

Ophrys, LLC

Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of Ophrys, LLC (“Ophrys”). If you have any questions about the contents of this brochure, please contact us at 1 (855) 330-9520. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Ophrys is also available on the SEC’s website at www.adviserinfo.sec.gov.

In this brochure, Ophrys refers to itself as a registered investment adviser. This means that Ophrys is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Advisers Act registration does not and should not be read to imply a certain level of skill or training.

Item 2 -- Material Changes

In September 2014, Ophrys filed an initial application to register as an investment adviser with the SEC. On October 1, 2014, the SEC issued an order declaring Ophrys’ registration as an investment adviser effective. This is the fourth annual update of Ophrys’ brochure. The previous brochures were filed on March 9, 2015, March 30, 2016, and March 31, 2017. There are no material changes to report under this item other than to reference the additions made to Items 5, 9 and 11, and to update the amount of assets under management. The amount of assets under management by Ophrys changed from

\$289,003,737 (as of 12/31/2016) to \$407,804,431 (as of 12/31/2017). The number of funds under management by Ophrys increased from 29 last year to 32 as of the date of this filing, and includes two entities that are sub-managed by Ophrys.

In the future, this item will identify and discuss material changes since the last annual update to assist clients and investors in making them aware of certain information that has changed since the prior year's brochure that may be important to them. Ophrys encourages all recipients of the brochure to read it carefully in its entirety.

Item 3 -- Table of Contents

Item 2 -- Material Changes	1
Item 3 -- Table of Contents	2
Item 4 -- Advisory Business	3
Item 5 -- Fees and Compensation	4
General.....	4
Management Fees	5
Performance Fees	5
Deduction of Fees; Timing of Payments; Termination	5
Other Fees and Expenses.....	5
Other Compensation.....	6
Item 6 -- Performance-Based Fees and Side-by-Side Management	7
Item 7 -- Types of Clients	7
Item 8 -- Methods of Analysis, Investment Strategies and Risk of Loss	8
Investment Strategies and Methods of Analysis	8
Material Risks.....	8
Lack of Operating History.....	9
Management of Ophrys Funds	9
Dependence on Key Management	9
Leverage.....	9
Illiquidity of Investor Interests.....	9
Speculative Nature of Receivables.....	9
Illiquidity of Receivables	9
Investments in Mortgage Loans.....	10
Residential Mortgage Loans.....	10
Reduced Supply of Defaulted Consumer Receivables	10
Competition	10

Counterparty Risks	10
Risks Associated with Service Providers	11
Legal/Regulatory Risk.....	11
Technology Risks.....	12
Uncertainty of Future Results	12
Item 9 -- Disciplinary Information.....	12
Item 10 -- Other Financial Industry Activities and Affiliations.....	12
Item 11 -- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	13
Item 12 -- Brokerage Practices.....	16
Item 13 -- Review of Accounts	16
Item 14 -- Client Referrals and Other Compensation	17
Item 15 -- Custody of Client Assets.....	17
Item 16 -- Investment Discretion	17
Item 17 -- Voting Client Securities	18
Item 18 -- Financial Information	18

Item 4 -- Advisory Business

Ophrys is a Washington limited liability company which has been in business since January 2007. The principal owner of Ophrys is William S. Weinstein (hereinafter referred to as “WSW” or “principal”).

Ophrys currently serves as investment manager for 32 private investment funds which are each structured as limited liability companies, except for one fund that is structured as a limited partnership (the “Ophrys Funds”).

In addition to the Ophrys Funds, Ophrys also provides sub-advisory services to two unaffiliated private investment funds whose investment objectives and strategies are similar to those of the Ophrys Funds (the “Other Funds”).

Ophrys’ primary investment focus, on behalf of the Ophrys Funds, is to engage in the purchase, servicing, and recovery of certain asset classes of distressed consumer receivables, including Chapter 7 and Chapter 13 bankruptcy receivables, first and second lien deficiency receivables, state court litigation receivables, non-performing or distressed real property mortgage loans and receivables, title curative receivables, consumer loan receivables, and auto deficiency receivables (collectively, the “Receivables”). The interests of the Ophrys Funds in Receivables may be direct, by ownership of Receivables, or indirect, through loans, participations, or other interests in special purpose entities created to own the Receivables. As of the date of this filing, Ophrys is focusing purchases on distressed and nonperforming whole residential mortgage loans.

Ophrys does not tailor its advice to the needs of any investor in an Ophrys Fund. However, Ophrys does tailor its advisory services to the specific investment objectives and restrictions of each Ophrys Fund

pursuant to the investment guidelines and restrictions set forth in each Ophrys Fund's confidential offering memorandum, limited liability company (or, as applicable, limited partnership) agreement and other governing documents (collectively, the "Governing Documents"). Ophrys' activities on behalf of each Ophrys Fund generally include, without limitation and directly or indirectly through the engagement of service providers, monitoring (i) collection and posting of payments, (ii) responding to inquiries of obligors of the accounts, (iii) investigating delinquencies, (iv) sending statements to obligors, (v) reporting any required tax information to obligors, (vi) accounting for gross receipts collected on account of any Receivables, (vii) tracking the status of any guaranties or insurance policies relating to any account, (viii) commencing and pursuing recovery actions, (ix) entering into agreements for the settlement, compromise or satisfaction of accounts, and (x) such other practices and procedures as are generally employed in collecting similar accounts, loan portfolios, and other Receivables. Investors and prospective investors of each Ophrys Fund should refer to the Governing Documents of the applicable Ophrys Fund for complete information on the investment objectives and investment restrictions with respect to such Ophrys Fund. There is no assurance that any of the Ophrys Funds' investment objectives will be achieved.

Each Ophrys Fund is exempt from registration as an investment company pursuant to Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940, as amended. The limited liability company units (or, as applicable, limited partnership interests) ("Units") of each Ophrys Fund are privately offered pursuant to exempt offerings under the Securities Act of 1933, as amended (the "1933 Act"). Ophrys generally acts as the manager of each Ophrys Fund (the "Manager"). Unless and only to the extent that the context otherwise requires, references to Ophrys include the Manager.

In accordance with common industry practice, the Manager on behalf of one or more of the Ophrys Funds may enter into "side letters" or similar agreements with certain investors pursuant to which the Ophrys Fund grants the investor specific rights, benefits, or privileges that are not made available to investors generally.

Ophrys does not participate in any wrap fee programs.

Ophrys manages all assets of the Ophrys Funds on a discretionary basis in accordance with the terms and conditions of each Ophrys Fund's Governing Documents. As of December 31, 2017, the amount of assets Ophrys manages on a discretionary basis was \$407,804,431 (which was computed using the same method as was used in responding to Item 5.F of Part 1A of Ophrys' Form ADV).

Item 5 -- Fees and Compensation

General

Ophrys typically receives compensation from fees based either on a percentage of unrecovered invested capital or assets under management or on a share of net recoveries, all in accordance with the relevant Governing Documents. All investors and prospective investors should review the Governing Documents of each Ophrys Fund in conjunction with this brochure for complete information on the fees and compensation payable with respect to a particular Ophrys Fund.

Ophrys Funds may be subject to different management fees and performance-based compensation arrangements. Investors and prospective investors in each Ophrys Fund should note that similar advisory services may or may not be available from other investment advisers for similar or lower fees.

Management Fees

Ophrys Funds generally pay an annual management fee to Ophrys of 1.75% per annum of the unrecovered invested capital or assets under management of each Ophrys Fund (including capitalized Preferred Return, as described below). Ophrys in limited cases may elect to defer or waive all or any portion of any future management fees payable by the Ophrys Fund. Where assets are held by a special purpose entity for the benefit of another Ophrys Fund, Ophrys' policy is to assess a single management fee for the structure and avoid payment of multiple fees of a single kind against a single pool of assets.

Performance Fees

Ophrys will typically receive certain allocations calculated and charged based on a share of net recoveries on the Receivable portfolios of each Ophrys Fund (the "Performance Fee"). The Ophrys Funds are generally subject to a 20% Performance Fee. The Performance Fee is generally subject to an 8% per annum preferred rate of return (the "Preferred Return"), but the Performance Fee will generally not be subject to a "catch-up." Because the Performance Fee is not paid until investors receive a return of their capital and Preferred Return, there is generally no claw back or escrow arrangement with respect to the Performance Fee.

Deduction of Fees; Timing of Payments; Termination

Ophrys is authorized under the Governing Documents to charge and deduct its management fees directly from the Ophrys Funds. Management fees are generally payable monthly in arrears and occasionally quarterly in arrears in accordance with the Governing Documents of each respective Ophrys Fund. Performance Fees are generally payable when there is a distribution of distributable assets which is generally monthly and in some cases quarterly. Please refer to the Governing Documents of each of the Ophrys Funds for complete information on the timing of management fee and Performance Fee payments.

For certain of the Ophrys Funds, to the extent Ophrys has engaged in Disabling Conduct (as defined in the Servicing Agreement which Ophrys typically enters into with each Ophrys Fund), Ophrys may be removed as the Manager by a vote of the holders of at least 80% of the outstanding Units of such Ophrys Fund and in some cases 66-2/3% of the outstanding Units of an Ophrys Fund. For others of the Ophrys Funds, governing or managing members hold the right to remove Ophrys as Manager. In such event, the Servicing Agreement Ophrys has entered into with the Fund is terminated and Ophrys is only entitled to its Management and Performance Fees through the date of termination and in some cases the entitlement to Performance Fees survives termination.

Other Fees and Expenses

In addition to the fees payable to Ophrys, each Ophrys Fund may incur certain charges imposed by third parties, including (but not limited to) third-party legal, regulatory (including, but not limited to, blue sky compliance), audit, consulting and accounting expenses, registration fees and expenses and related fees and expenses (including, but not limited to, fees and expenses related to the preparation and filing of Form PF and any other SEC filings and registrations, and related requirements under the Dodd-Frank Act), and third-party expenses associated with such Ophrys Fund's financial statements and tax returns, expenses in connection with directors' and officers' liability and other insurance premiums, taxes, fees or other government charges levied against such Ophrys Fund, all costs related to the Ophrys Fund's indemnification obligations, extraordinary expenses including litigation costs, any expenses of

liquidating such Ophrys Fund, and any other expenses, whether ordinary or extraordinary, reasonably determined by Ophrys to relate to the affairs of such Ophrys Fund. In addition, the Ophrys Funds will bear offering and organizational expenses that are not reimbursed by Ophrys, as set forth in the Governing Documents. The Ophrys Funds may bear costs associated with sourcing and performing due diligence upon prospective pools of assets to purchase—even if the transaction does not close—and such costs may be paid to WR, as discussed in greater detail below.

Clients are not charged any brokerage fees or commissions related to the acquisition of Receivable portfolios nor do any Ophrys supervised persons accept compensation for the sale of securities or other investment products.

Other Compensation

The law firm of Weinstein & Riley, P.S., (“WR”), of which WSW is the principal owner, has a contractual legal servicing arrangement with certain of the Ophrys Funds. As legal services provider, WR provides and oversees legal services in the collection process on behalf of the Ophrys Funds. For its services, WR generally is paid either (a) a one-time administrative fee of \$17.50 for each Chapter 7 and Chapter 13 bankruptcy Receivable it handles and (b) a contingency fee of 25% of net receipts with respect to consumer receivables WR handles that are not in a Chapter 13 or 7 bankruptcy proceeding, due to the greater level of work involved with such accounts (collectively with the other legal fees referenced herein, the “Legal Servicer Fees”).

Ophrys retains WR to handle certain matters that are handled on an hourly basis, including related to performing due diligence on Receivable portfolios to be acquired. These matters are referred individually. While rates are always subject to negotiation, they historically have been approximately \$75 - \$110 per hour of paralegal time and \$215 - \$350 per hour of attorney time. To illustrate, WR charges FNMA (defined below) rates for all uncontested default service legal proceedings; and hourly rates on contested and litigation matters.

Ophrys also retains WR to handle flat rate work in the mortgage/default servicing area. The flat fee structures are approved in advance of any work being performed. To illustrate, the work has included monitoring and legal services fees of \$500 on certain defaulted loan pools.

WR provides collateral review services in connection with pre-purchase diligence and custody of mortgage assets. Prior to a transaction closing and upon request from Ophrys, WR personnel travel to the location of the asset seller’s custodian to review the original collateral documents comprising the mortgage loan obligation. Alternatively, sellers may ship the documents to the Seattle office of WR for review. Finally, sellers may insist on only sending electronic copies of documents, in which case a more limited review is conducted. Based on the collateral file review, a report of missing, incomplete or otherwise defective documents (“Document Exceptions”) for each loan proposed to be purchased is generated as an exhibit to the mortgage loan purchase agreement. WR charges \$75 per mortgage file collateral review during this stage of due diligence.

WR provides legal review services in connection with pre-purchase diligence. Prior to a transaction closing and upon request from Ophrys, WR attorneys review information provided by Ophrys or outside vendors, including title reports, bankruptcy case information and deceased borrower information. Based on the information or reports provided to WR’s legal team, the legal team provides a report of potential legal issues to Ophrys for their use in making recommendations to purchase or not purchase

assets. WR also responds to follow up questions from Ophrys regarding specific legal issues raised by WR. WR performs this service for a flat fee of \$200 per file.

After a transaction closes, WR may retain the original collateral files or ship them to an offsite custodian, depending on the client's request. All files are imaged, named, and boarded in Ophrys' proprietary asset management software, "Secure Blossom;" although, some files are simply uploaded from images sent by the Seller's custodian of record. WR prepares and records assignments of mortgage, at a cost of \$25 per assignment drafted and \$50 per assignment recorded, plus costs for recording the document.

In setting rates, Ophrys and WR review together market based rates related to the specific legal services, including the rates set by the Federal National Mortgage Association (FNMA) and the Government National Mortgage Association (GNMA) and major banks and mortgage service providers. Any differences are finally negotiated between Ophrys' Chief Operating Officer and WR's Managing Partner without the involvement of WSW.

These types of additional fee arrangements present potential conflicts of interest related to the selection of WR to provide legal and custodial services to the Ophrys Funds. Investors are requested to refer to the Governing Documents of each of the Ophrys Funds for complete information on the additional compensation received by WR, Ophrys or its affiliates or supervised persons in connection with a particular Ophrys Fund's investments.

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

As described in the *Fees and Compensation* section above, Ophrys generally will receive a Performance Fee.

The performance-based fee arrangements discussed above comply with Rule 205-3 under the Investment Advisers Act of 1940 (together with all rules and regulations promulgated thereunder, the "Advisers Act").

Performance-based fee arrangements received by Ophrys may create an incentive for Ophrys to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Please refer to the Governing Documents of each Ophrys Fund for complete information on the "performance-based fee" arrangements of each Ophrys Fund.

Item 7 -- Types of Clients

Ophrys provides advice to the Ophrys Funds. The investors in the Ophrys Funds may include corporations, endowments, foundations, trusts, estates, individuals, family offices, and pension and profit sharing plans.

Each investor in an Ophrys Fund must be (1) an accredited investor as defined in Rule 501(a) of Regulation D under the 1933 Act and (2) a qualified client as defined in Rule 205-3 under the Advisers Act. Details concerning applicable prospective investor suitability criteria are set forth in the respective offering memoranda for newly created Ophrys Funds, which are furnished to each prospective investor. Additionally, investors must complete questionnaires in which the investors represent that they are qualified to invest in an Ophrys Fund.

In the future, Ophrys or its related persons may also establish certain Ophrys Funds or special purpose or alternative investment vehicles for certain investors or investments (“Feeder Funds”) to address certain tax or regulatory requirements. Each Feeder Fund, if formed, would be an investor of an Ophrys Fund and interests in such Feeder Fund would be held by the investors who elect to participate in the Ophrys Fund through such Feeder Fund. Investors and prospective investors are requested to refer to the Governing Documents of the applicable Ophrys Fund for complete details on any Feeder Fund established to invest in an Ophrys Fund.

In general, the minimum investment commitment required of an investor to participate in an Ophrys Fund is \$250,000. However, Ophrys has discretion to increase or reduce the minimum investment commitment. Investors and prospective investors are requested to refer to the Governing Documents of each of the Ophrys Funds for complete information on advisory fees and minimum investment requirements for participation in a particular Ophrys Fund.

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

Investment Strategies and Methods of Analysis

Ophrys seeks capital appreciation by investing in certain asset classes of the distressed consumer receivables market. The Receivables in which the Ophrys Funds invest include Chapter 7 and Chapter 13 bankruptcy receivables, first and second lien and lien deficiency receivables, state court litigation receivables, non-performing or distressed real property mortgage loans or receivables, title curative receivables, consumer loan receivables, and auto deficiency receivables. Some investors in the Ophrys Funds may be entitled to receive cash distributions from time to time during the term of an Ophrys Fund as Receivables are collected. Alternatively, investors in some Ophrys Funds may have such cash automatically reinvested.

Ophrys analyzes investments by incorporating years of historical data into its proprietary recovery models. These models help Ophrys to facilitate accurate pricing and investment return projections with respect to Receivable portfolios across many asset classes.

Ophrys is managed by a ten-person management team, which consists of the Chief Executive Officer, the Chief Information Officer, the Chief Technology Officer, the Chief Compliance Officer, the Chief Financial Officer, the Chief Operating Officer and certain other senior personnel. The management team relies, in part, on the legal and compliance support of its legal service provider, WR, which operates a sophisticated automated legal servicing platform. WR’s bankruptcy servicing platform includes electronic notification, proof of claim filing, responses to objections to claim, reaffirmations, motions for relief from stay, bankruptcy adversary litigation, and Chapter 13 monitoring. The legal servicing platform also assists in document management with respect to the mortgage loans.

Material Risks

There can be no assurance that an Ophrys Fund will be able to make and/or realize any particular investment or that the Ophrys Funds will be able to generate returns for their investors. Investing in the Ophrys Funds involves a risk of loss that investors should be prepared to bear. Investors in the Ophrys Funds should carefully consider, among other factors, the following material risks involved with Ophrys’ investment strategies. Investors in the Ophrys Funds are requested to refer to the Governing

Documents of the applicable Ophrys Fund for complete information on investment strategies employed by the Ophrys Fund and the corresponding risks associated with such investment strategies.

Lack of Operating History

The past performance of the management team may not be relied upon to indicate the future performance of an Ophrys Fund. Ophrys Funds may not have identified any particular investment at closing and may be unable to find a sufficient number of attractive opportunities to meet its investment objectives or fully invest its committed capital. Investors must rely on the ability of the management team to identify, structure, and implement investments consistent with each Ophrys Fund's investment objectives and policies. Investors should note that the past performance of other funds managed by the management team is not a guarantee of future results for an Ophrys Fund.

Management of Ophrys Funds

Decisions with respect to the management of the Ophrys Funds will be made by Ophrys. Investors generally have no right or power to take part in the management of any Ophrys Fund. Accordingly, no person should purchase an interest unless such person is willing to entrust all aspects of the management of an Ophrys Fund to Ophrys.

Dependence on Key Management

The Ophrys Funds' successful operations will be dependent on the management capabilities of Ophrys and, in particular, of William S. Weinstein. Any significant change in the physical or mental condition, or commitment or availability, of Mr. Weinstein could have an adverse effect on the Ophrys Funds and, therefore, on the interests of the investors therein.

Leverage

Ophrys Funds may invest, directly or indirectly, in leveraged vehicles, or borrow under credit agreements or other facilities. Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also substantially increase the risk of loss.

Illiquidity of Investor Interests

Interests in the Ophrys Funds are highly illiquid, have no public market and are not transferable except with the prior consent of Ophrys. Accordingly, an investor in an Ophrys Fund may not be able to liquidate its investment and must be prepared to bear the risks of owning its interest for an extended period of time.

Speculative Nature of Receivables

Receivables are risky and speculative investments. Receivables depend entirely on payments by the corresponding account debtors. Accordingly, each Ophrys Fund may lose the entire amount of its investment in the Receivables it purchases.

Illiquidity of Receivables

The Receivables held by the Ophrys Funds will not be listed on any securities exchange. There can be no assurance that a market for such Receivables will develop and, therefore, the Ophrys Funds must be prepared to hold the Receivables for an indeterminate period of time.

Investments in Mortgage Loans

Ophrys invests in residential mortgage loans on behalf of certain Ophrys Funds. Although such investments may result in significant returns, they involve a substantial degree of risk. The level of analytical sophistication, both financial and legal, necessary for successful investment in distressed assets is unusually high.

Residential Mortgage Loans

While distressed residential mortgage loans will be secured by one- to four-family residences, the Ophrys Funds may be exposed to losses resulting from default. The value of the underlying real property, the creditworthiness of the borrower and the priority of the lien are each of great importance. Ophrys cannot guarantee the adequacy of the protection of these underlying interests, including the validity or enforceability of the loan, or the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, Ophrys cannot assure that claims may not be asserted that might interfere with enforcement of these rights. The liquidation proceeds upon sale of such assets may not exceed the Ophrys Fund's cost basis in such assets, resulting in a loss to the Ophrys Fund. Any costs or delays involved in the effectuation of a foreclosure of the asset or a liquidation of the underlying property will further reduce the sale proceeds and thus increase the loss to the Ophrys Fund.

Reduced Supply of Defaulted Consumer Receivables

The general reduction of credit and consumer spending in the U.S. economy as well as availability of consumer credit may lead to a reduction in the supply of distressed consumer receivables (including Chapter 13 consumer receivables) available to be acquired, which may negatively affect the financial results of the Ophrys Funds.

There can be no assurance that the Ophrys Funds will be able to acquire Receivables in the quantities and at the times that Ophrys otherwise desires. In such cases, Ophrys may cause the Ophrys Funds to hold extensive cash positions for extended periods of time, potentially reducing the returns of the Ophrys Funds.

Competition

Ophrys expects that it will encounter significant competition from other entities seeking opportunities comparable to those being sought by the Ophrys Funds. Such competitors may have greater resources than the Ophrys Funds or may be able to offer unique assistance that cannot be provided by the Ophrys Funds. Due to the level of competition and fluctuating supply of defaulted consumer receivables, the Ophrys Funds may not be able to purchase defaulted consumer receivables at appropriate prices which would have an adverse effect on investment returns.

Counterparty Risks

The Ophrys Funds will acquire Receivables from counterparty sellers. There is no assurance that such Receivables will not be subject to legal defenses, such as identity theft, unauthorized use of cards or other forms of fraud, or clerical or documentary error. The Ophrys Funds do not perform a detailed examination of each Receivable acquired, but rely on the enforcement of representations and warranties under the transfer documentation that will provide recourse in most such instances against the seller. There is no assurance that the Ophrys Funds will be successful in enforcing such recourse rights, which are subject to counterparty risk.

To the extent an Ophrys Fund is required to sell any Receivables to third parties, there is no assurance based on the quality of the Receivables and market conditions that there will be a buyer for such Receivables.

Risks Associated with Service Providers

Ophrys will seek to collect on the distressed Receivables through its network of relationships with law firms and collection agents throughout the United States. There is no assurance that such third-party entities will perform collection services for the Ophrys Funds adequately or accurately account for the recoveries they obtain in providing their services, although Ophrys tries to reduce the risk of fraud through its technology platform and the use of lockbox arrangements. There is also no assurance that such third-party entities will comply with all laws, rules and regulations related to their collection efforts on behalf of the Ophrys Funds.

Legal/Regulatory Risk

Legal, tax and regulatory developments may adversely affect Ophrys. The regulatory environment for private investment funds is evolving, and changes in the regulation of private investment funds and their investment activities may adversely affect the ability of Ophrys to pursue its investment strategy and to determine the value of investments on behalf of the Ophrys Funds. In recent years, there has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. For example, in the United States, the Dodd-Frank Act, which makes significant changes to the regulation of banks, hedge funds and other financial services firms, is still in the process of being clarified and implemented by U.S. federal agency rulemaking and interpretation.

Ophrys' investment in Receivables and residential mortgages presents additional risk. Laws related to debt collection directly apply to key portions of Ophrys' business. Ophrys' failure or the failure of third party agencies and attorneys, or the originators of the Receivables, to comply with existing or new laws, rules, or regulations could limit the ability to recover on the Receivables. Changes or additions to those laws and regulations and heightened judicial scrutiny could make it more difficult to collect payments on the Receivables, resulting in reduced recoveries. Receivables that do not comply with existing and future consumer protection laws may not be valid or enforceable under their terms against the obligors on those receivables.

The most recent developments in this regard have taken place as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which was enacted July 21, 2010. The Dodd Frank Act created the Consumer Financial Protection Bureau ("CFPB") and gave it supervisory examination authority over a variety of institutions that may engage in debt recovery. The purpose of supervision, including examination, is to assess compliance with federal consumer financial laws, obtain information about activities and compliance systems or procedures, and detect and assess risk to consumers and to markets for commercial financial products and services. On October 24, 2012, the CFPB issued a consumer debt recovery regulation which took effect January 2, 2013. Under the rule, firms that have more than \$10 million in annual receipts from consumer debt recovery activities, as defined in the rule, are subject to the CFPB supervision authority. This definition covers Ophrys and, accordingly, authorizes the CFPB to conduct examinations of Ophrys' business practices.

Technology Risks

The success of Ophrys' business model is highly dependent on its proprietary technology, models, procedures and methods that are subject to viruses, crashes, misappropriation and obsolescence, all of which could have an adverse effect on the Ophrys Funds.

Uncertainty of Future Results

Each Ophrys Fund's confidential offering memorandum may contain certain financial projections, estimates and other forward-looking information. This information was prepared by Ophrys based on its experience in the industry and on assumptions of fact and opinion as to future events which Ophrys believed to be reasonable when made. There can be no assurance, however, that assumptions made are accurate, that the financial and other results projected or estimated will be achieved, or that similar results will be attainable by the Ophrys Funds.

Item 9 -- Disciplinary Information

There are no legal or disciplinary rulings or orders material to a client's or prospective client's evaluation of Ophrys.

Ophrys is currently undergoing its first SEC exam.

In the second quarter of 2017, the Division of Enforcement of the U.S. Securities and Exchange Commission issued a subpoena to Ophrys for the production of documents relating to certain of its business practices. The letter accompanying the subpoena contains the following statement:

This investigation is a non-public, fact-finding inquiry. We are trying to determine whether there have been any violations of the federal securities laws. The investigation and the subpoena do not mean that we have concluded that you or anyone else has broken the law. Also, the investigation does not mean that we have a negative opinion of any person, entity or security.

Ophrys has been responding to the subpoena. At this time, management is unable to assess the potential impact of the investigation on the financial condition of Ophrys and the Ophrys Funds or results of their operations.

Item 10 -- Other Financial Industry Activities and Affiliations

No management persons are registered as a broker-dealer or representative of a broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor, nor are there any pending applications for such registrations. Ophrys may enter agreements with placement agents and broker dealers to assist with raising investment in an Ophrys Fund. In these circumstances, Ophrys enters a written agreement with the agent and the Ophrys Fund. Any fees or expenses associated therewith may ultimately be payable by Ophrys either directly or through an offset of the management fee payable by the relevant Ophrys Fund to Ophrys. Alternatively, such fees and expenses may be borne, directly or indirectly, by the relevant Ophrys Fund. As discussed elsewhere in this brochure, WSW is the majority owner and a principal of WR, which will be providing and overseeing legal services in connection with each Ophrys Fund's Receivable collection process. The legal and business arrangements between Ophrys and WR result from independent discussions held at least annually between the Chief Operating Officer of Ophrys and the Managing Partner of WR, who focus on tying the

legal fees to market-based rates. Please see the section entitled *Fees and Compensation -- Other Compensation*, for more information.

Ophrys is the Manager of each of the Ophrys Funds. Ophrys is not required to spend substantially all of its business time and resources on any one Ophrys Fund.

Ophrys does not recommend or select other investment advisers for its clients or have any business relationships with other investment advisers that might create a conflict of interests.

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

Ophrys has adopted a Code of Ethics under Rule 204A-1 of the Advisers Act expressing Ophrys' commitment to ethical conduct. Ophrys' Code of Ethics describes its fiduciary duties and responsibilities to its clients, and sets forth Ophrys' policy of monitoring the personal securities transactions of supervised persons with access to investment recommendations. Also, Ophrys' Code of Ethics sets forth Ophrys' policies on receipt of and giving of gifts by supervised persons. Under Ophrys' Code of Ethics, all supervised personnel have a duty to act only in the best interests of the Ophrys Funds, and all potential conflicts and violations of the Code of Ethics must be promptly reported to Ophrys' Chief Compliance Officer ("CCO"). All supervised personnel must acknowledge the terms of the Code of Ethics initially and annually or as amended. It is the expressed policy of Ophrys that no person employed by Ophrys shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

Ophrys' policy currently requires that all access persons as defined under Rule 204A-1 of the Investment Advisers Act provide initial and annual securities holdings reports and quarterly reports of all personal securities transactions, which quarterly reports on personal securities transactions are due no later than 30 days after the close of each calendar quarter, and that personnel receive approval from the CCO prior to investing in any initial public offerings or private placements. To date, this portion of the Code of Ethics has not been implemented because of the difficulty of relating it to the particular asset class with which Ophrys deals and there being no identifiable risk of "insider trading" which the policy is intended to address. The Receivables are not publicly traded securities or tradable by the general public and access people do not individually enter into Receivables transactions with the Ophrys Funds or otherwise for their own account.

Ophrys requires that all individuals act in accordance with all applicable federal securities laws and the rules governing the capital markets. Ophrys' Code of Ethics also includes the firm's policy prohibiting the use of material nonpublic information. Any individual not in observance of the above may be subject to discipline or termination.

Ophrys will provide a complete copy of its Code of Ethics to any investor or prospective investor upon request.

As Manager of each of the Ophrys Funds, Ophrys and its principal have direct and indirect beneficial interests in the investments owned by the Ophrys Funds and will share in any profits and losses generated by the Ophrys Funds' investments. This creates a conflict of interest because Ophrys receives performance fees from the Ophrys Funds, as discussed above in the section entitled *Fees and*

Compensation, and may have an incentive to recommend investments that are more risky than it would otherwise recommend if Ophrys did not receive performance fees. This conflict is mitigated by Ophrys' applicable fiduciary duties; all investment decisions undergo a thorough analysis by an eleven (11) member Credit Committee; and the principal of Ophrys is generally also an investor in each Ophrys Fund to align the principal's interests with that of each Ophrys Fund and its investors.

In addition, as discussed elsewhere in this brochure, WSW is the majority owner and a principal of WR, which provides and oversees legal services in connection with the collection process. This may create a conflict of interest because WR will receive additional compensation in connection with performing due diligence and the collection of Receivables in which each Ophrys Fund invests. The legal and business arrangements between each Ophrys Fund, on the one hand, and Ophrys and WR, on the other hand, resulted from independent discussions held between the Chief Operating Officer of Ophrys and the Managing Partner of WR, who focused on tying the legal fees to market-based rates in an effort to mitigate this conflict. Please see the section entitled *Fees and Compensation -- Other Compensation*, for more information.

Ophrys and its principal and employees may carry on investment activities for their own accounts and for family members, friends or others who do not invest in the Ophrys Funds, and may give advice and recommend securities to other accounts or certain Ophrys Funds or vehicles which may differ from advice given to, or securities recommended or bought for, other Ophrys Funds or vehicles, even though their investment objectives may be the same or similar.

Reference is made to the following two categories of transactions, whereby "Affiliate" means any other entity controlling or controlled by or under common control with such specified entity:

Principal Transaction: Any transfer of an asset between (i) Ophrys or any of its Affiliates (excluding an entity with respect to which the only indicia of control is Ophrys or its Affiliate serving as its investment manager, with or without a carried interest) as principal on the one hand and (ii) any account or entity for which Ophrys or any of its Affiliates serves as investment manager on the other.

Client Cross-Transaction: Any transfer of an asset caused, effected, or arranged by Ophrys or any of its Affiliates between two accounts or entities for which Ophrys or any of its Affiliates serves as investment manager other than in connection with a transaction whereby the owner of the ultimate beneficial interest in the asset does not change.

Ophrys Funds historically have acquired assets from, or sold assets to, entities owned, managed or advised by Ophrys in what may be Principal Transactions or Client Cross-Transactions. These transactions by their nature involve a potentially conflicting division of loyalties and responsibilities with respect to the parties to such transactions.

Ophrys believes that these transactions can be beneficial to the Ophrys Funds and their investors notwithstanding potential conflicts of interest. Frequently in these transactions an Ophrys Fund acquires assets from parties affiliated with Ophrys at a price no greater than the Affiliate's cost of acquisition. These types of transactions permit the Ophrys Funds to benefit from Ophrys' ability, as a qualified debt buyer, to acquire distressed consumer receivables through its wholly-owned licensed subsidiaries and other licensed Affiliates.

In order to address the inherent conflict of interest that may exist in these transactions, Ophrys' general policy is that it does not engage or permit any of the Ophrys Funds or managed Affiliates to engage in Principal Transactions or Client Cross-Transactions unless each of the following conditions is satisfied:

1. The price paid for the assets being transferred in such transaction equals their Arm's Length Fair Market Value, which is defined to be the amount of money which would change hands between a willing buyer and willing seller, when the former is not under any compulsion to buy, and the latter is not under any compulsion to sell, with both parties having reasonable knowledge of the relevant facts and acting independently of each other;
2. In acknowledgement of the lack of public information to establish an Arm's Length Fair Market Value for the asset class subject to this policy, absent readily apparent changes in market conditions, the Arm's Length Fair Market Value will equal the Adjusted Cost Basis of any asset acquired by Ophrys or its Affiliates in an arm's-length transaction with a non-Affiliate within sixty (60) days of such asset being transferred in a Principal Transaction or Client-Cross Transaction, with Adjusted Cost Basis being defined as the original cost of the asset plus any capitalized improvement costs less any amounts received with respect to the asset;
3. Adequate disclosure is made to the Ophrys Funds and their investors that Ophrys and the Ophrys Funds may engage in Principal and/or Client Cross-Transactions and the investors give prior written consent to Ophrys and the Ophrys Funds engaging in such transactions in their subscription documents;
4. Any such transaction otherwise complies with all applicable laws related to such transaction;
5. Details of all such transactions are posted on Ophrys' Secure Blossom website server and the Ophrys Funds and their investors have direct password access to all such information, which information shall include items such as asset amount, price, default and collection history, last payments, likelihood of collection, propensity to settle, title curative issues and other material information regarding the asset;
6. In the case of Principal Transactions, such transaction has had the prior review and approval of an independent advisory committee sufficiently representative of such Ophrys Fund's investors consisting of members who are unaffiliated with Ophrys or its Affiliates, or the prior review and approval of all the investors in an Ophrys Fund that has three (3) or fewer investors, including in each case from both the transferor and transferee Ophrys Fund in the transaction, and otherwise complies with the contractual terms of the Ophrys Fund's applicable fund documents;
7. As a part of such approval process for Principal Transactions, in addition to the details of such transactions being posted on Blossom as referenced above, the independent advisory committee, or all of the investors in the case of Ophrys Funds with three (3) or less investors, has been provided with the detailed Credit Memos used by the Credit Committee to approve the transaction which together with other preliminary disclosure regarding the transaction has been delivered via e-mail or hard copy with a record of such e-mail and/or

hard copy communications, including the investors' responses, being maintained by Ophrys; and

8. Disclosure in the case of each Principal Transaction sets forth the nature of the conflict being addressed and includes the models used to determine pricing which are set forth in the attachments to the Credit Memos and on Blossom, which valuation methodologies are generally based on historical data patterns relative to similarly situated assets, and Ophrys' management has made itself available to answer questions during the approval process.

Investors are requested to refer to the Governing Documents of the applicable Ophrys Fund for more complete information on the requisite time commitments of Ophrys and its related persons to the Ophrys Funds and its conflicts policies.

Item 12 -- Brokerage Practices

Ophrys focuses on making investments in Receivables and other private securities. As such, it does not ordinarily deal with intermediaries such as broker-dealers that execute securities transactions for "commissions." To the extent Ophrys were to transact in public securities, it would select broker-dealers based upon their ability to provide best execution for the Ophrys Funds. Subject to the investment objectives, policies and restrictions of each Ophrys Fund, as set forth in such Ophrys Fund's Governing Documents, Ophrys would generally have discretionary authority to select the broker or dealer or other intermediary to be used to execute transactions on behalf of the Ophrys Funds and to negotiate the commission (or other) costs to be paid.

Ophrys does not currently have any formal soft dollar arrangements that would commit the Ophrys Funds to any implied or explicit level of trading.

Item 13 -- Review of Accounts

Ophrys will continuously monitor investments on behalf of the Ophrys Funds. Investments are reviewed in the context of each Ophrys Fund's stated investment objectives and guidelines as set forth in the Governing Documents of each Ophrys Fund. Ophrys' management team is responsible for monitoring the risks associated with the Ophrys' investment strategies, as well as counterparty risk and risks associated with the use of leverage or credit lines by the Ophrys Funds.

Ophrys' Credit Committee consists of the Chief Executive Officer, the Chief Information Officer, the Chief Technology Officer, the Chief Compliance Officer, the Chief Operating Officer, the Chief Asset Officer, two Financial Controllers and certain other senior personnel, and is chaired by the Chief Financial Officer. The Credit Committee, which formulates all investment recommendations, meets and deliberates as opportunities arise.

Ophrys distributes monthly, quarterly, and annual written reports to investors. Annual reports generally contain an individual capital account statement as of the end of such fiscal year and the audited financial statements of the Ophrys Fund. The monthly reports generally contain a discussion and analysis of certain factual and numerical information about the Ophrys Funds' investments and a summary of distributable cash from the applicable Ophrys Fund. Quarterly reports include adjustments to fair market valuations. In addition, Ophrys offers investors access to a remote viewer known as "Secure Blossom." Secure Blossom provides investors access to detailed information that provides the

ability to analyze all activity on all Ophrys Fund Receivable accounts remotely, including detailed account, portfolio and entity information, and access to legal documents, notes and distribution reports.

Ophrys also provides annual tax forms to investors.

Investors are requested to refer to the Governing Documents of the applicable Ophrys Fund for further information on the reports provided by a particular Ophrys Fund to its investors.

Item 14 -- Client Referrals and Other Compensation

As discussed elsewhere in this brochure, WSW is the majority owner and a principal of WR, which provides and oversees legal services in connection with the collection process and conducting due diligence on investment opportunities. This may create a conflict of interest because WR receives additional compensation in connection with the Receivables in which each Ophrys Fund invests. The legal and business arrangements between Ophrys and WR result from independent discussions held at least annually between the Chief Operating Officer of Ophrys and the Managing Partner of WR, who focus on tying the legal fees to market-based rates in an effort to mitigate this conflict. WR is one of the largest consumer debt recovery law firms in the country with state-of-the art technologies and systems related to debt recovery legal services. Ophrys believes that WR's technology capabilities make it the most efficient low-cost provider of legal services for the Ophrys Funds. Please see the section entitled *Fees and Compensation -- Other Compensation*, for more information.

Ophrys occasionally enters into cash compensation arrangements with unaffiliated placement agents or third parties for introducing investors to an Ophrys Fund. Any fees or expenses associated therewith may ultimately be payable by Ophrys either directly or through an offset of the management fee payable by the relevant Ophrys Fund to Ophrys. Alternatively, such fees and expenses may be borne, directly or indirectly, by the relevant Ophrys Fund.

Item 15 -- Custody of Client Assets

Ophrys acts as the investment manager of the Ophrys Funds and is generally authorized under the Ophrys Funds' Governing Documents to deduct fees from each Ophrys Fund investor's account. Such powers cause Ophrys to be deemed to have custody of the Ophrys Funds' assets for purposes of the SEC's custody rule. Accordingly, to meet the requirements of the custody rule, each Ophrys Fund is subject to an annual audit by independent public accountants and the audited financial statements are distributed to each investor. The audited financial statements of an Ophrys Fund will be prepared in accordance with U.S. generally accepted accounting principles and distributed to Ophrys Fund investors within 120 days of such Ophrys Fund's fiscal year end.

Item 16 -- Investment Discretion

Ophrys has full discretionary authority over the investment activities of the Ophrys Funds. The limitations in its investments for an Ophrys Fund, if any, are set forth in the applicable Governing Documents. Except as set forth in Item 4 relating to side letters, no investor may impose limitations on the investment activities of an Ophrys Fund.

Item 17 -- Voting Client Securities

No Ophrys Funds invest in securities for which proxies may ever need to be voted, even if the securities are purchased for cash management purposes.

Item 18 -- Financial Information

Ophrys does not require prepayment of management fees more than six months in advance.

Registered investment advisers are required to provide you with certain financial information or disclosures about their financial condition. Ophrys has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.