

Investment Adviser Brochure Part 2A of Form ADV

QMP MANAGEMENT, LLC

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This brochure provides information about the qualifications and business practices of QMP Management, LLC. If you have any questions about the contents of this brochure, please contact us at (214) 855-2951. 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.

QMP Management, LLC is an investment adviser transitioning to SEC registration under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

This Brochure does not constitute an offer, solicitation or recommendation to sell or an offer to buy any securities, investment products or investment advisory services. Such an offer may only be made to eligible persons by means of delivery of offering, governing and/or account documents that contain the material terms relating to such investments, products or services.

Additional information about QMP Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 MATERIAL CHANGES

This is the initial firm brochure for QMP Management, LLC.

The information set forth in this brochure is qualified in its entirety by the applicable offering materials and/or governing documents. In the event of a conflict between the information set forth in this brochure and the information in the applicable governing, account and offering documents, such documents shall control.

We encourage everyone to carefully read this document and/or any other applicable disclosure documents in their entirety.

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ITEM 4 ADVISORY BUSINESS

QMP Management, LLC (“QMP”), and Quadrant Mezzanine Partners, LLC (“QM”, and together with QMP, the “Firm”, the “Advisor”, “we”, “us”, or “our”) are each investment advisory firms based in Dallas, Texas and were founded by Randall Fleisher and Michael Young. QM was founded in 2015 and QMP was founded in 2016. The Firm is owned directly by Quadrant Mezzanine Investors, LLC, Moss Creek Capital, LP Andrew Zeitman, David R. Weinreb, and David Striph. The Firm is indirectly owned by Randall Fleisher, Lisa Fleisher, Howard Rachofsky, and Nick Cassavechia via various entities. QM is a relying advisor of QMP.

Together with its affiliate, Quadrant Finance Partners GP, LLC (the “General Partner”), QMP provides investment advisory services to limited types of private pooled investment vehicles specifically related to secured debt. The pooled investment vehicle Quadrant Finance Partners, LP (“QFP” or “Fund”) is a private equity fund. QMP’s relying advisor, QM, serves as an asset manager to a portfolio of loans held by a sleeve of Pimco Tactical Opportunities Master Fund, Ltd. named Tocu II, LLC (“Tocu”) and together with the Fund, the “Clients”) established by an third-party investment manager (the “Third-Party Manager”). The General Partner serves as the General Partner of QFP and its subsidiary partnerships Quadrant Debt Fund, LP (“QDF”), and Quadrant Mezzanine Fund, LP. (“QMF”) “Fund Investors” refers to the investors in the Funds. “Client Investors” refers to the investors in both the fund and Tocu.

QFP originates and acquires both whole loans and mezzanine notes, through its separate, wholly-owned subsidiary partnerships: QDF and QMF (each a “Subsidiary Partnership” and collectively, “Subsidiary Partnerships”). These investments may take the form of loans, note, bridge loans, assignments, interest rate derivatives, and participations. QFP may also directly or indirectly originate loans and debt instruments and will also have the ability to directly or indirectly acquire investments through secondary transactions.

We do not participate in any wrap fee programs.

The amount of Client assets that we manage on a discretionary basis, as of December 31, 2019, is \$263,141,938. We do not manage client assets on a non-discretionary basis.

ITEM 5 FEES AND COMPENSATION

Management Fee

Our Clients generally pay us management fees in exchange for our investment management services as provided for in their limited partnership agreements and/or the investment management agreements that they enter into with us.

Beginning on the Initial Closing Date (as defined in relevant agreement(s), QMP is paid a management fee (the “Management Fee”) by QFP. The maximum amount of the Management Fee will be the aggregate subsidiary management fees. The subsidiary management fee for QMF each month will equal 1.5% of the unpaid principal balance of the loans in QMF as of the last day of the prior month, and the subsidiary management fee for QDF each month will equal 0.75% of the unpaid principal balance of the loans in QDF as of the last day of the prior month. The

Management Fee will be payable monthly in arrears. The Fund will pay the Management Fee to the extent it has available cash. In addition, the General Partner may call committed capital from Fund Investors to pay the Management Fee owed by the Fund and any capital contribution made by a Fund Investor with respect to the Management Fee will reduce such Fund Investor's unfunded capital commitment to the Fund by the amount of such contribution. The General Partner may reduce or waive the Management Fee payable with respect to any Partner.

For its services to Tocu, QM is entitled to receive a monthly fee in an amount equal to one twelfth of 0.75% times the then current outstanding principal balance of each loan then subject to an asset management agreement between QM and Tocu minus the amount of the servicing fee for each loan paid to the servicer for such calendar month.

Current Proceeds and Realized Proceeds

As the following terms are defined in the Fund's limited partnership agreement, distributions (other than Tax Distributions and liquidating distributions) of Current Proceeds shall be made to the Fund Investors in proportion of their respective Contributions as follows:

- (a) *Current Return and Realized Losses*: first, 100% of such Current Proceeds will be distributed to the Partners until each Partner has received cumulative distributions of Current Proceeds equal to the sum of:
 - 1. an 8% cumulative, non-compounded, annual return (from the date the applicable Contributions were due to the date of distribution) on (i) such Partner's Unreturned Contributions attributable to all Portfolio Investments and (ii) such Partner's Unreturned Contributions used to pay expenses including Management Fees; and
 - 2. the amount by which such Partner's Realized Base Amount exceeds the cumulative Realized Proceeds distributed to such Partner; and
- (b) **Carried Interest**: thereafter, the General Partner will receive 25% of any remaining Current Proceeds as its Carried Interest, while the Fund Investors receive the other 75%.

Distributions (other than Tax Distributions and liquidating distributions) of Realized Proceeds shall be made to the Fund Investors in proportion of their respective Contributions as follows:

- (a) *Return of Capital and 8% Preferred Return*: first, 100% of Realized Proceeds will be distributed to the Partners until each Partner has received cumulative distributions of Realized Proceeds and Current Proceeds equal to the sum of:
 - a. Such Fund Investor's Realized Base Amount; and
 - b. an 8% cumulative, non-compounded, annual return (from the date the applicable Contributions were due to the date of distribution) on such Partner's Unreturned Contributions (i) attributable to all Realized Investments and (ii) used to pay expenses including Management Fees allocable to Realized Investments; and
- (b) *Carried Interest*: thereafter, the General partner will receive 25% of any remaining Current Proceeds as its Carried Interest, while the Fund Investors receive the other 75%.

Incentive Fee

QM is entitled to receive an incentive fee for its services to Tocu equal to all collections related to the loans after the Third-Party Manger has achieved a ten percent (10%) internal rate of return on the purchase price of the loans as set forth under a mezzanine loan sale agreement.

Expenses

QMP is responsible for all of its normal overhead expenses, including compensation for employees, rent, utilities and other similar items.

QFP's expenses generally include (i) organizational expenses (including the General Partner and the Subsidiary Partnerships), including legal expenses; (ii) all out-of-pocket expenses incurred in connection with the identifying, sourcing, making, holding, servicing, sale or proposed sale of any Fund or Subsidiary Partnership investment, such as professional (including consulting) fees and expenses, third-party research and data fees (including news, market and quotation services), fees for pricing services, attending conferences for the benefit of the Fund or either Subsidiary Partnership (e.g., for analysts, industries or companies), lodging and other travel expenses related to business travel, and transportation, meals and related expenses (whether incurred during business travel or after customary work hours), including any such expense associated with proposed investments that are ultimately not made by the Fund or either Subsidiary Partnership; (iii) routine expenses of the Fund or either Subsidiary Partnership, including legal, compliance, auditing, accounting, consulting and financing fees, due diligence costs, taxes (other than withholding or other taxes that are properly allocable to any Fund Investor), the Management Fee, the fees and other expenses of the Administrator, expenses associated with the Fund's financial statements and tax returns, expenses and costs in connection with any government and regulatory filings, expenses of LP Advisory Committee meetings and any Fund Investor meetings, costs of investor communications (including reports to Fund Investors) and other administrative expenses of the Fund or either Subsidiary Partnership; (iv) all costs associated with borrowing; and (v) all insurance, litigation-related and indemnification expenses incurred in accordance with, and subject to the limitations of, the Partnership Agreement.

At the discretion of the General Partner, the Subsidiary Partnerships may pay fees, expenses, salaries, wages, and other compensation to employ such agents, employees, managers, accountants, attorneys, consultants, and other persons, including the General Partner itself, as may be necessary or appropriate to carry out the business and affairs of the Subsidiary Partnerships.

Additionally, on or after the due date of the Fund's initial drawdown of capital, the Fund shall reimburse the General Partner and its affiliates for all organizational expenses incurred by any of them up to \$1,000,000.

QM is entitled to reimbursement by Tocu for all actual, reasonable out-of-pocket expenses preapproved in writing by Tocu, within thirty (30) days of Tocu's receipt of QM's invoice for the same provided QM shall provide one invoice for all such expenses incurred in each calendar month, shall invoice for such expenses no more than once per calendar month and shall deliver each such invoice for expense incurred in a calendar month promptly after paying or being invoiced for same.

We deduct management fees from the Fund Investors' directly from the Fund, but not in advance.

Neither we nor any of our "supervised persons" accepts compensation for the sale of securities or other investment products.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The General Partner is generally entitled to a carried interest ("Carried Interest") of 25% of current proceeds and 25% of realized proceeds subject to provisions detailed in the Fund's limited partnership agreement.

The General Partner is also generally subject to a "clawback" of Carried Interest previously received to the extent that the General Partner has received cumulative distributions in excess of amounts otherwise distributable by the Fund as Carried Interest, applied on an aggregate basis covering all transactions of the Fund. In no event will the General Partner of a Fund be required to restore more than the cumulative distributions received by the General Partner as Carried Interest, determined on an after-tax basis. The Carried Interest to be received by the General Partner of the Fund was negotiated at the time the Fund was formed.

QM is generally entitled to receive an Incentive Fee equal to all collections related to the loans it provides services for after Tocu has achieved a ten percent (10%) internal rate of return on the purchase price of the loans as set forth under a mezzanine loan sale agreement.

The existence of a General Partner's Carried Interest may create an incentive for us to make more speculative portfolio investments on behalf of one or more of the Funds than we might otherwise make in the absence of such performance-based arrangement. As required under applicable law, we will not charge performance fees to investors who do not represent that they are "qualified clients" as defined under the Advisers Act.

ITEM 7 TYPES OF CLIENTS

As of the date hereof, QMP's only clients are QFP and Tocu. It is our current intention to provide discretionary investment advice solely to private equity funds. Our Clients include investment partnerships or other investment entities formed under domestic laws and operated as exempt investment pools under the Advisers Act. The investors participating in our Clients may include individuals, corporations, partnerships, trusts, or other business entities and may include, directly or indirectly, principals or other employees of the Adviser.

Generally, a \$5 million minimum commitment will be required for institutional investors, and \$1 million from other investors. The General Partner reserves the right, in its sole discretion, to accept commitments of lesser amounts. The Funds' interests are offered and sold solely to "accredited investors" as defined under Rule 501 Regulation D of the United States Securities Act of 1933, as amended (the "Securities Act") and "qualified clients" as defined under the Advisers Act. Accredited investors are generally (i) individuals with \$1,000,000 of net worth (excluding their primary residence) or who have made \$200,000 in each of the two previous years (or \$300,000 joint income with one's spouse) or (ii) entities with assets totaling over \$5,000,000. Qualified

clients are individuals or entities with over \$2,100,000 of net worth (either alone or together with a spouse but excluding the value of the individual's primary residence). Non-U.S. investors are not subject to any particular wealth requirements.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

We primarily invest in secured debt (loans and debt instruments) and will also have the ability to directly or indirectly acquire investments through secondary transactions. These investments may take the form of loans, note, bridge loans, assignments, interest rate derivatives, and participations.

An investment in the Clients involves significant risks to all Client Investors, and some of these risks are magnified by the Client's use of indebtedness. All Client Investors must bear the economic risk of their investment for an indefinite period because the Funds' interests have not been registered under the Securities Act or under any applicable securities laws of any state or other jurisdiction and, therefore, may not be sold or otherwise transferred unless they are registered under the Securities Act and any such other applicable securities laws or an exemption from such registration is available.

The success of the Clients will be affected by economic and other factors beyond the control of the Firm. There can be no assurance that a Client Investor will earn a profit on such Client's Investor's investment in the Clients, or that the Clients will return all or any portion of the Client's Investor's investment. Investment in the Clients is suitable only for investors able to sustain a complete loss of their investment. The Clients expect that its investments will generally be the making of mezzanine or other loans to owners of real property who are unable to obtain sufficient financing due to lack of capital, market conditions, quality of operations, creditworthiness of the borrowers or other factors. It is possible that the Clients may experience a total loss on one or more of the investments.

All decisions with respect to the management of the Fund and the selection, monitoring, management, servicing and liquidation of investments will be made by the General Partner and QMP. Tocu and its affiliates retain ultimate decision-making control and authority relating to the investments of Tocu. No Client Investor should purchase an interest unless the Client Investor has evaluated the General Partners' and/or the Advisor's capabilities to perform these functions and is willing to entrust all aspects of the management and control of the Fund's business to the General Partner and the Manager. The General Partner and the Firm have limited experience as a secured lender and no experience in managing loan investments or operations under an ownership structure similar to that of the Fund.

The investment strategy for certain assets may rely, in part, upon sustained local market growth during the term of the investment. No assurance can be given that any such markets will continue to grow since this will depend substantially upon events and factors outside the control of the Clients.

The Clients employ leverage in connection with its respective investments. Use of leverage will subject the investments to risks normally associated with debt financing, including the risk that cash flows will be insufficient to meet required payments of principal and interest, the risk that

indebtedness on the investments will not be able to be refinanced or that the terms of such refinancing will not be as favorable as the terms of the existing indebtedness. In addition, the Fund or the Subsidiary Partnerships may incur indebtedness that may bear interest at variable rates. Variable rate debt creates higher debt service requirements if interest rates increase, which would adversely affect the performance of any investments with variable rate debt. Whether variable rate debt or fixed rate debt, the cost of leverage may exceed the return on the investments acquired with the proceeds of leverage, thereby diminishing rather than enhancing the investment return with respect to those investments. Additionally, rising interest rates will increase the costs of investing in real estate and may also diminish the investment return with respect to some of the Fund's investments.

In recent years, a number of judicial decisions in the U.S. have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in a creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of its activities, the Clients could be subject to allegations of lender liability, which could potentially reduce the cash flows and/or market value of the relevant real estate investment.

There are innumerable external factors that could impact the Clients including changes in economic conditions (such as interest rates and inflation rates), industry conditions, governmental regulation, competition, technological developments, political and diplomatic events and trends, the outbreak of war or terrorist acts, changes in tax laws and other factors. We cannot control any of these conditions.

ITEM 9 DISCIPLINARY INFORMATION

The Firm, its owners, and personnel, have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Firm, its owners, and personnel are not registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. The Firm, its owners, and personnel are not registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

Quadrant Finance Partners GP, LP, an affiliate of QFP, serves as the General Partner to the Fund and Subsidiary Partnerships and is under indirect control by the owners of QMP.

QFP Equity Holdings, LLC, an affiliate of QFP, serves as an investment vehicle for non-U.S. investors and is under indirect control by the owners of QMP.

We do not recommend or select unaffiliated investment advisers for our Clients, receive compensation directly or indirectly from unaffiliated advisers that create a material conflict of interest, or have other business relationships with them that create a material conflict of interest.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Due to the Firm's impending registration with the Securities and Exchange Commission ("SEC"), we have adopted a code of ethics (the "Code of Ethics") in accordance with the SEC requirements. Our Code of Ethics is designed to ensure that our employees' securities transactions are consistent with our Firm's fiduciary duty to our Clients. In brief, it prohibits all Firm employees from personally trading in individual common stocks and options on securities that the Funds hold (excluding exchange-traded funds). It also prohibits our employees from trading in a security while in possession of material, nonpublic information regarding that security, and requires employees to pre-clear trades in IPOs and investments in private placements. The Code of Ethics provides for a range of sanctions should anyone violate it. These sanctions include, but are not limited to, censure, restriction on activities, and suspension or termination of employment. Our Code of Ethics is available to our Fund Investors or potential Fund Investor in the Fund upon request.

ITEM 12 BROKERAGE PRACTICES

The Firm's advisory business generally involves privately negotiated transactions in which best execution problems do not arise in the same context as transaction in publicly traded securities. With respect to such private transactions, the Firm believes it fulfills its best execution responsibilities through careful evaluation and negotiation of the terms of each such transaction.

We do not receive soft dollar benefits or client referrals from broker-dealers in connection with Fund transactions.

ITEM 13 REVIEW OF ACCOUNTS

The Firm monitors each of the investments it makes on an ongoing and continuous basis.

Specifically, on a quarterly basis, Fund Investors will receive written financial reports, including an unaudited balance sheet, an income statement, and a status report on the activities of the Funds. On an annual basis, Fund Investors also will receive audited financial statements of the Funds, valuations of all of the Funds' investments, a supplemental statement of such Fund Investors' respective capital account, and tax information necessary for the completion of U.S. tax returns.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

The Firm does not engage third-party placement agents. Should we choose to engage third-party placement agents to introduce Clients or potential investors to our Clients, any referral or placement fees associated with the placement agent will be born either directly or indirectly by us and fully disclosed.

ITEM 15 CUSTODY

QMP is deemed to have limited custody over the Fund due to its affiliation with the General Partner. With respect to the Fund, a PCAOB-registered independent public accountant will audit the Fund's financial statements annually, and the audited financial statements are generally distributed to the investors of the Fund within 90 days of the Fund's fiscal year end.

ITEM 16 INVESTMENT DISCRETION

We have entered into investment management agreements with the Funds and provide investment advice to the Funds on a discretionary basis. The management agreements and /or the management authority granted to the Funds' General Partner pursuant to the Funds' limited partnership agreements, provide us directly, or through the General Partner, with full discretion to determine investments to be purchased and sold on behalf of the Funds. Any limitations on our investment discretion are set forth in the investment management and limited partnership agreements of the Funds.

ITEM 17 VOTING CLIENT SECURITIES

The securities evidencing the Clients' investments will not likely be the subject of proxies.

ITEM 18 FINANCIAL INFORMATION

The Firm is not aware of any financial conditions that are reasonably likely to impair its ability to meet its contractual obligations to its Clients. The Firm has never been the subject of a bankruptcy petition.