

Item 1 – Cover Page

Part 2A of Form ADV: Firm Brochure

CRUISER CAPITAL ADVISORS, LLC

74 Island Drive
Rye, NY 10580
Phone – (212) 829-5833
Fax – (917) 591-9063
www.cruisercap.com

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This Form ADV Part 2A Firm Brochure (“Brochure”) provides information about the qualifications and business practices of Cruiser Capital Advisors, LLC (“we”, “us”, the “Advisor” or “Cruiser Capital”). If you have any questions about the contents of this Brochure, please contact us at (212) 829-5833. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Cruiser Capital is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Cruiser Capital is also available on the SEC’s website at www.adviserinfo.sec.gov by using a unique identifying number known as a CRD Number. Cruiser Capital’s CRD number is 168739.

Item 2 – Material Changes

This brochure includes an update to our primary office location to 74 Island Drive, Rye, NY 10580. There are no other material changes to the information contained in our most recent Form ADV Part 2A dated March 30, 2020.

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Item 4 – Advisory Business

A. *Description*

Cruiser Capital Advisors, LLC was organized in the state of Delaware on May 27, 2010. We were initially established to provide investment management services primarily to pooled investment vehicles. Subsequently, Cruiser also provides investment management services to separately managed accounts. On occasion Cruiser will form Special Purpose Vehicles, or “SPVs” to make investments in single theme or securities in a particular company. Cruiser has on occasion also provided research services to other firms on specific topics. Our principal owner, Mr. Keith Rosenbloom, owns 100% of our membership interests and has made a substantial investment in the Funds (as defined below).

B. *Types of Advisory Services*

Cruiser Capital provides discretionary investment advisory services to five pooled investment vehicles, particularly a Delaware limited partnership, a domestic fund, Metamorphosis Master Fund LP (the “Metamorphosis Fund”) a Cayman Islands exempted limited partnership (the “Master Fund”) with an actively managed portfolio, and two feeder funds, one of which is a Delaware limited liability company and the other a Cayman Islands exempted company (collectively, the “Feeder Funds”, and with the Master Fund, Metamorphosis IV LLC and Metamorphosis Master Fund, the “Funds”). The Feeder Funds invest substantially all of their assets in the Master Fund. The management of the Funds is conducted in accordance with their confidential private offering memorandum and/or confidential memorandum and memorandum and articles of associated or limited liability company agreement, as applicable (“Offering Documents”).

In addition, Cruiser Capital advises separately managed accounts (each an “SMA”) pursuant to the terms of the investment management agreements entered into by and between Cruiser Capital and the SMA(s); Cruiser may provide research or consulting services to other investors, investment advisors or funds.

C. *Tailored Advisory Services*

The Advisor does not tailor advisory services to the individual or particular needs of the investors in the Feeder Funds or Funds. Information about the Feeder Funds, including their investment objectives and strategies, are set forth in their respective Offering Documents. We have broad investment authority with respect to our clients. Since we do not provide individualized advice to the Feeder Funds’ investors, such investors are encouraged to consider whether the investment objectives of the Funds are in line with their individual objectives and risk tolerance prior to investment. SMA client’s may request that the Advisor tailors its advisory services to the client’s individual needs, and clients may impose reasonable restrictions on the Advisor’s services, which may include restrictions on investing in certain securities or types of securities.

D. *Wrap Fee Programs*

We do not participate in any wrap fee program.

E. *Assets Under Discretionary and Non-Discretionary Management*

As of December 31, 2019, Cruiser Capital had a total of \$168,798,008 in regulatory assets under management. Of the total, approximately \$158,342,000 was managed on a discretionary basis and \$10,455,000 under a non-discretionary basis.

Item 5 – Fees and Compensation

A. Description

The Feeder and Master Funds are generally charged a performance-based incentive allocation for the investment management services. The annual incentive allocation is allocated at the Master Fund level in order to avoid any duplication of such allocation and is equal to 20% of the aggregate net increase attributable to a Fund investor's master account for the relevant fiscal period, subject to a customary high-watermark.

The incentive allocation for the Metamorphosis Master Fund and Metamorphosis IV LLC, is equal to 15% of the aggregate net gain. The incentive allocation will be paid from time to time based on the timing of certain events and will come from realized profit since the last payment of an Incentive Allocation.

In addition, a management fee is charged to the Funds, taken at the Master Fund level, which is payable to us or to our affiliate, Cruiser Capital Advisors, LLC and is calculated and paid at the beginning of each month, in advance, and is equal to 0.125% (1.5% annually) of each investor's net asset value as of the first day of each month. For the Metamorphosis IV LLC and Metamorphosis Master Fund, a management fee is charged which is payable to us or to our affiliate, Cruiser Capital Metamorphosis Advisors, LLC, equal to 0.25% per fiscal quarter (1.00% annually) of the value of the capital accounts of Limited Partners for such fiscal quarter.

The management fee charged to the SMAs ranges between 0% and 2% of the net asset value of the SMA's account. The incentive allocation payable to us ranges generally from 15% to 20% of the net increase attributable to its account for the relevant fiscal period.

Management fees and performance allocations may be waived or reduced at any time, in the sole discretion of the Advisor or its affiliates.

Fees and billing for consulting services to other investors, investment advisors or funds will be determined with the client. These fees can be determined in a variety way, including predetermined amounts, percentages of net asset values and percentages of profits.

B. Fee Billing

We (or our affiliate) generally deduct fees from the SMA's account and the investors' assets in the Funds. Our clients and the investors in the Funds do not have the ability to choose to be billed directly for fees incurred.

Please refer to the relevant SMA or Fund governing documents (including the relevant Fund's Offering Documents) for a complete understanding of how fees are calculated and deducted. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund's governing documents.

C. Other Fees and Expenses

In addition to the performance-based incentive allocation and management fees discussed above, each client pays for all necessary expenses of its operation, including, without limitation, trading, brokerage, legal, compliance, audit and accounting and other operating expenses such as, but not limited to, costs relating to trading investment strategy implementation, clearing costs and fees, administrator fees and research fees.

In addition, the Funds will bear all operational expenses including, without limitation, brokerage commissions, clearing and executing broker fees, data feed and market data costs, costs relating to trading, investment strategy implementation, research and risk management, legal, auditing and tax expenses, printing, client services, accounting and bookkeeping costs, costs incurred for fund administration and investment related consultants and other service provider's expenses, interest expenses, stock loan expenses, custody fees and expenses, insurance premiums of the Funds and/or the Advisor (including insurance premiums with respect to any of their principals, partners, directors and officers), extraordinary expenses (including indemnification), other expenses, regulatory and self-regulatory fees, other transactional charges, expenses relating to cash management, expenses relating to the continuing offering of shares or interests in the Funds and Feeder Funds, compliance costs (including regulatory and compliance expenses of Cruiser Capital or its affiliates incurred specifically in connection with the Funds, and if registration of Cruiser Capital under the Advisers Act is mandated, which at the present time, is required, its pro rata share of Master Fund costs, expenses incurred with respect to the preparation, duplication and distribution to members and prospective members of Fund offering documents, annual reports and other financial information, marketing expenses, and similar ongoing operational expenses.

Please refer to the relevant Fund's governing documents (including the relevant Fund's Offering Documents and limited partnership agreements) for a complete understanding of each Fund's fees and expenses. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund's governing documents.

D. Advance Payment.

As previously disclosed, the monthly management fee is paid in advance either to Cruiser Capital Advisors, LLC by Cruiser Capital L.L.C. and Cruiser Capital Ltd., the Feeder Funds. Upon an investor's redemption or withdrawal from the Feeder Funds, the un-accrued portion of the management fee that has been pre-paid is refunded on a pro-rata basis.

E. Participation or Interest in Client Transactions

Neither Cruiser Capital nor any of its supervised persons accepts compensation, whether in the form of a commission or otherwise, for the sale of securities or other investment products to our clients.

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

As described above under Item 5 – Fees and Compensation, we receive performance-based profit allocations from our clients. This arrangement may create a theoretical incentive for us to recommend investments that are riskier or more speculative than would be the case in the absence of such profit allocation. Investors in the Funds are provided with disclosures contained in their respective Offering Documents relating to the incentive allocation payable to us or related entities, and the risks associated with their investment in the Funds.

We do not currently have any side-by-side management arrangements.

Item 7 – Types of Clients

We currently provide advisory services to separately managed accounts and to pooled investment vehicles operating as private investment funds.

We do not impose any minimum requirements on our private investment fund clients. Our private fund clients, however, generally impose minimum investment commitments of \$1,000,000 (unless otherwise waived by us) on investors and require them to satisfy certain suitability standards.

We may impose minimum account requirements on separately managed accounts. Any such minimum would be described in the written investment management agreement entered into by and between the client and us. In the event that minimum requirements are imposed, we would expect that such requirements would be based on, among other factors, the investment strategy, and the time and resources allocated to the client. Any requirements and restrictions would be specified in detail in each client's written investment management agreement.

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

A. Methods of Analysis

The Advisor bases its investment decisions on fundamental and comprehensive research and analysis. The Advisor believes that naturally occurring market volatility often provides compelling opportunities to invest in securities at prices that are highly differentiated from what a control buyer would pay for them. In conducting our analysis, we use a number of resources and services to refine our investment ideas, which may include, among others, fundamental credit analysis, detailed analysis of financial statements and development of financial projections, meetings with company management, company and analyst conference calls, industry research and analysis of documents.

Investment Strategies

The Advisor focuses on identifying and investing in public securities of companies at prices that are highly differentiated from where they would sell for in private transactions. Our goal is to achieve meaningful returns through building concentrated portfolios of public securities. We will sell securities short that we believe are overvalued, and will also hedge the portfolio by utilizing credit and currency investments. The Advisor seeks to invest in special situations in the equity, debt and structured products markets based on in-depth research and analysis. Special situations include, but are not limited to minority positions in debt or equity securities that are believed to be significantly overvalued or undervalued and that are expected to move toward fair value within a targeted period of time. We may also invest in currencies and other securities or financial instruments the valuations of which are driven by macroeconomic factors.

We may invest on both a long and short basis, and may invest through derivative financial instruments. We do not expect to hold a fully diversified portfolio and at times may maintain a significant cash position. We view ourselves as “patient capital” and do not believe it is necessary or prudent to be fully invested if market opportunities are insufficiently attractive on a risk-reward basis.

B. Risk of Loss

Listed below is a summary of the material risks involved in connection with our methods of analysis investment strategies. The discussion of material risks provided below is not meant to be a complete description of risks that may be applicable to us. All investment activities involve a high degree of risk, including the possible risk of loss of an investor's entire investment. For a more detailed discussion of the material risks involving an investment in the Funds, please refer to the relevant Fund's Offering Documents. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund's governing documents.

Nature of Investments

We have broad discretion in making investments for our clients. Investments consist of actively traded debt and equity instruments on a long and short basis, the value of which may be affected by, among other things, business, financial market or legal uncertainties. We can provide no assurance that we will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of our clients' activities and the value of their investments.

Short Selling

We are authorized to enter into the short sale of securities on behalf of its clients. The Advisor may sell short securities of an issuer in the expectation of covering the short sale with securities purchased in the open market at a price lower than that received from the short sale. If the price of the issuer's securities declines, the clients will then cover its short position with securities purchased in the market, with the profit realized on the short sale being the difference between the prices received from the sale and the cost of the securities purchased to cover the sale.

The possible losses to our clients from selling securities short differ from losses that could be incurred from a cash investment in the securities; the former may be unlimited, whereas the latter can only equal the total amount of the cash investment. Short selling activities are also subject to restrictions imposed by United States securities laws and the various United States securities exchanges, which restrictions may adversely affect the investment activities of our clients.

Derivative Risks and Hedging Techniques

We will use derivative instruments, including without limitation, option contracts, forwards and futures contracts for maximizing returns and for hedging purposes. Generally, "derivatives" are financial instruments or contractual arrangements whose economic results depend upon, or are derived by reference to, other securities or assets, the relative values of two or more assets, certain economic or other activities or other matters. Some derivatives are standardized securities or instruments such as futures or options traded on recognized exchanges. Others are directly negotiated contractual arrangements with one or more particular counterparties. Such products are often very complex, involve significant leverage, are dependent upon credit and other considerations affecting the ability or willingness of the counterparties with whom the Fund may deal to perform as anticipated and, in general, involve a high degree of risk (including the possibility of total loss) as well as the opportunity for gain. Moreover, certain derivative contracts, such as forward contracts are generally illiquid and difficult to value.

Our clients will be exposed to a credit risk particularly on the counterparties with which it trades in relation to non-exchange traded derivative instruments as these will not be afforded the same protections as may apply to participants trading such instruments on organized exchanges, such as the performance guarantee of an exchange clearing house. The counterparty in a non-exchange traded derivative

transaction will be the specific company or firm involved in the transaction rather than a recognized exchange and accordingly the insolvency, bankruptcy or default of a counterparty with which we trade such instruments could result in substantial losses. We may have contractual remedies upon any default pursuant to agreements relating to particular derivatives transactions. Such remedies could be inadequate however, to the extent that the collateral or other assets available are insufficient.

Put and Call Options

We utilize options for risk management purposes. Options may be more volatile than the underlying instruments, and therefore, on a percentage basis, an investment in options may be subject to greater fluctuation than an investment in the underlying instruments themselves. There are several additional risks associated with transactions in options. For example, there are significant differences between the securities, and options market that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its investment objectives. In addition, a liquid secondary market for particular options, whether traded over-the-counter or on an exchange may be absent for reasons which include the following: there may be insufficient trading interest in certain options; restrictions may be imposed by an exchange on opening transactions or closing transactions or both; trading halts, suspensions or other restrictions may be imposed with respect to particular classes or series of options or underlying securities or currencies; unusual or unforeseen circumstances may interrupt normal operations on an exchange; the facilities of an exchange or the Options Clearing Corporation may not at all times be adequate to handle current trading value; or one or more exchanges could, for economic or other reasons, decide or be compelled at some future date to discontinue the trading of options (or a particular class or series of options) causing such market to cease to exist, although outstanding options that had been issued by the Options Clearing Corporation as a result of trades on that exchange would continue to be exercisable in accordance with their terms.

Leverage

The use leverage is authorized on behalf of our clients. Our clients, such as the Funds, may borrow from banks, brokerage firms and other institutions, commonly known as margin, at prevailing interest rates and invest such funds in additional securities. Gains made with additional funds borrowed will generally cause the Net Asset Value of a clients' portfolio to rise faster than would be the case without borrowing. Conversely, if investment results fail to cover the cost of borrowing, the Net Asset Value of a clients' portfolio could decrease faster than if there had been no borrowing. In connection with borrowing limited by applicable margin limitations imposed by the Federal Reserve Board, clients may be required to reduce such borrowing on a timely basis in the event the value of their assets falls below the coverage requirement of the margin limitations. In the event of such a required reduction of borrowing, clients may be required to liquidate securities positions at times when it might not be desirable or advantageous to do so.

Investment Concentration

Client assets may be invested in the securities of a single or limited number of issuers. To the extent such investments are concentrated in a single issuer, industry, market and/or geographic region, clients will be susceptible to a greater degree of risk affecting investments in that issuer, industry market, and/or region than would otherwise be the case. Such concentration of investments will increase the volatility of the value of our clients' portfolio investments. The assets shall not be afforded the protection otherwise available through greater diversification of investments.

Investment Concentration, One Issuer

In addition, the success of the Metamorphosis IV LLC and Metamorphosis Fund's investment strategy will depend in large part on the Cruiser Capital's ability to accurately assess the fundamental value of a core holding, the investment in the equity securities of one publicly traded corporation. An accurate assessment of fundamental value depends on a complex analysis of a number of financial and non-financial factors. No assurance can be given that Cruiser Capital will be in a position to assess the nature and magnitude of all material factors having a bearing on the value of the core holding, or that the Cruiser Capital will accurately assess the impact of all factors of which it is aware.

Structured Products

For certain types of structured products including collateralized bond obligations and collateralized loan obligations, prepayments may be allocated to one tranche of underlying securities ahead of other tranches, in order to reduce the risk of prepayment for the other tranches. Prepayments may result in capital loss to our clients to the extent that the prepaid asset-backed securities were purchased or valued at a marked premium over their stated amount. Changes in the market perception of the asset backing the security, the creditworthiness of the servicing agent for the underlying asset pool, the originator of the underlying assets, or the financial institution providing any credit enhancement, will all affect the value of a structured product security. In its capacity as purchaser of an asset-backed security, our clients would generally have no recourse to the entity that originated the underlying securities in the event of a default thereon. Additionally, the assets underlying the asset-backed security are subject to prepayment, which may shorten the weighted average life of such securities and may lower their return. Because the assets backing an asset-backed security often may be prepaid without penalty or premium, asset-backed securities are generally subject to higher prepayment risks than other types of debt instruments.

Counterparty and Broker Credit Risk

Certain assets will be exposed to the credit risk of the counterparties, whether we engage in exchange-traded or off-exchange transactions, with whom, or through which, we deal, including dealers, brokers and exchanges that have general custody of client assets. Clients may be subject to the risk of loss of its assets on deposit with or in the custody of a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the client, or the bankruptcy of an exchange clearing house. In the case of any such bankruptcy, clients might recover only a pro rata share of all property available for distribution to all of the broker's customers.

Reliance on Advisor

The success of the Funds is heavily dependent on the activities, judgment and availability of the members of the Advisor, including the managing member. The Funds rely upon the ability of the Advisor to make investment decisions consistent with the Funds' investment objectives and policies. Investors may not have the opportunity to personally evaluate the relevant economic, financial and other information that the Advisor will use when selecting and monitoring investments. The Advisor is registered with the SEC and is subject to various compliance procedures and reporting requirements that may require time and attention that may detract from the Advisor's ability to deliver superior returns. Should the managing member of the Advisor, Keith Rosenbloom, terminate his relationship with the Advisor, die or become otherwise incapacitated for any period of time, profitability of the Funds' investments may suffer. In addition, should the Advisor terminate its relationship with the Funds, the profitability of the Funds' investments may suffer.

Business Continuity and Cybersecurity Risk

We have adopted a business continuation strategy to maintain critical functions in the event of a partial or total building outage affecting our offices or a technical problem affecting applications, data centers or networks. The recovery strategies are designed to limit the impact on clients from any business interruption or disaster. Nevertheless, our ability to conduct business may be curtailed by a disruption in the infrastructure that supports our operations and the regions in which our offices are located. In addition, our asset management activities may be adversely impacted if certain service providers to Cruiser Capital or our clients fail to perform. In addition, with the increased use of technologies such as the Internet to conduct business, your portfolio could be susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, and violations of applicable privacy and other laws.

Brexit

The United Kingdom formally left the European Union on January 31, 2020. The ongoing transition period could cause an extended period of uncertainty and market volatility, not just in the United Kingdom but throughout the European Union, the European Economic Area and globally. It is not possible to ascertain the precise impact these events may have on Advisory clients or the Adviser from an economic, financial or regulatory perspective but any such impact could have material consequences for Advisory clients.

Business, Terrorism and Catastrophe Risks

clients will be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on our business and clients' portfolios including investments made by Cruiser Capital

Investing in securities involves risk of loss that clients and Investors should be prepared to bear.

C. Not applicable.

Item 9 – Disciplinary Information

Neither the Advisor nor any of its supervised persons have been the subject of any legal or disciplinary event that would be material to your evaluation of Cruiser Capital or the integrity of its management.

Item 10 – Other Financial Industry Activities and Affiliations

A. *Broker-Dealer Registration*

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

B. Futures Commission, Commodity Pool Operator Registration

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

C. Related Person Arrangements

Cruiser GP LLC, a Delaware limited liability company, serves as the General Partner of Cruiser Capital Master Fund LP and receives the Incentive Allocation.

Cruiser Capital Metamorphosis Advisors, LLC, a Delaware limited liability company, serves as the General Partner of the Metamorphosis Fund and receives the Incentive Allocation.

Except as noted herein, neither Cruiser Capital nor any of its management persons have affiliations with broker-dealers, municipal securities dealers, government securities dealers, investment companies or other pooled investment vehicles, other investment advisers or financial planners, futures commission merchants, registered commodity pool operators, registered commodity trading advisors, banking or thrift institutions, accountants or accounting firms, lawyers, law firms, insurance agencies or companies, pension consultants, real estate brokers or dealers or other sponsors or syndicators of limited partnerships.

D. Arrangements With Other Investment Advisers

Cruiser Capital does not recommend or select other investment advisers for our clients.

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

A. Code of Ethics

We have adopted a Code of Ethics (the “Code”) in accordance with Rule 204A-1 of the Investment Advisers Act of 1940 (the “Advisers Act”). The purpose of the Code is to set forth certain key guidelines that have been adopted by us and to specify the responsibility of our personnel to act in accordance with their fiduciary duty to our clients and to comply with applicable federal and state laws and regulations. The Code requires that all employees conduct themselves in accordance with the highest ethical standards, which should be premised on the concepts of integrity, honesty and trust. A copy of the Code is available to clients or prospective clients upon request. The CCO may be reached via email at KeithR@CruiserCap.com, or by calling (212) 251-3391.

B. Investment in Securities in which we have a Material Financial Interest.

Cruiser generally makes concentrated investments in public securities. As such, there exists the potential for many forms of conflicts to arise concerning investments in securities where we have a material financial interest. For instance, Cruiser may spend more time and focus on positions it has greater amounts invested in both because Cruiser principals are invested in the Master Fund vehicle itself, and

because Cruiser stands to gain a greater incentive fee from investments in which it has allocated a greater portion of Client assets.

Occasionally Cruiser has engaged in and may in the future engage in “shareholder activism” or “constructivist activities” on behalf of its Clients including, potentially, private funds established for the sole purpose of investing in the securities of specific companies (e.g., Special Purpose Vehicles or “SPVs”) that Cruiser believes increases in value can be achieved when an underperforming Company makes fundamental changes to one or a variety of factors such as one or more of its forms of 1) governance, 2) operations, 3) marketing, 4) capital allocation strategies and priorities, and 5) other actions that could improve an enterprise’s value. The potential exists for conflict of interests to arise between Cruiser and its Clients, and the clients themselves, as they relate to many possible factors. Those conflicts could entail items such as the timing of purchases made in the securities, prices paid for specific securities, allocation percentages or periods of time held for securities by different Clients who themselves may have different investment objectives. Additionally, Cruiser may initially fund the engagement of various industry consultants, legal and strategy professionals to assist the Cruiser in what it considers “shareholder activism” on behalf of private funds, including engaging in proxy contests thereby, potentially creating incentives for Cruiser that may not align equally between all its limited partners and clients. For example, Cruiser and all of its clients may not be aligned as it pertains to negotiating settlement and/or cooperation agreements with the Companies who are the primary investments of an SPV. Those cooperation agreements often entail the payment and/or reimbursement of fees and expenses paid to Cruiser incurred by Cruiser on behalf of all clients. Furthermore, in conjunction with such “shareholder activism” or “constructivist activities” which may include formal resolutions through cooperation agreements, Affiliates of Cruiser, or Cruiser itself, may be offered a Board or advisory position with a given Company whose securities are held by clients, and the Advisor itself or its Affiliates would typically be entitled to maintain compensation paid by the Company that is determined by Cruiser and unrelated third parties to be related to that position or activity.

Also, please see discussion under Item 11.C below.

C. *Investment in Securities Recommended to Clients.*

Related persons of Cruiser Capital are permitted to purchase or trade, for personal accounts, securities that a client owns or is in the process of buying or selling, or that we are considering buying or selling for a client. As such, our related persons may have a material financial interest in such securities, which may result in a potential conflict of interest on the part of such related persons. In order to manage this conflict of interest, our Code of Ethics requires related persons of Cruiser Capital to obtain prior written approval from the Chief Compliance Officer before engaging in certain securities transactions in their personal accounts. Such related person transactions will be reviewed in the best interests of the clients and will be denied by the Chief Compliance Officer if he determines that there is a risk of potential adverse consequences to our clients.

D. *Timing of Securities Transactions.*

As disclosed under Item 11.C above, related persons of Cruiser Capital are permitted to purchase or trade, for personal accounts, securities that a client owns or is in the process of buying or selling, or that we are considering buying or selling for a client. Such personal securities transactions may occur at or about the same time as transactions undertaken for our clients. In order to avoid any conflicts of interest that may occur by virtue of this practice, it is Cruiser Capital’s policy that any investment made by any related person during any trading day that is more favorable (e.g., more profitable) than what the clients would have received are allocated to the clients and taken away from the related person.

Item 12 – Brokerage Practices

A. *Selecting Brokerage Firms*

We are authorized to determine the broker or dealer to be used to execute securities transactions for certain clients. In doing so, we seek to obtain the best overall execution under the particular circumstances. While a primary criterion for all transactions in portfolio securities is the execution of orders at a favorable net price under the circumstances, numerous additional factors relevant to execution capabilities may be considered when arranging for the purchase and sale of positions, including without limitation, the best brokerage capabilities (e.g., special execution capabilities, clearance, settlement and custodial services), importance to the account of speed, efficiency or confidentiality, the broker dealer's research (see soft dollar discussion below), the broker dealer's knowledge of and familiarity with the corporation issuing the securities, whether the firm is providing the recommendation and research on that particular name, apparent familiarity with sources from or to whom particular securities might be purchased or sold, overall service, quotation services and any other matters we deem relevant to the selection of a broker-dealer for a particular portfolio transaction of the account.

1. *Research and Other Soft Dollar Benefits*

Cruiser Capital does not engage in any formal soft dollar arrangements (i.e., arrangements with counterparties pursuant to which soft dollar credits are generated). However, Cruiser does receive soft dollar benefits by the acceptance of research and other services from brokers done in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended (the “safe harbor”). In selecting a broker for any transaction or series of transactions, Cruiser Capital may consider a number of factors as outlined in the section above, *Selecting Brokerage Firms*, including the research provided by the broker. Cruiser Capital may purchase and sell securities through brokers who provide proprietary research, statistical and other information. Not all clients may in every instance be the direct beneficiaries of the research services provided. Research furnished by brokers may include, but is not limited to, research reports, invitations to industry conferences, access to company management, meetings with research analysts, information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax law interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and analysis of corporate responsibility issues. Such research services are generally received in the form of written reports, telephone contacts and personal meetings with security analysts. Cruiser Capital accepts only proprietary research from the brokers and does not enter into any formal soft dollar arrangements, including commission sharing arrangements, whereby it receives research or any other benefit from third parties. In selecting brokers, Cruiser makes a good faith determination that the amount of the transactions fee charges is reasonable in comparison to the value of the research and other services provided. In obtaining such proprietary research reports, Cruiser Capital receives a benefit because Cruiser does not have to purchase or pay for such research. As such, Cruiser Capital may have an incentive to select or recommend brokers to clients based on Cruiser’s interest in receiving such proprietary research rather than the clients’ interest in receiving most favorable execution.

2. *Brokerage for Client Referrals*

We may consider the prospect of receiving or the receipt of referrals of potential investors to the Funds when selecting or recommending broker-dealers for client securities transactions. This practice may serve

as an incentive for us to select or recommend a broker-dealer based on our interest in receiving referrals rather than on a client's interest in receiving most favorable execution.

3. *Directed Brokerage*

We generally do not recommend, request or require that a client direct us to execute transactions through a specified broker-dealer. However, our agreements with separately managed account clients may permit them to direct us to execute transactions through a specified broker-dealer. A client's direction of brokerage can limit or eliminate our ability to negotiate commissions (which could result in higher commission costs) and otherwise obtain most favorable execution of client transactions.

B. *Aggregation of Client Accounts*

The Feeder Funds are organized in a master-feeder structure and only one client (the Master Fund) makes portfolio investments. We may aggregate orders for the Master Fund, Metamorphosis Fund, Metamorphosis IV LLC and our separately managed account clients for trade execution with the same broker. Related persons of Cruiser may participate in aggregated trades. When trades are aggregated, each participating account will generally be allocated securities on an average price basis.

Item 13 – Review of Accounts

A. *Periodic Review of Accounts*

We review our clients' accounts on an ongoing basis. In addition to our staff, we have an independent fund administrator (the "Administrator") who is responsible for back office procedures and reporting for investors in the Master and Feeder Funds. All trades are reconciled daily by our employees using our internal systems as well as those of prime broker, the custodian and the Administrator. An independent public accountant audits the financial statements of the Funds annually.

Month-end reports are prepared and completed by the Master and Feeder Funds' respective Administrator and generally delivered to investors within 5 (five) business days after the end of the month. Our internal staff reviews and reconciles these month-end reports.

B. *Review Triggers*

Any discrepancy from our internal systems, the Administrator's reports, and that of the prime brokers and custodians are fully reviewed and reconciled.

C. *Regular Reports*

We do not provide regular reports to the Funds, but the Administrator of each Fund sends each investor in the Funds an unaudited, written monthly statement detailing the increase or decrease in the net asset value of such investor's account during the preceding month. We may supplement this information with written investor letters and summaries of the Funds' performance, as well as such other information that we deem appropriate. In addition, as soon as practicable after the end of each fiscal year and no later than 120 days after the end of the fiscal year, each Fund furnishes to each investor its audited annual financial statements as of the end of that fiscal year.

The contents and frequency of reports provided to our separately managed account clients may vary and would typically be detailed in the investment management agreement entered into by and between us and

the client. Separately managed account clients have daily access to account reports generated by the brokers and custodians.

Item 14 – Client Referrals and Other Compensation

A. *Third Party Advisory Services to Clients*

Our prime brokers may, pursuant to their internal practices and procedures, provide capital introductions to us with respect to the Funds. An increase in the size of the Funds may result in additional compensation to our prime brokers. We do not guarantee continued business arrangements with our prime brokers by virtue of capital introduction services provided to us, and the prospect of receiving capital introductions from a prime broker is not, and will not be, a primary consideration in determining whether to engage or retain their services.

Other than as described herein, we do not receive any economic benefit from any person who is not a client in connection with the provision of investment advice or advisory services to our clients.

B. *Solicitation Agreements*

We have entered into, and in the future may enter into additional contractual agreements with individuals and/or organizations (“Solicitor”) that solicit investors for the Funds, separately managed accounts and new funds. While the specific terms of each arrangement may differ, generally, a Solicitor’s compensation will be a percentage of the management fee earned by Cruiser Capital from the investor introduced by the Solicitor. The solicitors’ compensation may also be a percentage of the Incentive Allocation fee. The payment of compensation to a Solicitor will not result in an increase in the fees charged by Cruiser Capital. The cost of these referral fees is paid entirely by Cruiser Capital and is not borne by the referred investor or by the Funds.

Item 15 – Custody

A qualified custodian holds all funds and securities of our clients, and the custodian provides account statements to each of our separately managed accounts no less than on a quarterly basis. Further, each of the Funds’ administrators also provides account statements on behalf of the Funds to each of its investors on a periodic basis, generally, monthly, to their address of record. In addition, the Funds are audited annually by an independent public accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board. In addition, audited financial statements are prepared for the Funds in accordance with generally accepted accounting principles in the United States and are sent to all of the Funds’ investors within 120 days of the partnership’s fiscal year-end.

Investors in the Funds are encouraged to review these audited financial statements. SMA clients should carefully review such statements and compare the account statements they receive from the qualified custodian to those (if any) they receive from Cruiser Capital.

Item 16 – Investment Discretion

Pursuant to the Funds' Offering Documents, and in accordance with the Investment Management Agreements entered into by us with such Funds, we are granted complete investment authority with respect to the types and amounts of all securities bought and sold by the Funds.

We are also granted investment authority with respect to the types and amounts of securities sold or purchased by or on behalf of our separately managed account client pursuant to the terms of the Investment Management Agreement. In some cases, we may manage accounts on a non-discretionary basis.

Item 17 – Voting Client Securities

A. *Proxy Votes*

Proxy voting authority may be retained by separately managed account clients. Our investment management agreements with our fund client(s) grant us authority to cast all proxy votes on their behalf. Neither our client Funds nor the investors in the Funds have the ability to direct how we vote proxies.

We have adopted a proxy voting policy, as required by the Advisers Act. The policy provides that we will act in the best interests of our clients in determining whether and how to vote on any proxy voting matter, including abstaining from voting. The proxy voting policy includes guidelines for the Chief Compliance Officer to follow if a material conflict arises between us and/or our employees and our clients to ensure any material conflict is resolved in the best interest of our clients.

In addition, we currently use an independent company to track and file “Class Action” documents on behalf of our clients. Adviser and/or General Partner will ensure that the clients either participate in, or opt out of, any class action settlements received. We will determine if it is in the best interest of the clients to participate in a class action. The Portfolio Manager/Analyst covering the company will determine the action to be taken when receiving notice of a class action. In the event we opt out of a class action settlement, we will maintain documentation of any cost/benefit analysis to support the decision.

Clients may obtain a copy of our proxy voting policy and information on how we voted by contacting our Chief Compliance Officer via email at KeithR@CruiserCap.com, or by calling (212) 251-3391.

B. Not applicable.

Item 18 – Financial Information

We do not currently have any financial commitments that might impair our current or future ability to meet our contractual commitment to our clients and we have not been the subject of a bankruptcy petition at any time during the last ten (10) years.

BROCHURE DISCLOSURE

This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase interests in any of the Funds and the disclosure contained herein shall not be relied on to determine whether an investor should purchase interests in any of the Funds. Any such offer or solicitation will be made solely to

qualified investors by means of a private placement memorandum and related subscription materials. To the extent that there is any conflict between the disclosure contained in this Brochure and the Offering Documents provided to investors, the Offering Documents shall govern.