

# DLP Capital Advisors, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of DLP Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (610) 488-2375 or by email at: [info@dlpcapitalpartners.com](mailto:info@dlpcapitalpartners.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 DLP Capital Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). DLP Capital Advisors, LLC's CRD number is: 297511.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

DLP Capital Advisors, LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore, there are no material changes to report.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

DLP Capital Advisors, LLC (hereinafter “DLPCA”) is a Limited Liability Company organized in the State of Pennsylvania. The firm was formed in October 2012, and the principal owner is Donald Robert Wenner.

### **B. Types of Advisory Services**

DLPCA advises three private funds; DLP Income & Growth Fund I LLC, DLP Lending Fund LLC, and DLP Preferred Returns Equity Fund LLC. The three funds are the only clients of the DLPCA.

The investment advisory services provided by DLPCA to the Funds and the fee schedules for such services are generally described in the Fund’s current disclosure documents filed with the Securities and Exchange Commission, as applicable, which are publicly available on the EDGAR database on the SEC’s website ([www.sec.gov](http://www.sec.gov)).

#### ***Services Limited to Specific Types of Investments***

DLPCA generally limits its investment advice to real estate funds and private placements, although DLPCA primarily recommends multi family real estate and private lending. DLPCA may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

DLPCA offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client’s current situation (income, tax levels, and risk tolerance levels). Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. DLPCA does not participate in wrap fee programs.

### **E. Assets Under Management**

DLPCA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$900,000	June 2018

## **Item 5: Fees and Compensation**

DLPCA advises three private funds; DLP Income & Growth Fund I LLC, DLP Lending Fund LLC, and DLP Preferred Returns Equity Fund LLC. The advisory fees that DLPCA receives for providing those services are set forth in the sub-advisory agreement between DLPCA and the Fund. Additional detail about the fees charged to an investor in any such fund is available in the then-current prospectus for that fund.

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by DLPCA. Please see Item 12 of this brochure regarding broker-dealer/custodian.

DLPCA collects its fees in arrears. It does not collect fees in advance.

Neither DLPCA nor its supervised persons accept any compensation for the sale of 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**

DLPCA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

DLPCA generally provides advisory services to Pooled Investment Vehicles.

There is no account minimum for any of DLPCA's services.

## **Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss**

### **A. Methods of Analysis and Investment Strategies**

The investment advisory services provided by DLPCA to three private funds; DLP Income & Growth Fund I LLC, DLP Lending Fund LLC, and DLP Preferred Returns

Equity Fund LLC and the investment strategies employed in managing the funds are generally described in the Fund's current disclosure documents filed with the Securities and Exchange Commission, as applicable, which are publicly available on the EDGAR database on the SEC's website ([www.sec.gov](http://www.sec.gov)).

### ***Methods of Analysis***

DLPCA's methods of analysis include Cyclical analysis, Fundamental analysis and Quantitative analysis.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

### ***Investment Strategies***

DLPCA recommends long term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### ***Methods of Analysis***

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

## *Investment Strategies*

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

## **B. Administrative Proceedings**

There are no administrative proceedings to report.

## **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

# **Item 10: Other Financial Industry Activities and Affiliations**

## **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither DLPCA nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither DLPCA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Barry Wayne DeGroot is a lawyer and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. DLPCA always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of DLPCA in connection with such individual's activities outside of DLPCA.

Barry Wayne DeGroot acts as a real estate broker or dealer and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. DLPCA always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of DLPCA in connection with such individual's activities outside of DLPCA.

## **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

DLPCA does not utilize nor select third-party investment advisers.



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

### **A. Code of Ethics**

DLPCA has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. DLPCA's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

DLPCA and its associated persons may have material financial interests in issuers of securities that DLPCA may recommend for purchase or sale by clients. For example, DLP Capital Advisors LLC serves as manager of private funds which may be offered to client/investors.

This presents a conflict of interest in that DLPCA or its related persons may receive more compensation from investment in a security in which in which DLPCA or a related person has a material financial interest than from other investments. Client approval will be sought for client investment in such recommendations and, if granted, such approval will be binding. DLPCA always acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in such investments if they do not wish to do so.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of DLPCA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of DLPCA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. DLPCA will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of DLPCA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of DLPCA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, DLPCA will never engage in trading that operates to the client's disadvantage if representatives of DLPCA buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

DLPCA does not recommend brokers/custodians.

#### **1. *Research and Other Soft-Dollar Benefits***

DLPCA does not trade client's accounts and therefore receives no research, product, or services from a broker-dealer ("soft dollar benefits").

#### **2. *Brokerage for Client Referrals***

DLPCA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### **3. *Clients Directing Which Broker/Dealer/Custodian to Use***

DLPCA does not trade client's accounts.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

DLPCA does not trade clients' accounts and therefore does not have the ability to block trade purchases across accounts.

## **Item 13: Review of Accounts**

All client accounts for DLPCA's advisory services provided on an ongoing basis are reviewed at least Monthly by Robert W Peterson, CFO, with regard to clients' respective investment policies and risk tolerance levels. All accounts at DLPCA are assigned to this reviewer.

The custodian or fund administrator delivers to each investor periodic reports.

## **Item 14: Client Referrals and Other Compensation**

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

DLPCA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to DLPCA's clients.

### **B. Compensation to Non - Advisory Personnel for Client Referrals**

DLPCA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

DLPCA may be deemed to have custody over the funds and securities invested in pooled investment vehicles that DLPCA manages.

## **Item 16: Investment Discretion**

DLPCA does not have discretion over client accounts at any time.

## **Item 17: Voting Client Securities (Proxy Voting)**

DLPCA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

DLPCA neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

## **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither DLPCA nor its management has any financial condition that is likely to reasonably impair DLPCA's ability to meet contractual commitments to clients.

## **C. Bankruptcy Petitions in Previous Ten Years**

DLPCA has not been the subject of a bankruptcy petition in the last ten years.