Neither Baker Communications Fund II, L.P. nor Baker Capital III, LLC currently pay any management fees. Investors should review the Governance Agreements for a more detailed description regarding fees related to the respective fund.

As described below, the management fee is subject to reduction in connection with the receipt by Baker Capital or its affiliates of various fees paid by actual or prospective portfolio companies. The management fee assessed against certain designated investors in the Funds may be reduced or waived by the general partner of the applicable Fund.

The Funds generally bear other third-party fees, expenses and costs which are incidental or related to the maintenance and administration of the Fund or related to the acquisition, management and disposition of investments, including costs associated with brokerage and custodial services, taxes, accounting, insurance, travel and out-of-pocket expenses, legal and consulting services and other such expenses.

Baker Capital and its affiliates may perform management, advisory, transaction-related, financial advisory and other services for, and receive fees from, actual or prospective portfolio companies of the Funds, including such fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, sales and similar transactions. These fees may be paid in cash, in securities of the portfolio company or a combination thereof. Although such fees are in addition to the management fees paid by the Funds, Baker Capital will reduce future management fees in connection with the receipt of these fees. The terms of these so-called management fee offsets may differ from Fund to Fund. The calculation of such reduction is described in the Governance Agreements of the Funds.

Neither we nor any of our supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Some of our related persons serve as general partners of the Funds and, in such capacity, receive carried interest distributions from the Funds, which are based on a share of gains in the assets of such Fund. The calculations used to determine the amounts of such distributions to related persons are set forth in the limited partnership agreements of the Funds. Such carried interest distributions may create an incentive for Baker Capital and its supervised persons to make investments on behalf of the Funds that may be riskier or more speculative than would be the case in the absence of such distributions.

The terms of the management fee, carried interest distribution and other economic terms may differ from Fund to Fund. The potential for Baker Capital and its affiliates to receive different levels of compensation from its Funds creates a potential conflict of interest with respect to the allocation of investment opportunities, because Baker Capital and its affiliates may have an incentive to allocate investment opportunities in favor of the Fund(s) that has a more favorable fee structure for Baker Capital. At the current time, this potential conflict of interest is largely mitigated by the fact that only one of the Funds is actively seeking investment opportunities at this time. In general, however, the allocation of investment opportunities among Funds is made by Baker Capital in accordance with the limited partnership agreements of the applicable Funds, which takes into account multiple criteria to derive an allocation that, in Baker Capital's judgment, is fair and equitable to each Fund relative to other Funds over the life of such Fund, taking into account all relevant facts and circumstances. Baker Capital's investment allocation policies take a similar approach with respect to the allocation of follow-on investment opportunities, co-investment opportunities and divestment opportunities.

Item 7 Types of Clients

We provide investment advice to the Funds. Investors in the Funds include governmental retirement systems, insurance companies, funds-of-funds, family offices and high net worth individuals.

Funds may have a specified minimum investment set forth in their offering documentation and organizational documents. Such minimums are typically subject to the discretion, on the part of Baker Capital, to permit investment of a smaller amount generally or with respect to any investor in the relevant Fund.

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

Our investment objective is to make investments in growth companies engaged in emerging digital technologies in the United States and Europe. In identifying, approaching, evaluating and valuing investment targets, we conduct extensive business and financial due diligence to analyze, among other things, the strength and experience of the company's management team, the size and growth potential of the company's market, differentiation of the company's product or service, the economic model and margins of the company, competitive advantage and potential exit opportunities. In addition, we conduct legal, technological and regulatory due diligence.

Our investment strategy is primarily long-term investment in privately held companies. It is possible that some investments may be held for less than a year, though this is not typical of our investment strategy. Baker Capital's Investment Committee, comprised of senior members of Baker Capital, is ultimately responsible for making investment decisions for the Funds.

Acquiring an interest in a Fund involves a number of significant risks. An investment in a Fund may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in a Fund. Investment risks include, but are not limited to, the following:

- *Risks Associated with the Funds' Investment Strategies.*
 - The investment strategies pursued by the Funds involve making illiquid private investments in a relatively small number of portfolio companies. As a result, each Fund's portfolio tends to be highly concentrated, and the failure of even one of these investments could have a materially adverse impact on a Fund's overall performance.
 - The competition for sourcing investments for the Funds is becoming increasingly intense. There can be no assurance that Baker Capital will be able to source a sufficient number of suitable investments at reasonable valuations to achieve a Fund's investment objective.
 - The Funds' investment strategies often involve investing in portfolio companies whose businesses are subject to significant risks, including strategic, financial or other challenges. Some of these portfolio companies may be highly leveraged, and the Funds' exit strategies may be uncertain at the time the Funds make an investment in the portfolio company. The success of the Funds' investments in these companies is highly dependent on the ability of the managers of these companies to successfully navigate these and other challenges.
 - The Funds also reserve the right to make investments overseas subject to the restrictions set forth in the limited partnership agreements governing the Funds. Investing overseas entails additional investment risks, including currency risk, lack of transparency and the risk of operating in markets with less well-developed legal systems to protect the rights of investors and creditors.
- *Risks Associated With Investing in Interests in the Funds*
 - Investments in the Funds are illiquid, and interests in a Fund may not be transferred without the prior consent of the general partner and the satisfaction of certain other conditions. Investors in the Funds should be able and prepared to maintain their investments in the Funds over the entire life of the Fund.
 - An investment in the Funds is a passive investment. As limited partners, investors in the Funds have no control over the day-to-day operations of the Funds and limited

rights to protect themselves if they are dissatisfied with the manner in which a Fund is being operated. Limited Partners are highly dependent on the investing skills and management abilities of Baker Capital to achieve success.

The valuation of the Fund's investments is a difficult task that relies heavily on Baker Capital's business judgment. Although Baker Capital maintains stringent policies, procedures and financial controls over the valuation process (including independent review by the Funds' auditors), there can be no assurance that the Funds will be able to realize their investments at price that is commensurate with the value at which such investments have been carried on the Fund's books.

- Baker Capital manages each Fund in a manner that is consistent with the best interests of the Fund, which is not necessarily consistent with the best interests of each individual investor in the Fund. In particular, Baker Capital may structure investments so as to maximize tax efficiency for the Fund as a whole, but which may not be the most tax advantageous structuring possible for each individual investor (depending on that investor's own particular facts and circumstances).

No guarantee or representation can be made that a Fund will achieve its investment objective or that limited partners will receive a return of their capital. All investing involves a risk of loss and the investment strategies pursued by the Funds could lose money over short or even long periods. Prospective and existing investors are advised to review the offering materials and other constituent documents for full details on each applicable Fund's investment, operational and other actual and potential risks.

Item 9 Disciplinary Information

In June 2006, two affiliates of Baker Capital accidentally missed filing a change of their direct/indirect shareholdings in a portfolio company with the German regulator Bundesbank and German Federal Financial Supervisory Authority ("BaFin"). This issue was rectified and the filings were made in March 2007. In letters dated January 7, 2009, BaFin stated that it was considering imposing administrative fines. In December 2009, BaFin issued its decision to impose four fines of EUR 4,500 each against an affiliate of Baker Capital. The fines were paid and BaFin confirmed the conclusion of the proceedings in December 2009.

There are no additional legal or disciplinary events relating to our advisory business or the integrity of our management required to be reported under this Item.

Item 10 Other Financial Industry Activities and Affiliations

Neither we nor any of our management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither we nor any of our management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

Other than as described below, neither we nor any of our management persons have any relationship or arrangement that is material to our advisory business or to the Funds with any related person who is a broker-dealer, municipal securities dealer or government securities dealer or broker; investment company or other pooled investment vehicle; other investment adviser or financial planner; futures commission merchant, commodity pool operator or commodity trading advisor; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of limited partnerships.

Baker Capital acts as investment adviser to the Funds, and certain related persons act as general partners of the Funds. The Investment Committee of Baker Capital is currently comprised of the Partners of Baker Capital.

Generally, we do not recommend or select other investment advisers for the Funds.

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

We have adopted a written Code of Ethics which applies to all of our employees, and any person who enters into a significant consulting or other similar relationship with us that is not specifically exempted. Our Code of Ethics requires our employees to serve the best interests of our clients in compliance with our status as a fiduciary, to comply with applicable federal securities laws and to report any violations of our Code of Ethics promptly to our Chief Compliance Officer. Our Code of Ethics includes insider trading policies and procedures. Among other things, each of our employees must pre-clear certain personal securities transactions and must also provide copies of trade confirmations and periodic account statements, annual securities holdings reports and quarterly securities transactions reports. We will make our Code of Ethics available to any investor or prospective investor who requests a copy.

From time to time a Fund may invest in a portfolio company of another Fund. This may create a conflict of interest between the Funds, including with regard to exit opportunities. However, such an investment is only made if specifically approved in the Fund's limited partnership agreement or in accordance with procedures set forth in the Fund's limited partnership agreement.

Item 12 Brokerage Practices

As a private equity firm, from time to time we may engage registered broker-dealers to assist us in selling one of our privately held portfolio companies or publicly traded securities. In the event we choose a broker-dealer, we seek to obtain best execution of transactions.

In selecting broker-dealers and negotiating rates, we look for whether the transaction represents the best qualitative execution and take into account several factors, including but not limited to the broker-dealer's relevant expertise in portfolio companies of the relevant size and industry, the reputation of the broker-dealer, the quality of investment research, and timing and speed of execution and responsiveness. Generally, we get competing bids and compare them to current market prices.

To the extent we aggregate orders for purchase and sale, we will aggregate such orders as we deem appropriate and in accordance with the Funds' limited partnership agreements and in the best interest of each Fund.

Item 13 Review of Accounts

We manage the Funds on a day-to-day basis. The Funds' portfolio companies are closely reviewed by our Partners and other investment professionals. Audited financial statements are prepared for each of the Funds following the end of each fiscal year, and unaudited financial statements are prepared for each of the Funds following the end of the first three fiscal quarters, in each case in accordance with the terms of the Funds' Governance Agreements.

Item 14 Client Referrals and Other Compensation

Baker Capital or its affiliates may provide certain specialized advisory services to the Funds' portfolio companies and may receive compensation from the portfolio companies in connection with such services. These fees may be in addition to management fees. See Item 5 above for additional information.

Neither Baker Capital nor any of its affiliates directly or indirectly compensates any person other than our officers, partners, directors or employees for investor referrals.

Item 15 Custody

Not applicable.

Item 16 Investment Discretion

Baker Capital and its affiliates generally have the authority to make all investment determinations on behalf of the Funds. The Governance Agreements of the Funds generally impose some limitations on our investment discretion. Certain of these investment limitations can be waived by the Fund's limited partner advisory committee, which consists of representatives of certain limited partners.

Item 17 Voting Client Securities

We have adopted a Proxy Voting Policy to comply with Rule 206(4)-6 promulgated under the Advisers Act. The Proxy Voting Policy, which has been designed to ensure that we vote proxies in the best interest of the Funds and provide the Funds with information about how their proxies are voted, contains procedures that have been reasonably designed to prevent and detect fraudulent, deceptive or manipulative acts by us.

It is our policy to vote proxies in the interest of maximizing the value of the Funds' investments. To that end, we will vote in a way that we believe, consistent with our fiduciary duty, will cause the value of the shares held by the Funds to increase the most or decline the least. Consideration will be given to both the short- and long-term implications of the proposal to be voted on when considering the optimal vote. We will vote Fund proxies in the best interest

of the Funds and not our own. In voting proxies, we will avoid material conflicts of interest between our interests on the one hand and the interests of the Funds on the other.

The Funds are not able to direct our vote in a particular solicitation.

We will maintain records of all proxy statements received and votes cast in an easily accessible place for five years. Investors and prospective investors in the Funds may request information from us about how we voted the securities held by the Funds. We will make our Proxy Voting Policy available to any investor or prospective investor who requests a copy.

Item 18 Financial Information

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Baker Capital has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 Requirements for State-Registered Advisers

Not applicable.