ROOSEVELT MANAGEMENT COMPANY LLC

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Part 2A of Form ADV: Firm Brochure
March 29, 2017

This brochure provides information about the qualifications and business practices of Roosevelt Management Company LLC. If you have any questions about the contents of this brochure, please contact us at (212) 938-4800. 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 Roosevelt Management Company LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

An investment adviser's registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training.

Item 2 Material Changes to Disclosure Brochure

The only material changes to report from the brochure on file with the United States Securities and Exchange Commission ("SEC") are (i) the new descriptions in Item 8 "Methods of Analysis, Investment Strategies and Risk of Loss" to Rushmore's residential mortgage loan origination activity and to the potential offering of Mortgage Related Assets held by one Client to another, and (ii) the change in affiliated depositor companies referenced in Item 10 "Óther Financial Industry Activities and Company Affiliations".

Item 3 Table of Contents

Item 4 Advisory Business

Roosevelt Management Company LLC ("RMC"), a Delaware limited liability company, is a New York-based asset management firm focused on investments, directly or indirectly, in, and the management of, U.S. (including Puerto Rico) residential mortgage loans ("Loans"), foreclosed real estate ("REO"), excess mortgage servicing rights related to Loans ("Excess MSRs"), residential mortgage-backed securities ("RMBS") and interests therein (collectively, "Real Estate Related Assets"). RMC was founded in 2008 by a team of veteran mortgage professionals with experience in pricing, due diligence, servicing, and restructuring of distressed mortgage assets. RMC owns a residential mortgage loan originator and servicer, Rushmore Loan Management Services LLC ("Rushmore"), which provides loan servicing services throughout the United States, and indirectly owns Dakota Asset Services LLC ("Dakota"), which provides REO management and disposition services. RMC's principal owner is Roosevelt Senior Professional LLC, whose members are Clive Bode and Alan Waxman.

RMC provides investment management and advisory services to investment entities ("Clients") investing primarily in Real Estate Related Assets. Typically, the Clients are owned or controlled by alternative asset managers and their managed investment funds or other financial institutions.

RMC focuses on asset categories that utilize RMC's experience in the U.S. residential mortgage market, as well as RMC's relationships with industry counterparties and partners and mortgage loan servicers (including its subsidiary mortgage servicer Rushmore), and substantial analytical, risk management and asset valuation capabilities. RMC typically identifies Real Estate Related Assets available for sale from select relationships with banks, broker-dealers, governmental and quasi-governmental agencies and other financial institutions, including Clients, as well as in certain circumstances referral agents, and analyzes and values such Real Estate Related Assets using various quantitative econometric variables and qualitative data internally generated and obtained from third parties

RMC may perform functions related to risk management and due diligence, both in conjunction with and/or subsequent to, identifying and recommending potential investment opportunities to its Clients. RMC may perform asset level due diligence of the Real Estate Related Assets, including compliance, legal risk, title and lien reviews, property valuation reviews, collateral and credit underwriting reviews, as appropriate and as requested by the Client. RMC also may negotiate the terms of each such investment transaction on behalf of its Clients as directed and requested by the Client. Each of RMC's Clients determines the Real Estate Related Assets it will acquire and the price at which those assets will be acquired. RMC does not have discretion to make investment decisions on behalf of its Clients. Its advisory services are limited to (a) analyzing and recommending Real Estate Related Assets for investment, (b) to the extent requested and directed by the Client, providing services related to the structure of the investment, which may include the use of certain entities, vehicles or trusts (collectively, "Vehicles") to acquire, hold and/or finance certain Real Estate Related Assets, on behalf of the Clients, and (c) providing ongoing services, which may include the monitoring, management and valuation of certain Real Estate Related Assets. From time to time, RMC may provide additional services requested by Clients in connection with Real Estate Related Assets on a negotiated basis.

RMC may act as administrator of a Client or a Client Vehicle, and as such, may perform administrative corporate functions for such Client or Vehicle, including cash management and tax accounting and/or select and direct the loan servicer (which may be or include Rushmore), the document custodian, the paying agent, the trustee and other agents for a Client or Vehicle and/or the Real Estate Related Assets. RMC may make certain asset level decisions related to the Real Estate Related Assets and may provide periodic indicative valuations of the Loans and REO. In performing such services, RMC seeks to maximize return objectives on Real Estate Related Assets by leveraging its expertise in developing and directing the implementation of individual asset resolution plans to resolve Real Estate Related Assets through modifications, payoffs, foreclosures, sales and refinancing.

Upon request, RMC also assists Clients wanting to leverage their investment to obtain financing of such positions, and may provide administrative services in connection with any financing Vehicles.

RMC provides advisory services to its Clients in accordance with the investment objectives specified by each Client in its management agreement with RMC and not to the investors of each Client. Clients may impose restrictions on the type of Real Estate Related Assets in which it will invest. While RMC's Clients typically request the full range of investment advisory services provided by RMC, certain Clients only request limited services.

As of December 31, 2016, RMC managed approximately $2,548,465,274 (fair market value) of Real Estate Related Assets for its Clients on a non-discretionary basis. As of December 31, 2016, RMC did not manage any Client assets on a discretionary basis.

Item 5 Fees and Compensation

For its investment advisory services, RMC may receive one or more of the following types of fees: (i) an asset acquisition fee, (ii) a fee based on the value of assets under management, a fee based on the amount of assets under management or a fee based on invested capital of assets under management, and (iii) a profits interest entitling RMC or its affiliates or related persons to a percentage of distributions made by a Client in excess of a specified preferred return. It may also receive a fixed fee for certain specified investment advisory related services, such as due diligence, in each case as set forth in the applicable Client's management agreement, statement of work or other governing documents. Asset acquisition fees are generally payable upon the acquisition by the Client of Real Estate Related Assets. Fees based on the value of assets under management are generally payable monthly in arrears and fees based on the amount of assets under management are generally payable monthly in advance. Distributions in connection with profits interests are generally received periodically when the Clients make distributions and only if the specified preferred return has been met. The amount of any investment advisory fees (other than asset acquisition fees) may be prorated for periods of less than the full applicable billing cycle. Fees are negotiable and the type and amount of fees may vary based on the Client and the type and acquisition date of Real Estate Related Assets in which the Client invests and the nature of the services provided. In the event of the termination of its management agreement, the Client may obtain a refund of any prepaid fees as set forth in its management agreement. Clients generally are billed for fees and expenses.

Clients also bear, directly or indirectly, other fees and expenses related to the establishment, administration and dissolution of the Vehicles and the acquisition, management, servicing, disposition and valuation of the Real Estate Related Assets and securities, in each case as set forth in the Client's management agreement or other governing documents. These fees and expenses typically include, but are not limited to, (a) Vehicle operating expenses, including transaction-related expenses (i.e., referral agent fees and due diligence expenses), custodial fees, bank service fees, legal fees and trustee fees, (b) costs and expenses (including due diligence expenses and legal fees) related to potential investments in or sales of Real Estate Related Assets that are not consummated; (c) Vehicle legal, accounting, insurance and other administrative expenses, including the costs and expenses of any audit, investigation or governmental inquiry and the costs and expenses of any indemnification or litigation relating to the activities or operations of the Vehicles and the amount of any judgments or settlements paid in connection therewith; (d) Vehicle entity-level taxes (including any tax liabilities relating to the ownership of Real Estate Related Assets); (e) servicer fees for servicing the Real Estate Related Assets (including servicer fees to RMC's subsidiary Rushmore and REO management and disposition fees to Dakota) and (f) reimbursement of certain servicer, depositor and RMC costs and advances (including costs and advances to RMC's subsidiaries). If a Client leverages its investments, it bears all financing related costs and expenses. For information regarding brokerage practices, please see "Item 12 - Brokerage Practices" below.

Item 6 <u>Performance-Based Fees and Side-by-Side Management</u>

As described in "Item 5 – Fees and Compensation" above, RMC or its affiliates or related persons may receive a profits interest entitling them to a percentage of distributions made by certain Clients in excess of a specified preferred return. The fact that a significant portion of RMC's compensation (and its affiliates and investment professionals compensation) is directly tied to profit distributions made by Clients may create an incentive for RMC and such professionals to recommend investments that are riskier or more speculative or to take more risks in managing Client Real Estate Related Assets than would be the case in the absence of such compensation. Additionally, the payment by some but not all Clients of profits interest distributions, or the payment of profits interest distributions at varying rates, may create an incentive for RMC or its professionals to disproportionately allocate time, services or functions to Clients making profits interest distributions or Clients making profits interest distributions at a higher rate. RMC has adopted policies and procedures that among other things, seek to ensure in good faith that investment opportunities are offered fairly to its Clients. In determining which Client or Clients will be offered a potential investment opportunity it has identified, RMC considers a variety of factors, including, stated investment objectives, type and amount of desired investments, risk profile, pricing assumptions, desired investment returns and Client fee arrangements. However, RMC may offer potential investment opportunities in Real Estate Related Assets it identifies first to Clients who are related to RMC or its affiliates. If such Clients decline the opportunity or wish to acquire less than all of the Real Estate Related Assets offered, RMC will offer the opportunity to its other Clients based on the factors described above. Such preferential treatment is disclosed to RMC's Clients and RMC Clients understand that certain investment opportunities may be presented to them only to the extent that RMC related Clients determine not to pursue such opportunities or wish to acquire less than all of the Real Estate Related Assets offered. In some cases, the Client itself may decide to offer a coinvestment opportunity to other Clients or other investors it identifies with respect to a specific investment opportunity.

Item 7 Types of Clients

See "Item 4 – Advisory Business" for a description of RMC's Clients. RMC has no minimum account size.

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

RMC seeks investments, directly or indirectly, in Real Estate Related Assets, including sub-performing, non-performing Loans, re-performing and performing Loans, REO, RMBS and Excess MSRs.

RMC focuses on asset categories that utilize RMC's experience in the U.S. residential mortgage market, as well as RMC's relationships with industry counterparties and partners and mortgage loan servicers (including its subsidiary mortgage servicer Rushmore), and substantial analytical, risk management and asset valuation capabilities. RMC typically identifies Real Estate Related Assets available for sale from select relationships with banks, broker dealers, governmental and quasi-governmental agencies and other financial institutions, including Clients, as well as in certain circumstances referral agents, and analyzes and values such Real Estate Related Assets using various quantitative econometric variables and qualitative data internally generated and obtained from third parties. At times, RMC may identify and recommend to Clients Real Estate Related Assets available for sale by other Clients. This may create a potential conflict of interest. However, RMC believes such conflict is mitigated by the fact that such potential conflict is specifically identified to both the selling and potential investing Client, each of which is sophisticated and experienced in selling or investing in and evaluating the proposed transaction based on the information disclosed and each of which makes its own sale or investment decision.

Excess MSRs identified by RMC will be Excess MSRs related to MSRs owned by or to be owned by Rushmore. This may create a potential conflict of interest. However, RMC believes such conflict is mitigated by the fact that the Clients investing in Excess MSRs will be advised that they have the right to obtain valuations provided by unaffiliated third parties prior to making an investment decision.

RMC's subsidiary, Rushmore, is authorized to originate loans throughout the United States. At times, Rushmore may refinance on market terms Loans owned by and serviced for a Client to the extent such refinance activity is not prohibited or restricted by the Client. Such refinances may be inconsistent with the Client's investment strategy for the refinanced Loan. RMC believes this potential conflict is mitigated by the fact that the Client knows that refinance, whether by Rushmore or another lender on market terms, is an accepted risk of investing in Loans and Rushmore's origination activities are subject to regulation and examination by federal and state regulators, as well as Fannie Mae, Freddie Mac and Ginnie Mae.

RMC has adopted policies and procedures designed to identify and properly disclose, mitigate, and/or eliminate applicable conflicts of interest. Conflicts of interest that involve RMC, and/or

RMC affiliates on one hand, and its Clients on the other hand, will generally be fully disclosed and resolved in accordance with the applicable Clients' management agreements.

RMC may perform functions related to risk management and due diligence, both in conjunction with and/or subsequent to, recommending investment opportunities to its Clients. RMC may perform asset level due diligence of the Real Estate Related Assets, including compliance, legal risk, title and lien searches, property valuation reviews and collateral credit underwriting reviews, as appropriate and as requested by the Client. RMC also may negotiate the terms of each such investment transaction on behalf of its Clients as directed and requested by the Client. Each of RMC's Clients determines the Real Estate Related Assets it will acquire and the price at which those assets will be acquired. RMC does not have discretion to make investment decisions on behalf of its Clients. Its advisory services are limited to (a) analyzing and recommending Real Estate Related Assets for investment, (b) to the extent requested and directed by the Client, providing services related to the structure of the investment, which may include the use of a Vehicle to acquire, hold and/or finance certain Real Estate Related Assets, on behalf of the Clients, and (c) providing ongoing services, which may include the monitoring, management and valuation of certain Real Estate Related Assets. From time to time, RMC may provide additional services requested by Clients in connection with Real Estate Related Assets on a negotiated basis.

RMC may act as administrator of a Client or a Vehicle, and as such, may perform administrative corporate functions for such Client or Vehicle, including cash management and tax accounting and/or select and direct the loan servicer (which may be or include Rushmore), the document custodian, the paying agent, trustee and other agents for a Client or Vehicle and/or the Real Estate Related Assets. RMC may make certain asset level decisions related to the Real Estate Related Assets and may provide periodic indicative valuations of the Loans and REO. In performing such services, RMC seeks to maximize return objectives on Real Estate Related Assets by leveraging its expertise in developing and directing the implementation of individual asset resolution plans to resolve Real Estate Related Assets through modifications, payoffs, foreclosures and sales.

Upon request, RMC also assists Clients wanting to leverage their investment to obtain financing of such positions, and may provide administrative services in connection with any financing Vehicles.

RMC may use various proprietary models and applications to support its businesses. These include applications which analyze, monitor performance of and value of certain Real Estate Related Assets, applications which analyze and maintain information related to assets and asset resolution strategies and applications which communicate information and decisions to servicers.

Material Risks of RMC's Strategies:

The investment strategies described above involve a substantial degree of risk and Clients may lose all or a substantial portion of the value of their investments. Material risks relating to the investment strategies and methods of analysis described above include the following:

Distressed Assets. Investment in portfolios of distressed Real Estate Related Assets may result in significant returns to a Client but involve a substantial degree of risk. The level of analytical sophistication, both financial and legal, necessary for successful investment in distressed assets is unusually high

Market and Regulatory Conditions. Real Estate Related Assets will be materially affected by conditions in the financial markets and economic conditions in the United States, including interest rates, availability of and terms of credit, the housing market, inflation rates, economic uncertainty and changes in laws, regulation and policy, particularly those affecting the U.S. housing and real estate markets.

The federal government, state and local governments, consumer advocacy groups and others continue to urge servicers to be aggressive in modifying residential mortgage loans to avoid foreclosure and federal, state and local governmental authorities have proposed and enacted numerous laws, regulation and rules relating to residential mortgage loans generally, including the servicing of mortgage loans and foreclosure actions particularly. Many of these laws, regulations and rules, including regulations promulgated or administered by the Consumer Financial Protection Bureau ("CFPB") including the CFPB Servicing Rules, require additional procedural requirements prior to proceeding with the foreclosure process, impose mandatory mediation on the part of servicers and mortgagors, provide new defenses to foreclosure or otherwise delay the foreclosure process, insulate servicers from liability for modification of mortgage loans, limit otherwise applicable provisions of mortgage loans and encourage permanent forgiveness of debt. These laws, regulations and rules and are likely to result in delays and increased servicing costs and may result in reduction in payments on Real Estate Related Assets. In addition, several courts and state and local governments and their officials also have taken unprecedented steps to slow the foreclosure process or prevent foreclosure altogether. Federal regulators and state attorneys generals have brought enforcement actions against a number of large servicers resulting in consent and settlement agreements related to alleged foreclosure abuses. In addition, several governmental entities have considered using eminent domain powers to acquire underwater mortgage loans, and modifying them to allow homeowners to continue to own their homes.

Recent legislation and rules, including CFPB rules, have affected residential mortgage loan origination, including underwriting, practices. These include rules prohibiting lenders from originating residential mortgage loans unless the lender determines that the borrower has a reasonable ability to repay the loan and create a residential mortgage loan denominated a "qualified mortgage." Purchasers of qualified mortgages have limited assignee liability and securitizers of such mortgages are not subject to the risk retention rules described under "Liquidity" below. These laws and regulations may affect the price or marketability of Excess MSRs and mortgage loans.

Clients bear the risk that future regulatory and legal developments and the attendant increase in servicing costs may result in situations where proceeds received in respect of Real Estate Related Assets are less than anticipated.

Since the second quarter of 2007, the residential mortgage market in the United States and the United States economy have experienced a variety of difficulties and negative economic conditions that may adversely affect the performance and market value of Real Estate Related Assets. Delinquencies and losses with respect to these Real Estate Related Assets increased during this period and only recently have begun to rebound. Residential real estate values declined during this period, often severely, after extended periods of significant appreciation. Many mortgagors still have little or no equity in their mortgaged properties and many still have negative equity in their mortgage properties. The lack of equity gives borrowers less incentive to cure delinquencies and avoid foreclosure and hinders their ability to refinance in an environment of increasingly restrictive lending standards. However, real estate prices have been increasing in certain markets recently and this has resulted in the restoration of some or all of certain borrowers lost equity. Lenders have adjusted their loan programs and underwriting standards to be more conservative that has reduced the availability of mortgage credit to prospective mortgagors and mortgagors seeking to refinance their mortgage loans.

Legislation was recently proposed in the Senate that wind down Fannie Mae and Freddie Mac and replace them with a new housing finance system. The prospects for passage of this plan are uncertain, but the proposal underscores the potential for change to Fannie Mae and Freddie Mac.

Even if market conditions continue to improve, the depressing effect of the above adverse changes and conditions on the market value and liquidity of Real Estate Related Assets generally may continue for some time. This may adversely affect a Client's ability to leverage its investments or achieve profitable returns and may delay return of capital or result in a loss in invested capital.

The above market conditions may also affect the available of certain types of Real Estate Related Assets for investment. As market conditions have improved, less distressed Assets are being offered for sale.

Management Risk. The successful acquisition and management of Real Estate Related Assets depends in part upon the skill and expertise of RMC Management. There can be no assurance that any individual professional will continue to be associated with RMC. Should certain key RMC Management members leave RMC, it could adversely affect RMC's ability to perform investment advisory services to Clients, and thus, the performance or value of a Client's investment in Real Estate Related Assets.

Model Assumptions. Reliance on analytic models like those used by RMC entails significant risk, particularly if the models or the data on which they rely prove to be incorrect, misleading, or incomplete. In such case, reliance on models may lead RMC to recommend the purchase of Real Estate Related Assets at prices that are too high, the sale of such assets at prices that are too low, or cause Clients to miss favorable opportunities altogether. In addition, RMC stores the majority of the data upon which these models rely in computer databases. The failure of such computer systems could adversely affect Client accounts for whom such models are used.

Competition for Investments. RMC expects to encounter competition from entities having similar investment strategies and objectives. Certain of these entities may possess competitive advantages over RMC or its Clients in pursuing investment opportunities, including greater financial or other resources, higher risk tolerances, different risk assessments, better connections, lower return thresholds, lower cost of capital and access to funding sources not available to Clients.

Liquidity; Yield. Real Estate Related Assets acquired by Clients may be subject to legal and other restrictions on transfer and a liquid market for such Real Estate Related Assets may not exist. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable and a Client may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. Prices for such Real Estate Related Assets may fluctuate due to a variety of factors, including market and regulatory conditions, type of pool and composition of Real Estate Related Assets and whether the Real Estate Related Assets are performing or not. The ability to securitize Real Estate Related Assets may be adversely affected by the risk retention rules enacted by the federal bank regulatory agencies, HUD and the SEC pursuant to the Dodd Frank Act which become effective December 24, 2015. Such rules generally require securitizers to retain not less than 5% of the credit risk of the mortgage loans (other than qualified mortgage loans) securitized. Such rules may also adversely affect the availability or terms of financing of Real Estate Related Assets. The sale of such Real Estate Related Assets may require significant time.

The rate and timing of Loan prepayments as well as Loan delinquencies will affect the investment's yield. In addition, the ability of the servicer to modify the terms of Loans that are in default or for which default is likely foreseeable in a timely and efficient manner may affect the yield on investments in Loans.

Concentration. RMC targets investment in a limited group of assets - Real Estate Related Assets. Investment in limited asset types generally involves more risk than investment in diversified asset types. In addition, specific portfolios of Real Estate Related Assets may be or become concentrated in certain geographic areas, and as a result, may be adversely affected by economic, political, regulatory or natural events only affecting those limited regions.

Loss Mitigation Alternatives. RMC utilizes a variety of different loss mitigation alternatives in resolving distressed Real Estate Related Assets. This may include short-term payment plans, permanent loan modifications (which may include interest rate reduction, principal forgiveness, extension of maturity and/or reduction or forgiveness of accrued charges and interest), deeds in lieu, short sales (involving principal forgiveness), short refinances (involving principal forgiveness) and foreclosures. The specific circumstances surrounding each distressed Real Estate Related Asset (such as financial situation of the borrower, current market value of property in relation to amount of the debt owed and lien position) will determine which loss mitigation alternative is selected by RMC for such Real Estate Related Asset and such decision will impact the profitability or return on such Real Estate Related Asset. CFPB regulations and practices may also affect the nature, terms and timing of loss mitigation alternatives offered.

Collection Risk. The ability of a servicer to enforce ownership rights in Real Estate Related Assets may be limited, delayed or prevented by a number of different circumstances. These include missing or defective documents evidencing the debt and mortgage or ownership thereof, litigation challenging the validity or legality of the initial loan transaction and litigation challenging the foreclosure or eviction process and borrower bankruptcy. In addition, certain cities, counties and states have imposed obligations and liabilities on the owners of vacant REO which could delay, prevent or increase the cost of selling the REO. Real Estate Related Assets have risks above and beyond those discussed above. These include "special hazard" risk (property damage caused by hazards, such as earthquakes or environmental hazards, not covered by standard property insurance policies), and to bankruptcy risk (reduction in a borrower's mortgage debt by a bankruptcy court). In addition, claims may be assessed against the Vehicle on account of its position as mortgage holder or property owner, including responsibility for tax payments, environmental hazards and other liabilities.

Owners of REO may also be liable for environmental problems. While delays will increase the cost of realizing on the Real Estate Related Asset, if the servicer is unable to enforce the owner's rights with respect to a Real Estate Related Asset or sell an REO, the owner will be unable to recoup its investment.

Leverage. A Client may borrow funds to pay expenses, make or facilitate new investments or for other purposes. The use of borrowed funds created the opportunity for greater total returns, but at the same time involves certain risks. A Client may not be successful without the use of significant leverage in its portfolio investments and leverage may be costly or unavailable. See "Liquidity" above. The inability of a client to obtain desired amounts of leverage may limit the Client's overall investment exposure, thereby reducing total returns. Borrowed funds are subject to interest, transaction and other costs, which may not be recovered by portfolio returns and therefore decrease investment returns.

Servicer Risk. The insolvency of the servicer or the failure of the servicer to properly service the Loans and REO may adversely affect the collection of principal and interest on the Loans and the enforcement of rights involving the Loans and REO. The owner of Excess MSRs generally does not control the servicing of the underlying Loans or the actions of the MSR owner. Actions or inactions by the MSR owner or a subservicer can adversely affect the performance of the underlying Loans and consequently the value of or income from the Excess MSRs. In addition, if the underlying Loans are owned by Fannie Mae, Freddie Mac or Ginnie Mae, adverse changes in the MSR owner's or subservicer's approval status or condition as well as actions by the applicable agency can adversely affect the value of or income from the Excess MSRs.

Interest Rate Risk. Changes in market interest rates can affect the value of Real Estate Related Assets. The value of re-performing Loans are generally adversely affected as interest rates rise and the value of Excess MSRs are generally adversely affected as interest rates decrease.

Item 9 Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be materials to a Client's or potential Client's evaluation of the advisor or the integrity of the advisor's management in this Item. RMC has no legal or disciplinary events to report.

Item 10 Other Financial Industry Activities and Company Affiliations

In providing services to its Clients, RMC may engage or use certain services of its affiliated service providers, including the entities listed below.

Rushmore, a subsidiary of RMC, is authorized to provide loan servicing throughout the United States (including Puerto Rico). Rushmore provided loan servicing services to a significant portion of the Real Estate Related Assets managed by RMC and may on occasion acquire certain Real Estate Related Assets on behalf of and deposit such Real Estate Related Assets into the Vehicles or hold certain Real Estate Related Assets as nominee for a Vehicle. Servicing fees (including fees payable for Dakota services) received by Rushmore are believed to be at market. Rushmore's subsidiary, Dakota, may provide REO management and disposition services for Real Estate Related Assets. Fees for Dakota services are believed to be at market. In the event a Client wishes to liquidate some of its Loans, Rushmore may provide targeted loan refinancing opportunities on market terms to borrowers of such Loans. Rushmore receives no fee from the Client for such refinance opportunities. Rushmore's origination activities are on market terms and subject to regulation and examination by federal and state regulators, as well as Fannie Mae, Freddie Mac and Ginnie Mae.

Elkhorn Depositor LLC ("Depositor"), a Delaware limited liability company, may acquire Real Estate Related Assets on behalf of and deposit such Real Estate Related Assets into the Vehicles. RMC is the sole member of Depositor. Depositor receives no fees for such services.

The use of Rushmore and Dakota may create a potential conflict of interest. However, RMC believes such conflict is mitigated by the fact that Rushmore is required to service Real Estate Related Assets in accordance with generally accepted servicing practices, is subject to examination and/or regulation by state regulators, HUD, Fannie Mae, Freddie Mac and Ginnie Mae and its servicing contract terms, including price, are believed to be consistent with market practice and with the terms of servicing agreements entered into with non-affiliated servicers servicing Real Estate Related Assets for the Vehicles.

RMC has adopted policies and procedures designed to identify and properly disclose, mitigate, and/or eliminate applicable conflicts of interest. Conflicts of interest that involve RMC, and/or RMC affiliates on one hand, and its Clients on the other hand, will generally be fully disclosed and resolved in accordance with the applicable Clients' management agreements.

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

RMC has adopted a comprehensive Code of Ethics and Personal Investment Policy ("Code") that is applicable to its officers, directors, and employees. The Code, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940, as amended, establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Except as described below, neither RMC nor its directors or employees are permitted to invest in the Real Estate Related Assets recommended to Clients without the prior approval of the RMC Chief Compliance Officer.

Certain RMC management members and non-management directors have made capital contributions to, and have continuing capital commitments to, certain Clients or their related parties. In the event such Clients make an investment, such management members and non-management directors are obligated to contribute to such Clients or their affiliates a portion of the capital required for such investments. In addition, such management members or non-management directors indirectly hold or may acquire profits interests in certain Clients, Client Vehicles or affiliates that entitle them to a share of the profits distributions made by such Clients or Vehicles. Also, on occasion, such management members or non-management directors may co-invest with Clients in Real Estate Related Asset acquisition transactions. These arrangements may create a potential conflict of interest with respect to investments recommended or not recommended. However, neither RMC nor such management members or non-management directors have discretion to make investment decisions on behalf of these Clients.

RMC will provide a copy of the Code to any existing or prospective Client upon request.

Item 12 Brokerage Practices

Due to the unique nature of the Vehicle structure and the fact that Clients directly or indirectly acquire specific pools of Real Estate Related Assets or interests therein, investment transactions are generally not executed through a broker-dealer or on an exchange. RMBS transactions, however, will be executed through a broker-dealer.

Certain Real Estate Related Assets which are available for purchase may be identified to RMC by unaffiliated referral agents that may be broker-dealers. If certain Real Estate Related Assets are offered for sale by one or more Clients, RMC may utilize the services of unaffiliated sales agents that may be broker-dealers. If the Clients determine to acquire or sell such Real Estate Related Assets, the Clients will bear the cost of any negotiated fees. All such agents and fees are identified to the Client by RMC prior to the Client's decision to make or dispose of an investment.

Item 13 Review of Accounts

RMC closely monitors the Real Estate Related Asset portfolios on behalf of Clients. RMC management and professional staff continually review and analyze portfolio performance, concentrations, duration, valuations and other relevant portfolio metrics, as well as monitor, review and modify workout plans for Real Estate Related Assets to maximize Client return objectives.

RMC provides periodic written reports to Clients covering various matters to the extent applicable to the type of services requested. Such reports may include portfolio and servicing reviews, cash source and use reports, financial statements, tax reports, asset value, income projections and other matters required by law or regulation. RMC management is also available to meet with Clients to discuss their accounts.

Item 14 Client Referrals and Other Compensation

Not applicable.

Item 15 Custody

Neither RMC nor its affiliates maintains physical possession of any Client funds or investments. All Client funds and securities are maintained by the Client or with unaffiliated qualified custodians. In certain limited circumstances, RMC may have the right to authorize payments from certain Client bank accounts. In addition, RMC has the right to give release and delivery instructions to Custodians which have physical custody of Client Loan documents and files to facilitate proper servicing and servicing transfer of the Loans. Servicers, including Rushmore, law firms and certain others may from time to time have short term-temporary physical custody under bailment of certain Client Loan documents and files in order to enforce Client rights and perform servicing related functions. In addition, RMC may occasionally have short term temporary physical custody of certain Client Loan documents, including trailing documents and assignments, in connection with Loan acquisitions and servicing transfers.

Item 16 Investment Discretion

RMC currently does not have discretion to make investment decisions on behalf of its Clients.

Item 17 Voting Client Securities

RMC currently does not have authority to vote proxies for its Clients and does not advise its Clients with respect to any investments in voting securities.

Item 18 Financial Information

RMC is not aware of any financial condition affecting it that is reasonably likely to impair its ability to meet its contractual commitments to Clients.