

Capri Capital Partners, LLC

Part 2A of Form ADV

The Brochure

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Capri Capital Partners, LLC (“Capri” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at 312-573-5300. 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 Capri is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2: Material Changes

This Brochure is an update to the brochure previously filed on March 29, 2019 as the annual updating amendment. In this Brochure, Capri has brought current its disclosure regarding: 1) its financial condition; 2) the resignation and replacement of its Chief Compliance Officer as of January 6, 2020 and reported in the amended Part 1A filed January 14, 2020; and 3) the new separate investment advisory registration effective June 29, 2019 of its affiliate company Capri EGM, LLC.

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Item 4: Advisory Business

Capri Capital Partners, LLC

Capri Capital Partners, LLC provides real estate investment management services to pension plans and other institutional investors. The Firm invests client's funds in domestic real estate equity and debt investments through commingled fund or separate account structures ("Real Estate Assets"). Real Estate Assets reflect core, core-plus, value-add and opportunistic strategies, entailing investments in multifamily, retail, office, industrial or hotel properties. Currently, the Firm is concluding its investment management activities for core related operating properties and is focusing on new real estate development and direct investment opportunities, which may or may not require investment adviser registration going forward.

Capri was established in October 5, 2000 under the name Capri Capital Advisors, LLC as a business combination of the investment advisory activities of Capri Capital Limited Partnership ("CCLP") and Capital Associates Group ("Capital Associates"). Quintin E. Primo III co-founded CCLP in 1992 as a minority-owned commercial real estate advisory firm, initially focused on debt and structured finance transactions. Capital Associates, established in 1977 as a real estate development and property management company, was a provider of equity investment advisory services to institutional investors. The combination of CCLP and Capital Associates created an advisory firm with equity and debt investment capabilities across all major product types. Capri is owned 35.9% by Capri Investor, LLC, ultimately owned by Mr. Primo and family trusts, with Capri Investor, LLC holding 100% of the voting ownership in Capri. Six current operating partners in Capri own an aggregate of 14.3% (non-voting), previous partners have a separate class of shares and hold 9.8% (non-voting) and a pension plan investor holds the remaining 40% of the ownership through a subsidiary, Investment Holdings IDF, LLC ("Holdings"), a Delaware limited liability company. Holdings also owns all of a class of preferred non-voting interests of Capri. Holdings is managed by Domain Capital Advisors, LLC and is principally owned by Leardo Asset Management, LLC.

For separate account clients, the Firm tailors its investment strategies and product types to its client's requests and investments may be made on a discretionary or non-discretionary basis. In commingled fund investment vehicles, Capri offers specific real estate investment strategies defined in private placement memoranda on a discretionary basis. As of December 31, 2019, the Firm had \$160,472,913 in discretionary basis and \$267,865 in non-discretionary Regulatory Assets under management, comprising Real Estate Assets and Cash Under Custody on behalf of its clients.

Item 5: Fees and Compensation

The Firm charges fees for investment advisory services generally as a percentage of assets under management. Investment advisory fees are negotiable; however, compensation will may include an origination or acquisition fee of 0% - 1.00%, an annual asset or portfolio management fee during the investment period of .40% - 1.50% and a divestiture fee of 0% - 1.00%. In addition, when permitted, The Firm will receive additional compensation in the form of participation (less

than 50%) in an investment property's net cash flow and/or in the residual profits upon sale or loan repayment. In all cases the fee will be agreed to by the client and disclosed in the advisory agreement or in the case of private funds in the offering documents or PPM (or equivalent).

The Firm also acts as the manager of commingled or pooled investment funds. The Firm will receive a management fee from such funds based on net assets invested in the fund as well as carried interests in the returns of the funds after investors in the funds have received a specified rate of return on their investments.

Fees are payable at the time services are provided, or in arrears, generally on a quarterly basis. Investment advisory contracts are usually cancelable with notice of 30 days by the institutional client. Fees are generally billed to separate account clients and are deducted from fund accounts.

The Firm may engage real estate or mortgage loan brokers from time to time which fees will be paid by the client. See Item 12: Brokerage Practices.

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

As previously stated, when permitted, the Firm receives performance-based fees or carried interests of 10% to 20% of net returns as additional compensation after institutional clients or fund investors have received a specified rate of return on their investments. Since hurdle rates, over which the Firm earns performance-based fees or carried interest, may vary among institutional clients or fund investors, there is the potential for a conflict of interest at the time that the Firm is allocating a given investment to an institutional client or fund. The Firm uses an objective rotational system to allocate these investments among competing institutional clients and funds. The Firm believes that this practice sufficiently resolves that apparent conflict.

Item 7: Types of Clients

The Firm primarily provides real estate equity and debt investment advice to institutional clients through separate account or fund vehicles. While the Firm does not impose a minimum dollar value of assets with respect to maintaining a separate account with Capri, the private investment funds sponsored by the Firm generally require a minimum subscription amount \$1,000,000, that may be reduced or waived at the adviser's discretion, in order to invest. Potential investors will receive offering memoranda that will disclose any minimum subscription requirements.

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

The Firm's analysis methods relating to real estate investments (debt or equity) include the following:

Economic Environment – Local and regional economic factors are considered such as macro trends in population, job formation, distribution of employment, personal income, demographics,

and technology in the manufacturing base. These factors are viewed in the overall context of the United States economy.

Market and Competitive Conditions – Local and regional property market conditions are analyzed to determine the extent of supply/demand equilibrium in the market. This entails a review of factors such as the amount of speculative construction, absorption of new and existing commercial space or residential housing units, average commercial building vacancies, and net effective (versus contract) rental rates.

To determine the competitive position of the investment property within the market, an evaluation of competitive properties is performed. Competitive properties are analyzed with respect to size, location, design, absorption, tenancy and other factors.

A public health crisis, including but not limited to the recent outbreak of the Coronavirus/COVID-19 global pandemic, can have unpredictable and adverse impacts on global, national and local economies, which can in turn negatively impact our clients and investment performance with respect to their Real Estate Assets managed by the Firm. Disruptions to commercial activity (such as the imposition of quarantines or travel restrictions) or, more generally, a failure to contain or effectively manage a public health crisis, may adversely impact our clients' Real Estate Assets. In addition, such disruptions can negatively impact the ability of the Firm's personnel to effectively identify, monitor, operate and dispose of our clients' Real Estate Assets. Finally, the outbreak of Coronavirus/COVID-19 has contributed to, and may continue to contribute to, extreme volatility in financial markets. Such volatility could adversely affect the Firm's ability to raise capital for our clients, find financing for our clients' Real Estate Assets or identify potential purchasers of such Real Estate Assets, all of which could have material and adverse impact on investment performance. The impact of a public health crisis such as Coronavirus/COVID-19 (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict and presents material uncertainty and risk with respect to investment performance.

Physical Assessment – An assessment of the property's size and physical condition is made. This includes an evaluation of site location, access, zoning, environmental factors, and conformity with adjacent land uses. With respect to the building, environmental issues, structural integrity, age, architectural design, amenities, functional obsolescence and other physical aspects are reviewed. The Firm works closely with outside technical consultants during this phase of the investment analysis.

Operational Review – Property operating strategy is analyzed. This includes an evaluation of such factors as: the cost and effectiveness of current marketing, including trends in the property's absorption, turnover and occupancy levels; proposed marketing strategy including pricing and competitive positioning; management systems and the quality and frequency of reporting; and operational efficiency through an analysis of operating expenses relative to competition and industry standards.

Financial and Valuation Analysis – A financial and valuation analysis is performed. This entails a review of the property's operating and financial history including an analysis of capital

expenditures, lease terms, tenant credit quality and other factors. The goal of this effort is to determine the quality of the property's operating cash flow stream. A credit assessment of the borrower or sponsor is also made for debt related investments. With this information, an operating proforma is completed which incorporates the conclusions reached from the overall analysis previously described. The proforma becomes the basis for estimating the value of the investment property in addition to utilizing outside appraisals, feasibility studies, and an estimate of the property's replacement cost. In this manner, the property's rewards relative to its risk can be assessed.

Sources of Information – The Firm uses the following sources of information in their analyses:

- (1) Market research materials purchased from third party providers;
- (2) Internal research;
- (3) Federal, state, and local government reports;
- (4) Market leasing and vacancy reports;
- (5) Industry publications;
- (6) Appraisal, feasibility, and land use studies; and
- (7) Technical reports (e.g., engineering, environmental, etc.).

With respect to evaluating the credit strength of building tenants, the Firm may review annual reports, research materials and other information.

Investment Strategies – Investment strategies used to implement advice given to clients will include core, core-plus, value-add and opportunistic commercial real estate investment programs, in both equity and debt formats, and generally be long term (5-10 year) in nature. In addition, strategies with respect to the securitization of investment assets will be executed where appropriate.

Risk of Loss – In addition to general investment risks, investments will be subject to the risks incident to ownership and development of real estate and there can be no assurance that any rate of return or other investment objectives will be realized or that there will be any return of capital. Real estate risks include changes in the general economic climate, changes in the overall market, local real estate conditions, the financial condition of tenants, buyers and sellers of properties, supply of or demand for competing properties in an area, the attractiveness and location of properties, the quality and philosophy of management, accelerated construction activity, technological innovations that dramatically alter space requirements, the availability of financing, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, competition based on rental rates, energy and supply shortages, various uninsured and uninsurable risks, government regulations (including those governing usage, improvements, zoning and taxes), quality of maintenance, insurance and management services, changes in operating costs, uninsured losses or delays from casualties or condemnation, potential liability under changing environmental and other laws, structural or property-level latent defects, and acts of God, including pandemics, and other factors beyond the control of the manager. Private fund investors should refer to the Risk Factors section of the offering documents and PPM or equivalent for a disclosure of risks.

Item 9: Disciplinary Information

The Firm and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Item 10: Other Financial Industry Activities and Affiliations

The Firm acts as the investment manager to investment entities in which clients are solicited to invest. These entities are not restricted to limited partnerships; they may be structured as limited liability companies as well. These entities will generally invest in real estate and real estate related investments. The Firm (and/or certain of its employees) own or control the general partner/managing member/investment manager of each of the investment entities.

Two investors previously provided credit enhancement support, on market terms, to certain corporate indebtedness of CCLP, a prior affiliate of Capri which entity was sold in February 2005. Those investors are not currently separate account clients, for whom Capri makes new investment decisions, but they are both participating investors in Capri Select Income II, LLC ("CSI II") and one is a participating investor in Capri Urban Investors, LLC ("CUI"). CUI is in liquidation and CSI II is fully liquidated, with nominal cash under custody for wind down expenses. The credit enhancement relationship in 2005 may be under certain circumstances considered to have created a potential for a conflict of interest with respect to the allocation of new investment opportunities between CSI II, CUI and the other clients of Capri.

Holdings, a pension plan, owns all of a class of preferred non-voting interests of the Firm. Additionally, Holdings or its affiliates own certain debt instruments issued by Capri. Holdings is managed by Domain Capital Advisors, LLC, a Delaware limited liability company and is principally owned by Leardo Asset Management, LLC. That pension plan is currently an investor in two pooled investment fund vehicles managed by Capri (and may become an investor in other private funds in the future). The Capri debt instruments held by Holdings matured on October 31, 2018 and to date the maturity dates have not been formally extended. Holdings has a security interest in the assets of Capri.

An appearance of a conflict of interest arises in connection with the pension plan's ultimate ownership interest in a class of preferred non-voting interests of Capri and its ownership interest in commingled investment funds managed by Capri. For example, Capri may have an inclination to favor the investment fund in which the pension plan invests in allocating investment opportunities of limited availability to reward the pension plan for its ownership stake and contribution of capital. Capri has taken steps to identify conflicts, both actual and apparent, and resolve those identified or disclose them and will continue to do so.

In the case of allocating investment opportunities in a preferential way, to the extent that an investment opportunity is appropriate for more than one client, the Firm employs an objective rotational system to allocate these investments among competing clients (including the private investment funds it manages). The Firm believes this practice sufficiently resolves that apparent conflict.

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

The Firm has adopted a written Code of Ethics (“Code”) in accordance with the SEC’s rule 204A-1, which addresses conflicts of interest and personal investments and is applied to officers and employees of the Firm. Employees and the persons acting on its behalf are subject to the registered adviser’s supervision and control and are therefore “persons associated with” the registered adviser and subject to the Firm’s compliance program. This Code has been adopted to assist the Firm, and to guide all officers and employees, in complying with federal securities rules and regulations and other Firm standards applicable to carrying out the Firm’s fiduciary responsibility to clients. Among other things, the Code requires the Firm and its employees to act in the clients’ best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and receive pre-approval and report on many types of personal securities transactions. The Firm’s restrictions on personal securities trading apply to employees as well as employees’ family members living in the same household. The Chief Compliance Officer monitors employee trading, relative to potential insider information and relative to client’s transactions to ensure that employees do not engage in improper transactions. Capri co-invests in certain commingled funds alongside its investors for alignment of interests. This could cause Capri to favor a certain fund with a given investment. The Firm employs an objective rotational system to allocate these investments among competing clients, including the pooled investment funds it manages. The Firm believes this practice sufficiently resolves the apparent conflict. A copy of the Firm’s Code will be provided to any client or prospective client upon request.

Item 12: Brokerage Practices

It is possible that the Firm will cause pooled investment funds for which it is acting as investment manager to purchase securities (e.g., equity and fixed income). With respect to such purchases, The Firm will have discretion regarding which securities will be bought or sold and the broker or dealer to be used. In addition, the Firm may engage real estate, mortgage or loan brokers.

Soft Dollars and Proprietary Research - Securities brokers, real estate brokers, and mortgage brokers are selected by the Firm on the basis of experience, reputation, and availability to meet due date requirements. Brokers, real estate brokers, and mortgage brokers are customarily compensated on a competitive commission basis. The Firm may affect securities transactions at commission rates (or “mark-up/mark-down” to dealers) in excess of the minimum commission rates (or “mark-up/mark-down”) available, if the Firm believes that such amount of commission (or “mark-up/mark-down”) is reasonable in relation to the value of brokerage, research, or other services provided by such broker or dealer, viewed in terms of either that particular transaction or the Firm’s overall responsibilities with respect to its clients. The Firm accepts only proprietary research from the brokers and do not enter into any soft dollar arrangements whereby it receives research or any other benefit from third parties. Research services received from brokers and dealers are supplemental to the Firm’s own research effort. To the best of the Firm’s

knowledge, these services are generally made available to all parties doing business with such brokers. The Firm does not separately compensate such brokers for the research and does not believe that it pays for such brokers research due to the difficulty associated with the brokers not breaking out the costs for such services. The Firm's acceptance of research from brokers is done in accordance with the provision of Section 28(e) of the Securities Exchange Act of 1934, as amended.

From time to time, the Firm may enter into referral fee arrangements to compensate solicitors for recommending its investment advisory services to potential investors in its private investment funds. To the extent required, such arrangements are entered into in accordance with Rule 206(4)-3 and Rule 206(4)-5 under the Investment Advisers Act of 1940. However, Capri has no current relationships of this type.

Item 13: Review of Accounts

The Firm's clients and pooled investment fund offering documents and PPM's (or equivalent) sometimes impose written investment guidelines to be followed in connection with the management of their real estate properties. The Firm follows these guidelines, if any, when executing its acquisition strategy for the clients. All investment guidelines are directed to the Investment Committee for review and implementation.

The Firm monitors all client accounts and pooled funds on a regular basis. Reviews will incorporate those factors agreed upon in the relevant IMA. In particular, the portfolio manager is responsible for reviewing client accounts and private funds on a quarterly basis, at various levels, including market factors affecting investments in the account, diversification of the portfolio, and financial variables, such as current leases signed that can impact values of investments in the account, capital improvement schedules and borrower credit status on debt related investments. Capri's clients receive quarterly reports about the properties they own in their accounts or in the funds in which they invest on a quarterly basis. The information included in each client report depends upon each client's particular preference, but typically includes a list of the fair market values of investments and transactions for the period covered by the report. Current information related to tenancy, leasing, and the overall market in which the property operates is also included.

Item 14: Client Referrals and Other Compensation

The Firm does not receive any economic benefits from non-clients in connection with the provision of investment advice to clients.

Item 15: Custody

All client accounts are held in custody by unaffiliated banks, but the Firm can access certain accounts to make disbursements, and therefore, the Firm is considered to have custody of such

accounts. All accounts can be classified in two groups –Portfolio Accounts and Property Accounts.

Portfolio Accounts – These accounts are established and maintained by Capri’s portfolio accounting staff for all clients (separate account clients and commingled fund clients). Funds in these accounts are used primarily to pay portfolio level expenses, such as, asset management fees (only commingled funds), audit fees, tax preparation fees, filing fees, investment appraisal fees, legal fees, and consulting fees. Other disbursements may include: (a) capital funding for acquisition of new investments; (b) funding to existing properties to pay for capital improvements or operating expenses; and (c) cash distributions to investors. Capri may also establish accounts for real estate tax escrow, insurance escrow, capital improvement reserve, and debt service reserve for loan investments as stipulated by the investment agreement related to each investment. Two or more of Capri’s senior employees are signatories on all portfolio accounts and therefore, Capri is considered to have custody of these accounts. Capri causes the banks to send account statements directly to such clients or their independent representatives on a monthly basis. Additionally, Capri performs its due diligence to ensure the banks are sending clients account statements as instructed. Clients should carefully review these statements, and compare them to any account information provided by Capri. Capri engages a third-party independent CPA firm to perform an annual surprise cash custody audit as required under Rule 206(4)-2(a)(4).

Short term Investments – Client funds are primarily invested in banks which are FDIC insured. From time to time there may be larger cash balances on hand which are invested in short-term Treasury bills.

Property Accounts – These accounts are established and managed by the third-party property managers, with the exception of one retail property in a Capri fund, for the purpose of managing property level cash receipts and disbursements. The retail property account is managed by a Capri subsidiary company, Capri Retail Services, LLC. Surplus cash from these accounts is normally transferred to portfolio accounts for further distribution to the investors. The day-to-day cash management functions for property accounts are performed by the property manager. The property manager has the signing authority on all property accounts. Capri’s senior employees are signatories on all property accounts maintained on behalf of the commingled fund clients and therefore, Capri is considered to have custody of these accounts. However, Capri does not have any signing authority on any property account maintained on behalf of its separate account clients. Capri cannot direct any disbursements from these accounts and therefore, is not considered to have custody of these property accounts.

Item 16: Investment Discretion

Capri has investment discretion over certain separate account clients after agreement on basic return targets and investment parameters and other separate account clients are non-discretionary as to investments. All terms agreed with a separate account client would be included in the investment management agreement with the client. Generally, a basic structure has been identified by the client or proposed by Capri as the type of real estate that Capri will invest in on behalf of the client. The structure would include real estate equity, debt or both, whether it is wholly owned, a joint venture, first mortgage debt, subordinated debt or preferred equity and the product type would be multifamily, retail, office, industrial or hotel. All of Capri's commingled funds are discretionary and the terms would be included in private investment fund offering documents and PPMs (or equivalent).

Item 17: Voting Client Securities

Registrant does not invest in securities that carry proxy voting rights and therefore the Firm and its advisory affiliate do not vote proxies.

Item 18: Financial Information

The Firm's capitalization includes substantial debt and preferred equity obligations that resulted from the buyout of operating and investment partners in Capri at peak market pricing in 2006. The Firm is pursuing various alternatives to retire the outstanding obligations by meeting with potential investors who could potentially provide financial support to restructure and extend existing debt and equity facilities and provide working capital to the Firm.

In the past, the maturity dates of our loans have, from time to time, been extended. The maturity dates of our loans, originally October 31, 2018, have expired. We are unable to pay the principal balances and we have asked the lenders to formally extend the maturity dates. While the Firm has historically been successful in obtaining extensions and other accommodations from our lenders, there can be no assurance that this will continue, or that one or more of our lenders will not declare us in default in connection with any non-compliance. If one or more of our lenders declared the Firm in default under one or more of our loans, and did not grant a forbearance, we believe this could have a material adverse effect on the Firm's ability to continue business operations under its current organizational format.

On behalf of its separate account clients and funds, Capri was an active net seller of luxury multifamily apartment properties, an area in which the Firm specializes, between 2011 and 2017 given what we believe to be a fully-priced market. These property liquidations were a function of maturing commingled funds, and sell recommendations to largely non-discretionary accounts. As a result of the reduction of assets under management, the Firm's management fee income has declined substantially, resulting in significant net income losses in recent years. Performance fees generated by property sales were a significant part of revenue and helped to support the Firm's operations during the aforementioned period. As is common to real estate investment

sponsors and advisors, decisions to hold or sell properties can affect the realization of performance fees and, therefore, may create conflicts of interest. However, as a matter of policy, Capri presents sales recommendations and their anticipated financial consequences to clients in advance of execution, and all of the Firm's separate account clients effectively have discretionary approval rights over property sale decisions. We believe that the Firm's presentation policy and client approval rights help to mitigate this conflict of interest.

Due to reduced ongoing fees as a result of asset sales, the Firm has aggressively managed operating expenses, resulting in a significant reduction in annual expenses since 2014. In recent months, the executive and administrative staff at Capri has adjusted commensurate with the reduction in the Firm's asset management activities. Management will likely make further reductions, if deemed appropriate, although not in areas that would reduce our ability to serve our institutional clients. Absent a replacement of fee income from an anticipated increase in assets under management, the Firm is, therefore, likely to suffer additional losses going forward.

The Firm was informed in the fourth quarter of 2018 by our second largest client that, along with the assets of one other manager, it was transferring all of Capri's core property investments to a separate investment advisor for the assets to be sold. The requested redemption of assets occurred January 31, 2019. Based on the over-exposure to the firm given the transfer of assets and the resignation of a senior Capri investment officer and portfolio manager in 2018, Capri's largest client elected on March 14, 2019 to terminate the Firm and redeem its assets, with the formal transfer of assets occurring June 30, 2019. With this transfer, Capri's primary source of investment management fee income ceased. Even though both investment management agreements have now been terminated, the Firm has tail administrative responsibilities primarily related to approximately \$268,000 in cash under custody related to joint ventures. The Firm is currently in the process of liquidating all existing investment assets, distributing all remaining cash in custody accounts to investors, and ultimately dissolving all legal entities with respect to the two pooled funds and two separate accounts where we report Regulatory Assets under management in Form ADV Part 1A.

On June 29, 2019, Capri EGM, LLC, a Capri affiliate, registered as a separate investment advisor and, therefore, is no longer included in the Firm's investment advisor registration. Capri continues to hold an approximate 47.5% passive interest in this company.

As the firm has wound down its investment management function of managing core investment properties, Suzanne Hoyes, the Firm's Chief Compliance Officer, resigned effective January 6, 2020 as reported in Part 1A of the January 14, 2020 amendment. Subsequent to Ms. Hoyes resignation, the firm formed an Office of Compliance, comprised of Quintin Primo, Chairman and Chief Executive Officer; Ann Mastic, Chief Financial Officer, and Gwendolyn Hatten Butler, President and Chief Investment Officer. Additionally, Ms. Hatten Butler assumed the role of Chief Compliance Officer upon Ms. Hoyes' resignation.

Because Capri's investment services have become largely administrative in nature as the few remaining assets are liquidated, we do not believe that the Firm's financial condition or recent actions have impaired the ability of the Firm to meet its remaining commitments to its clients.