

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
GSC GROUP, INC., <u>et al.</u> , ¹)	Case No. 10-14653 (AJG)
)	
Debtors.)	(Jointly Administered)

NOTICE OF CONSENT SOLICITATION

Re: GSC PARTNERS CDO FUND II, LIMITED (the “Issuer”)

PLEASE READ THIS NOTICE OF CONSENT SOLICITATION CAREFULLY

Sale Motion and Bidding Procedures:

1. On September 1, 2010, the above-captioned debtors (collectively, the “Debtors” and, with their non-debtor affiliates, “GSC”) filed a Motion for Entry of (i) an Order Approving (a) Bidding Procedures, (b) Form and Manner of Notice of Sale, and (c) Procedures for Determining Cure Amounts, and (ii) an Order Authorizing (a) Sale of Assets Free and Clear of all Liens, Claims, Encumbrances, and other Interests, and (b) Assumption and Assignment of Executory Contracts to Successful Bidder(s) (the “Sale Motion”) [Docket No. 24] with the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”).²

2. On September 23, 2010, the Bankruptcy Court entered an order [Docket No. 134] (the “Bidding Procedures Order”) approving certain bidding procedures (the “Bidding Procedures”), which approved the key dates and times related to the sale of the Assets,³ and certain qualifications for the bidders, including that, to the extent necessary, such bidders be (or be affiliates of) a registered investment advisor in good standing under the Investment Advisors Act of 1940.

¹ The Debtors, along with the last four digits of each Debtors’ federal tax identification number, are: GSC Group, Inc. (6382), GSCP, LLC (6520), GSC Active Partners, Inc. (4896), GSCP (NJ), Inc. (3944), GSCP (NJ) Holdings, L.P. (0940), GSCP (NJ), L.P. (0785), and GSC Secondary Interest Fund, LLC (6477).

² Copies of the Sale Motion, Bidding Procedures, Bidding Procedures Order and certain other filed documents may be obtained free of charge (i) by accessing the website of the Debtors’ claims agent, Epiq Bankruptcy Solutions, LLC, at <http://dm.epiq11.com/GSC> or (ii) by written request made to counsel to the Debtors, Kaye Scholer LLP, 70 West Madison Street, Suite 4100, Chicago, Illinois 60602, Attention: Matthew J. Micheli, Telephone: (312) 583-2300, Facsimile: (312) 583-2360, E-mail: mmicheli@kayescholer.com.

³ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Sale Motion.

3. The Assets are comprised of all or substantially all of GSC's investment/collateral management business and assets owned, held or used in GSC's investment management business, including, without limitation, (a) Debtor GSCP (NJ), L.P.'s rights under the various investment management agreements, collateral management agreements, advisory or sub-advisory agreements and collateral monitoring agreements and other related agreements, and (b) GSC's debt and equity interests in the various partnerships, limited liability companies and investment vehicles to which GSC provides investment management services or serves as general or limited partner, member or in a similar capacity. The Assets are being sold to the successful bidder(s) (each a "Successful Bidder"), free and clear of all liens, claims, encumbrances and other interests pursuant to section 363 of the Bankruptcy Code and of all liabilities of the Debtors thereunder or in connection therewith. The Debtors are further proposing to assume and assign or otherwise transfer to the Successful Bidder(s) pursuant to section 365 of the Bankruptcy Code certain executory contracts and unexpired leases (collectively, the "Executory Contracts"), which Executory Contracts include, but are not limited to, any contracts related to the Debtors' rights, without limitation, to manage, advise or sub-advise with respect to the Issuer (as amended, modified or supplemented from time to time, the "Management Agreement").

The Auction:

4. On October 26, 2010, the Debtors commenced an auction with respect to the Assets. The auction concluded on October 29, 2010. In considering bids, Debtors took into consideration, among other things, the qualifications and competence of the applicable bidders. We are pleased to inform you that the Debtors subsequently selected the bid made by Black Diamond Capital Management L.L.C., on behalf of itself and certain of its affiliated entities, as the highest or otherwise best bid with respect to the Management Agreement and certain related Assets, and the Debtors are seeking to assume and assign or otherwise transfer management of the Issuer and the relevant Debtor's rights under the Management Agreement and certain related Assets to Black Diamond Capital Management L.L.C., its affiliated entities, or any other entity that is directly or indirectly controlled by Black Diamond Capital Management L.L.C. (collectively, "Black Diamond"), subject to, among other things, approval of the Bankruptcy Court, as discussed further below.

5. Founded in 1995, Black Diamond Capital Management L.L.C. is a US registered investment advisor and leading alternative asset management firm, with approximately \$6 billion in assets under management across complementary CLOs, control distressed/private equity, and hedge fund vehicles. Black Diamond Capital Management L.L.C. has offices in Greenwich, CT and Lake Forest, IL. Attached to this notice is a copy of Black Diamond Capital Management L.L.C.'s Form ADV Part II. If you have questions for Black Diamond, please contact Michael Moreno at (203) 552-0888.

Your Consent to the Sale:

6. The transfer of certain Assets, including the Debtors' rights under certain Executory Contracts (which include the Management Agreement), may require certain consents.

7. The Consent Form is included in this package after this Notice of Consent Solicitation. After reviewing this Notice of Consent Solicitation, please indicate, by checking the appropriate box on the Consent Form, whether you consent to the proposed assumption and assignment of, and transfer of the relevant Debtor's rights under the Management Agreement and related agreements (including a waiver of any provision that may be contravened thereby) to, and to the continuation of the Management Agreement and the related agreements, with Black Diamond (the "Assignment"), and provide the other information requested below. If you hold more than one class of security in the Issuer, please complete a separate Consent Form for each class of security held.

Consent Deadline

8. We would appreciate receiving your consent. A signed copy of a duly completed Consent Form must be delivered so as to be received on or before **December 3, 2010, at 4:00 p.m. (prevailing Eastern Time)** in order to be considered. **If a signed copy of the Consent Form is not duly completed and received by us on or before December 3, 2010 at 4:00 p.m. (prevailing Eastern Time), you will be deemed to have consented to the Assignment.**

9. This Notice of Consent Solicitation is being sent because the transfer of certain of the Debtors' assets, including the Debtors' rights under certain Executory Contracts, including the Management Agreement, may, under the terms of the operative agreements or applicable law, require the consent of certain third parties (each, a "Consent Party"). Consent Parties wishing to object to the validity of the negative or deemed consent process contemplated hereby must object (separate from this Notice and Consent Solicitation and the Consent Form) by **December 3, 2010, at 4:00 p.m. (prevailing Eastern Time)** (the "Consent Objection Date"). Nothing herein shall be deemed to indicate that any Consent Party has any right to so object. Any such objection must be (a) in writing and filed with the Bankruptcy Court by the Consent Objection Date, (b) state with specificity the legal and factual bases for the objection, (c) comply with the Federal Rules of Bankruptcy Procedures, the Local Bankruptcy Rules for the Southern District of New York and the Case Management Order entered in the above-captioned cases [Docket No. 30], and (d) be served upon the Debtors and the Notice Parties (as set forth in the Bid Procedures Order) so as to be received on or before the Consent Objection Date. Consent Parties' rights, if any, are reserved with respect to the consent process until the earlier of the (i) Sale Hearing, and (ii) a determination by the Bankruptcy Court that the foregoing consent process is valid and enforceable. **If no objection is made by you in accordance with the foregoing and timely received, you shall be deemed to have waived your right, if any, to so object.** For the avoidance of doubt, the Debtors reserve all rights to determine whether the Consent Form responses are conforming or non-conforming, provided further that the Debtors reserve all rights to seek a determination from the Bankruptcy Court at the Sale Hearing that any non-conforming Consent Form responses are conforming.

10. If timely objections are received from the requisite Consent Parties as described herein and such objections are ultimately determined in favor of such Consent Parties, such that the actual, deemed, or negative consent of other Consent Parties would be insufficient to permit assumption and assignment of the Management Agreement and the related agreements, the Debtors may (a) proceed with the transaction in accordance with the terms of the asset purchase agreement between the Debtors and Black Diamond, provided that the Management Agreement and the related agreements are excluded subject to the Successful Bidder retaining the right to obtain any such agreements if requisite consents are subsequently obtained and/or (b) determine not to proceed with the transfer of the Management Agreement and related agreements and retain such agreements as part of a plan of reorganization or otherwise.

11. Please be advised that notwithstanding this Notice and Consent Solicitation, no final determination has been made as to whether your consent is actually required under the Management Agreement or any other agreement, and such consents may not be needed or sufficient other consents may be obtained. The Debtors reserve all of their rights to seek a determination from the Bankruptcy Court at the Sale Hearing, without any other or further notice to you, that your consent is not required for the assumption and Assignment of the Management Agreement or any other agreement.

Sale Hearing

12. The hearing to approve the sale of the Executory Contracts, including the Management Agreement, and certain of the other Assets to the Successful Bidder(s) (the “Sale Hearing”) is scheduled to commence before the Honorable Arthur J. Gonzalez of the Bankruptcy Court, One Bowling Green, New York, NY 10004-1408 on **December 6, 2010 at 10:00 a.m. (prevailing Eastern Time)**, or at such time thereafter as counsel may be heard or the Bankruptcy Court may determine. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest.

13. Parties wishing to object to the relief sought at the Sale Hearing (excluding the relief granted in the Bidding Procedures Order) must object by **November 30, 2010 at 4:00 p.m. (prevailing Eastern time)** (the “Sale Objection Date”). Any such objection must be (a) in writing and filed with the Bankruptcy Court by the Sale Objection Date, (b) state with specificity the legal and factual bases for the objection, (c) comply with the Federal Rules of Bankruptcy Procedures, the Local Bankruptcy Rules for the Southern District of New York and the Case Management Order entered in the above-captioned cases [Docket No. 30], and (d) be served upon the Debtors and the Notice Parties (as set forth in the Bid Procedures Order) so as to be received on or before the Sale Objection Date.

The date of this Notice is November 3, 2010.

This Notice is given by the above-captioned Debtors

CONSENT FORM

Item 1. **Certification.** The undersigned certifies that as of November 3, 2010, the undersigned was the beneficial owner (the “Beneficial Owner”) of interests in GSC PARTNERS CDO FUND II, LIMITED (the “Issuer”), the nominee of the Beneficial Owner (the “Nominee”) of interests in the Issuer or has rights or interests with respect to the Issuer and understands and has reviewed the Notice of Consent Solicitation and the terms of the proposed consent. The undersigned certifies that this consent form is the only consent form submitted with respect to the rights held by the undersigned in the Issuer; provided that if you hold more than one class of security in the Issuer, you should complete a separate Consent Form for each class of security held. The undersigned certifies that if it assigns any Notes of the Issuer, that the assignee will be subject in all respects to this Consent Form.

Item 2. **Consent or Objection** (check only one box below):

consents, irrevocably, to the proposed assumption of the Management Agreement and the Assignment, which consent shall be deemed to have occurred as of 3:59 p.m. (prevailing Eastern Time) on December 3, 2010

objects to the proposed assumption of the Management Agreement and the Assignment

Name: _____
(Print or Type)

Title/Relationship to the Issuer: _____

Class of Securities Beneficially Held: _____
(If Appropriate)

Amount of Securities Beneficially Held: \$ _____
(If Appropriate)

DTC Participant Name: _____
(If Appropriate)

Signature: _____

By: _____
(If Appropriate)

Title: _____
(If Appropriate)

Street Address: _____

City, State, Zip Code: _____

Telephone Number: (_____) _____

Email Address: _____

Date Completed: _____

- Item 3. **Communication.** To ensure consideration of this consent, as set forth herein, you must complete, sign and return this Consent Form through one of the following means:

If by Facsimile: (646) 282-2501

If by Electronic Mail: gsc@epiqsystems.com

If by First Class Mail:

GSC Group, Inc. Investor Communications
c/o Epiq Bankruptcy Solutions, LLC
FDR Station, P.O. Box 5082
New York, NY 10150-5082

If by Hand Delivery or Overnight Mail:

GSC Group, Inc. Investor Communications
c/o Epiq Bankruptcy Solutions, LLC
757 Third Avenue, 3rd Floor
New York, NY 10017

Upon receipt of any Consent Forms, Epiq Bankruptcy Solutions, LLC will provide copies of such Consent Forms to the trustee or any other applicable entity under the Issuer, the Debtors and the Bankruptcy Court.

- Item 4. **Deadline.** A signed copy of the Consent Form must be completed and delivered so as to be received on or before **December 3, 2010, at 4:00 p.m. (prevailing Eastern Time)** in order to be considered.

NOTES REGARDING THESE MATERIALS

1. If you believe that you have received the wrong Consent Form or if you have any questions regarding this Consent Form (or if you would like a prepaid, addressed envelope to aid in delivery of your consent form), please contact the Debtors' claims and noticing agent, Epiq Bankruptcy Solutions, LLC at (877) 797-6086 for U.S. callers and (503) 597-7708 for non-U.S. callers.
2. If you are completing this Consent Form on behalf of another person or entity, indicate your relationship with such person or entity and the capacity in which you are signing.
3. Provide your name and mailing address (i) if different from the printed address that appears on this Consent Form, or (ii) if no pre-printed address appears on this Consent Form.
4. This Consent Form shall not constitute and shall not be deemed to constitute (i) a proof of claim, or (ii) an equity interest or an assertion of a claim or equity interest.
5. The Debtors reserve their right to seek a determination from the Bankruptcy Court regarding the validity of any Consent Form returned.

Form ADV Part II

FORM ADV

Part II – Page 1 Uniform Application for Investment Adviser Registration

OMB APPROVAL

OMB Number: 3235-0049
Expires: August 31, 2012
Estimated average burden
hours per response 4.32

Name of Investment Adviser: Black Diamond Capital Management, L.L.C.						
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone Number:
	1 Sound Shore Drive, Suite 200	Greenwich	CT	06830	(203)	552-0888

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Applicant: Black Diamond Capital Management, L.L.C.	SEC File Number: 801-71712	Date: August 11, 2010
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1. **A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

<input checked="" type="checkbox"/> (1) Provides investment supervisory services	_____	100 %
<input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services	_____	%
<input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above	_____	%
<input type="checkbox"/> (4) Issues periodicals about securities by subscription	_____	%
<input type="checkbox"/> (5) Issues special reports about securities not included in any service described above.	_____	%
<input type="checkbox"/> (6) Issues, not as a part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities	_____	%
<input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities	_____	%
<input type="checkbox"/> (8) Provides a timing service	_____	%
<input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above	_____	%

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? Yes No

C. Applicant offers investment advisory services for: (check all that apply)

<input checked="" type="checkbox"/> (1) A percentage of assets under management	<input type="checkbox"/> (4) Subscription fees
<input type="checkbox"/> (2) Hourly charges	<input type="checkbox"/> (5) Commissions
<input type="checkbox"/> (3) Fixed fees (not including subscription fees)	<input checked="" type="checkbox"/> (6) Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of Clients** – Applicant generally provides investment advice to: (check those that apply)

<input type="checkbox"/> A. Individuals	<input type="checkbox"/> E. Trusts, estates, or charitable organizations
<input type="checkbox"/> B. Banks or thrift institutions	<input type="checkbox"/> F. Corporations or business entities other than those listed above
<input type="checkbox"/> C. Investment companies	<input checked="" type="checkbox"/> G. Other (describe on Schedule F)
<input type="checkbox"/> D. Pension and profit sharing plans	

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Equity Securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | |
| <input checked="" type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> J. Futures contracts on: |
| <input type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (1) tangibles |
| | <input type="checkbox"/> (2) intangibles |
| <input type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (1) variable life insurance | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | |
| <input type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|---|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the
Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Long term purchases | (5) <input type="checkbox"/> Margin transactions
(securities held at least a year) |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options,
uncovered options, or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

Applicant: Black Diamond Capital Management, L.L.C.	SEC File Number: 801-71712	Date: August 11, 2010
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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading advisor.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

<input type="checkbox"/> (1) broker-dealer	<input type="checkbox"/> (7) accounting firm
<input type="checkbox"/> (2) investment company	<input type="checkbox"/> (8) law firm
<input checked="" type="checkbox"/> (3) other investment adviser	<input type="checkbox"/> (9) insurance company or agency
<input type="checkbox"/> (4) financial planning firm	<input type="checkbox"/> (10) pension consultant
<input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input type="checkbox"/> (11) real estate broker or dealer
<input type="checkbox"/> (6) banking or thrift institution	<input type="checkbox"/> (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes No

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? Yes No

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

The investment committees for the Black Diamond hedge fund complex, the BDCM Opportunity (distressed private equity) funds and the Black Diamond managed collateralized loan obligation vehicles meet regularly. Review of the investment activity and performance of each Black Diamond client is a continuous process. Information regarding persons responsible for reviewing is provided in Schedule F attached hereto (Item 6).

B. Describe below the nature and frequency of regular reports to clients on their accounts.

Investors in the Black Diamond hedge funds receive monthly performance reports, quarterly capital statements, annual audited financial statements and, if applicable, annual tax reporting information (Schedule K-1); investors in the BDCM Opportunity (distressed private equity) funds receive quarterly performance reports and capital statements, annual audited financial statements and, if applicable, annual tax reporting information (Schedule K-1). Black Diamond prepares and delivers monthly and quarterly reports to the trustees of the Black Diamond managed collateral loan obligation vehicles in accordance with the governing indentures for those vehicles.

Applicant: Black Diamond Capital Management, L.L.C.	SEC File Number: 801-71712	Date: August 11, 2010
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12. Investment or Brokerage Discretion.

- A. Does applicant or any related persons have authority to determine, without obtaining specific client consent, the:
- | | | |
|--|---|-----------------------------|
| (1) securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) broker or dealer to be used? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) commission rates paid? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? Yes No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|---|--|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? Yes No

Applicant: Black Diamond Capital Management, L.L.C.	SEC File Number: 801-71712	Date: August 11, 2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 1.A	<p>Black Diamond Capital Management, L.L.C., a Delaware limited liability company (“Black Diamond”), generates investment advice and provides investment advice and other services to affiliated entities (each, a “Black Diamond Affiliate”) for use by such Black Diamond Affiliates in advising and managing the accounts of their respective clients as follows:</p> <p>(1) BDCM Fund Adviser, L.L.C., a Delaware limited liability company, acts as the investment adviser and general partner of BDCM Partners I, L.P., a private investment fund organized as a Delaware limited partnership, and investment adviser to BDCM Offshore Fund Ltd. and BDCM Offshore Fund II Ltd., each a private investment fund organized as a Cayman Islands exempted company (these three funds are referred to collectively as the “Hedge Funds”), and BDC Finance L.L.C., a Cayman Islands exempted company (“Finance”) into which the Hedge Funds invest substantially all of their assets. BDCM Fund Adviser, L.L.C. also acts as the portfolio manager for Black Diamond International Funding, Ltd. and commercial paper administrator for Black Diamond USA Funding Corp. which, together with Black Diamond International Funding, Ltd., provides financing to Finance. BDCM Fund Adviser, L.L.C. also acts as collateral manager and collateral administrator for Black Diamond CLO 2000-1, Ltd., a collateralized loan obligation vehicle which is organized as a Cayman Islands exempted Company.</p> <p>(2) BDCM Opportunity Fund Adviser, L.L.C., a Delaware limited liability company, acts as the investment adviser to BDCM Opportunity Fund, L.P., a private investment fund organized as a Delaware limited partnership, and investment adviser to BDCM Offshore Opportunity Fund A, Ltd., a private investment fund organized as a Cayman Islands exempted company which invests substantially all of its assets into BDCM Opportunity Fund, L.P.</p> <p>(3) BDCM Opportunity Fund II Adviser, L.L.C., a Delaware limited liability company, acts as the investment adviser to BDCM Opportunity Fund II, L.P., a private investment fund organized as a Delaware limited partnership, and investment adviser to BDCM Offshore Opportunity Fund II, Ltd., a private investment fund organized as a Cayman Islands exempted company which invests substantially all of its assets into BDCM Opportunity Fund II, L.P.</p> <p>(4) BDCM Opportunity Fund III Adviser, L.L.C., a Delaware limited liability company, acts as the investment adviser to BDCM Opportunity Fund III, L.P., a private investment fund organized as a Delaware limited partnership, and investment adviser to BDCM Offshore Opportunity Fund III, Ltd., a private investment fund organized as a Cayman Islands exempted company which invests substantially all of its assets into BDCM Opportunity Fund III, L.P. As of the date hereof, BDCM Opportunity Fund III, L.P. and BDCM Offshore Opportunity Fund III, Ltd. have not commenced operations.</p> <p>The general partners of BDCM Opportunity Fund, L.P., BDCM Opportunity Fund II, L.P. and BDCM Opportunity Fund III, L.P. are, respectively, BDCM Opportunity Fund GP, L.L.C., BDCM Opportunity Fund II GP, L.L.C. and BDCM Opportunity Fund III GP, L.L.C., each a Delaware limited liability company and a Black Diamond Affiliate.</p> <p>The BDCM Opportunity Funds are referred to collectively as the “Opportunity Funds.”</p> <p>(5) Black Diamond CLO 2005-1 Adviser, L.L.C., a Delaware limited liability company, acts as the collateral manager and collateral administrator of Black Diamond CLO 2005-1 Ltd., a collateralized loan obligation vehicles organized as a Cayman Islands exempted company.</p> <p>(6) Black Diamond CLO 2005-2 Adviser, L.L.C., a Delaware limited liability company, acts as the collateral manager and collateral administrator of Black Diamond CLO 2005-2 Ltd., a</p>	

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Item of Form (identify)	Answer	
Item 1.D	<p>collateralized loan obligation vehicle organized as a Cayman Islands exempted company.</p> <p>(7) Black Diamond CLO 2006-1 Adviser, L.L.C., a Delaware limited liability company, acts as the collateral manager and collateral administrator of Black Diamond CLO 2006-1 Ltd., a collateralized loan obligation vehicle organized as a Cayman Islands exempted company.</p> <p>The Black Diamond CLOs are collectively referred to as the “CLOs.”</p> <p>Black Diamond identifies investment opportunities for the clients of the Black Diamond Affiliates and participates in the acquisition, monitoring and disposition of their investments. The individual needs of the investors in the clients of the Black Diamond Affiliates are not the basis of Black Diamond’s investment advice, and investment advice is provided to the Clients of the Black Diamond Affiliates, not the investors in such Clients.</p> <p>The Hedge Funds each pay BDCM Fund Adviser, L.L.C. a management fee and, when applicable, an annual incentive reallocation or incentive fee.</p> <p>Each Opportunity Fund pays its respective Black Diamond Affiliate adviser a management fee. Additionally, each Black Diamond Affiliate that serves as a general partner of an Opportunity Fund is entitled to receive from the relevant Opportunity Fund a carried interest representing a portion of the profits realized by each such fund.</p> <p>Each CLO pays its respective Black Diamond Affiliate adviser (collateral manager) a senior collateral management fee, a subordinated collateral management fee and an incentive collateral management fee.</p> <p>Management fees range from 0.15% per annum to 2% per annum of assets managed, generally calculated and paid quarterly in arrears. Performance based compensation (including carried interest paid to general partner entities) ranges from 20% of profits (in the case of the Hedge Funds and the Opportunity Funds) to 25% to 35% of interest proceeds payable to equity note holders (in the case of CLOs), paid annually or upon realization of investments, as applicable, and subject to high water marks, return hurdles or claw backs, as applicable. The specific payment terms and other conditions of the management fee and performance based compensation are set forth in the offering document for the relevant investment vehicle. Management fees and performance based compensation are generally not negotiable by investors in the Black Diamond Affiliate clients, but the relevant Black Diamond Affiliate and/or client may, nevertheless, agree to waive, reduce or rebate all or any portion of the applicable management fees or performance based compensation with respect to certain investors in the Black Diamond Affiliate clients (including, but not limited to, the Black Diamond Affiliates, their beneficial owners and their families and Black Diamond employees) without doing so for any other investor. The performance based compensation arrangements are in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).</p>	
Item 2.G	<p>The clients of Black Diamond and the Black Diamond Affiliates, collectively, are private investment vehicles—hedge funds, private equity/distressed debt funds and collateralized loan obligation vehicles — the interests in which are offered pursuant to exemptions from registration under the Securities Act of 1933 and the Investment Company Act of 1940. The investors in these vehicles are public and private employee benefit plans, trusts, corporations, other institutional investors, including private investment funds and endowments, and individuals.</p>	
Complete amended pages in full, circle amended items and file with execution page (page 1).		

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I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
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Item 3.L	<p>Black Diamond and the Black Diamond Affiliates, in aggregate, advise clients primarily with respect to investments in syndicated bank loans, middle market loans, asset based loans, real estate loans and/or mortgages, real estate investment trusts, equipment loans and financings, bridge loans, debtor-in-possession financing transactions and other restructuring financings, second lien transactions, aircraft financings, mortgage-backed securities, asset-backed securities, publicly-traded and privately placed debt securities, and derivative instruments (primarily credit related, including credit default swaps and total return swaps). Client investments may be investment grade or below investment grade, including non-performing. Black Diamond and the Black Diamond Affiliates also advise clients with respect to investments in equity securities (both long and short), U.S. and non-U.S. government securities, repurchase and reverse repurchase agreements and other financial instruments.</p>	
Item 4	<p>In conducting its investment analysis, Black Diamond performs fundamental credit research on potential investments and considers both quantitative and qualitative factors pertaining to the underlying company such as capital structure, operating and revenue trends, cash flow consistency, collateral analysis, financial covenants, debt maturities and liquidity, as well as management quality, competitive position within the industry, equity sponsors, business fundamentals and legal structure. Black Diamond conducts a rigorous due diligence process with a particular emphasis on, among other factors, a company's market position within a sector, dependence on access to the capital markets to fund ongoing operations, management's ability to operate under current market conditions, liquidation value of underlying assets collateralizing the security being purchased, competitive environment and the extent of overcapacity in the applicable sector, and time frame required to see overcapacity eliminated. Black Diamond generally conducts due diligence through extensive management discussions, collateral appraisals, on-site visits, discussions with research analysts and other sources, as well as through the use of industry consultants unaffiliated with Black Diamond.</p> <p>To the extent consistent with client investment mandates, as described in the relevant client's offering materials, Black Diamond and the Black Diamond Affiliates may utilize an activist approach when investing client assets, including acquiring, on behalf of one or more clients, control or blocking positions in a target company's debt that may be converted into controlling equity interests through financial restructurings or reorganizations in bankruptcy.</p>	
Item 5	<p>Black Diamond hires investment professionals with an appropriate level of education and professional experience. In general, Black Diamond personnel involved in determining or giving investment advice, and executing investment strategies on behalf of clients, are four-year college graduates and may have graduate degrees, professional certifications, or both, as well as relevant financial industry experience prior to joining Black Diamond.</p>	
Item 6	<p><u>Stephen H. Deckoff</u></p> <p>Year of Birth: 1965</p> <p>Education:</p> <p>Cornell University, B.S. 1987</p> <p>Business Background for Last Five Years:</p> <p>Founder and Principal of Black Diamond Capital Management and affiliated entities (1995 –present); Managing Principal since October 2006</p>	
Complete amended pages in full, circle amended items and file with execution page (page 1).		

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I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p><u>Leslie A. Meier</u></p> <p>Year of Birth: 1960</p> <p>Education: University of Illinois, B.S. 1982 Indiana University, M.B.A. 1985</p> <p>Business Background for Last Five Years: Director of Black Diamond Capital Management from 1998-2003; Partner from 2003-2006; Principal and Head of Distressed Investing from 2006 to present.</p> <p><u>Andrew Cohen</u></p> <p>Year of Birth: 1971</p> <p>Education: Cornell University, B.S. 1993</p> <p>Business Background for Last Five Years: Senior Analyst for Black Diamond Capital Management from 2002-2006; Managing Director from 2006-2009; Chief Credit Officer from 2009 to present.</p> <p><u>G. Lanny Epperson</u></p> <p>Year of Birth: 1974</p> <p>Education: Clark University, B.A. 1997</p> <p>Business Background for Last Five Years: Director of Black Diamond Capital Management from 2006 to 2009; Managing Director and Head of Par Investing from 2008 to present.</p> <p><u>Christopher Boyle</u></p> <p>Year of Birth: 1974</p> <p>Education: University of Virginia, B.S. 1996</p> <p>Business Background for Last Five Years: Managing Director of The Blackstone Group from 1998-2006; Managing Director of Black Diamond Capital Management from 2006 to present.</p> <p><u>Christopher Parker</u></p> <p>Year of Birth: 1965</p> <p>Education: Pomona College, B.A. 1987 Harvard University Kennedy School of Government, M.P.P. 1991</p>	

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
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	<p align="center">Business Background for Last Five Years:</p> <p align="center">Principal of Sycamore Consulting from 2005 to 2007; Managing Director of Black Diamond Capital Management from 2007 to present.</p>	
Items 8.C.3 and 8.D	<p>Black Diamond is affiliated with various investment management and administrative entities as set forth under Item 1.A above. Black Diamond generates investment advice and provides investment advice and other services to the Black Diamond Affiliates for use by such Black Diamond Affiliates in advising and managing the accounts of their respective clients. The Black Diamond Affiliates do not have any offices or employees separate from the offices and employees of Black Diamond, and Black Diamond maintains all books and records of Black Diamond and the Black Diamond Affiliates. The Black Diamond Affiliates are not registered as investment advisers with the Securities and Exchange Commission, but all investment advisory activities of the Black Diamond Affiliates are subject to the Advisers Act and the rules thereunder, and persons acting on behalf of the Black Diamond Affiliates are subject to the supervision and control of Black Diamond with respect to any investment advisory activities.</p> <p>BDCM Opportunity Fund Adviser, L.L.C., BDCM Opportunity Fund Adviser II, L.L.C. and BDCM Opportunity Fund Adviser III, L.L.C. each serve as investment adviser to a domestic Opportunity Fund, organized as a limited partnership, into which a related offshore Opportunity Fund, advised by the same adviser, invests (or will invest) substantially all of its assets. BDCM Opportunity Fund Adviser, L.L.C. serves as the investment adviser to BDCM Opportunity Fund, L.P. in which Finance has invested.</p>	
Item 9.A., D and E	<p>Black Diamond may enter into transactions constituting principal transactions, within the meaning of Section 206(3) of the Advisers Act, with clients of the Black Diamond Affiliates. In such transactions, Black Diamond acts as principal for its own account with respect to the sale of a security to or purchase of a security from the Black Diamond Affiliate client. Principal transactions will be completed in compliance with applicable law. The Hedge Funds, Opportunity Funds and CLOs maintain advisory or investor committees, as disclosed in the relevant offering memoranda, to which principal transactions are submitted for approval or denial of approval. Approval by the advisory or investor committee constitutes consent of the client for Black Diamond to engage in such transactions. Any advisory or investor committee member affiliated with Black Diamond will be recused from voting with respect to principal transactions or other issues that may give rise to a conflict of interest.</p> <p>It is expected that a portion of the assets of Black Diamond Affiliate clients will be loans in respect of which an affiliate of Black Diamond originated, assisted in structuring or acted or acts as an agent and in respect of which the affiliate receives origination and other fees. As set forth in the relevant client offering memorandum, the relevant Black Diamond Affiliate shall be required to seek the prior consent of an independent advisory committee to the terms of a purchase by a client of an affiliate originated loan, as described in the relevant client's offering memorandum unless otherwise set forth in the governing documents and/or the offering memorandum of the client.</p> <p>BDCM Opportunity Fund Adviser, L.L.C., BDCM Opportunity Fund Adviser II, L.L.C. and BDCM Opportunity Fund Adviser III, L.L.C. each serve as investment adviser to a domestic Opportunity Fund, organized as a limited partnership, into which a related offshore Opportunity Fund, advised by the same adviser, invests (or will invest) substantially all of its assets. The Black Diamond Affiliate serving as general partner of each domestic Opportunity Fund is</p>	
Complete amended pages in full, circle amended items and file with execution page (page 1).		

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
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	<p>entitled to a carried interest as described above in Item 1.D.</p> <p>Each Black Diamond Affiliate serving as general partner of a client fund organized as a limited partnership maintains a general partner interest in the client fund.</p> <p>BDCM Fund Adviser, L.L.C., its beneficial owners and employees of Black Diamond collectively hold direct investments and other rights representing a significant percentage of the aggregate assets of the Hedge Funds.</p> <p>The general partners of the Opportunity Funds and certain employees of Black Diamond hold direct investments or other rights in the Opportunity Fund.</p> <p>BDCM Fund Adviser, L.L.C. serves as the investment adviser to Finance. Finance has invested in BDCM Opportunity Fund L.P. and has invested in each of the CLOs. These investments, and the potential for similar investments in the future, are disclosed in the offering memoranda for the Hedge Funds. The Black Diamond Affiliates receiving management fees or performance based compensation from BDCM Opportunity Fund L.P. and the CLOs rebate to Finance such management fees and compensation earned in respect of Finance's investments.</p> <p>Black Diamond may from time to time acquire, hold or sell, for its own account, loans and securities which may also be appropriate for, or purchased or sold for, the Black Diamond Affiliate clients. Black Diamond has no duty in making any such investments to act in a way that is favorable to the Black Diamond Affiliate clients, and such investments may be different from those made on behalf of the Black Diamond Affiliate clients. Except as may be required by applicable provisions of the Advisers Act, neither Black Diamond nor any of the Black Diamond Affiliates is under any obligation to offer investment opportunities of which they become aware to any particular client or share with or inform any particular client of any such investments before engaging in any investments for themselves. Black Diamond will endeavor to identify and resolve conflicts with respect to investment opportunities in a manner that it deems equitable under the facts and circumstances and in accordance with applicable legal requirements. In the case of prospective investments which are suitable for client accounts and in which client accounts are able to invest, the relevant Black Diamond Affiliates will consider whether the clients will make such investments prior to any investment being made by Black Diamond. If the client accounts (because of suitability, asset allocation, liquidity, capacity or other reasons) do not invest or do not utilize all or any portion of the opportunity, Black Diamond may make an investment.</p> <p>A description of the conflicts of interest applicable to Black Diamond and the Black Diamond Affiliates is set forth in the Black Diamond Affiliate client offering memoranda.</p> <p>A Black Diamond Affiliate and/or client advised by such Black Diamond Affiliate may, without the approval of or specific disclosure to any investor in such client, enter into agreements with one or more client investors which have the effect of altering or supplementing the terms of investment. Such agreements may contain terms granting certain notification rights different from those provided to investors generally, providing fee terms different from those described in the relevant offering memorandum, and/or providing for redemption rights based on different liquidity periods, key man events or other factors. Any such arrangements with one client investor shall not entitle any other investor in the client to similar arrangements.</p>	
Side Letters		
Code of Ethics	<p>Black Diamond has adopted a Code of Ethics predicated on the principle that Black Diamond, inclusive of the Black Diamond Affiliates, owes a fiduciary duty to its clients. Accordingly, Black Diamond's employees must avoid activities, interests and relationships that run contrary</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant:
**Black Diamond Capital
Management, L.L.C.**

SEC File Number:
801-71712

Date:
August 11, 2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 12	<p>(or appear to run contrary) to the best interests of its clients. The following set of principles frames the professional and ethical conduct that Black Diamond expects from its employees:</p> <ul style="list-style-type: none"> Act with integrity, competence, diligence and in an ethical manner with the public, clients, prospective investors, employers, employees, colleagues in the investment profession, and other participants in the global capital markets; Place the interests of clients above one's own personal interests; Adhere to the fundamental standard that the employee should not take inappropriate advantage of his or her position; Comply with the Black Diamond Insider Trading Policy and the Prohibition on Personal Trading; Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions and engaging in other professional activities; Practice and encourage others to practice in a professional and ethical manner that will reflect credit on himself or herself and the profession; Promote the integrity of, and uphold the rules governing, capital markets; Maintain and improve his or her professional competence and strive to maintain and improve the competence of other investment professionals; and Comply with applicable provisions of the federal securities laws. <p>The Code of Ethics provides that Black Diamond employees may not purchase or sell any security for their own accounts in a proprietary account unless the transaction occurs in open-end mutual funds, including money market funds, or unit investment trusts that invest exclusively in open-end mutual funds, exchange traded funds, direct obligations of the U.S. government, municipal securities, commercial paper and high quality short-term debt instruments, bankers acceptances and bank certificates of deposit, commodity futures and commodity pools and private investment funds, in accordance with reporting and certain pre-clearance procedures.</p> <p>The Code of Ethics also provides that Black Diamond employees are prohibited from effecting transactions on behalf of any Black Diamond client in publicly traded securities issued by companies for which Black Diamond possesses material non-public information. All employees, whether investment professionals or non investment professionals, will be regarded as having access to any non-public information about a public company that has been received by any other employee.</p> <p>Black Diamond will provide, at no cost, a copy of its Code of Ethics to clients of the Black Diamond Affiliates, including, as appropriate, their boards of directors or trustees.</p> <p>The Black Diamond Affiliates have no limit on their discretionary authority to determine the type, amount and price of securities or investments to be bought and sold on behalf of their clients, including the selection of and commissions paid to brokers, subject to the investment policies and goals stated in the client offering memoranda.</p> <p>The Black Diamond Affiliates use a variety of securities brokers and dealers on behalf of clients and may have long-standing business relationships with a number of such brokers and dealers. The Black Diamond Affiliates are responsible for the placement of client portfolio transactions</p>	

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Applicant: Black Diamond Capital Management, L.L.C.	SEC File Number: 801-71712	Date: August 11, 2010
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I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
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Item 13	<p>and the negotiation of prices and commissions, if any, with respect to such transactions. Fixed income and unlisted equity securities are generally purchased from a primary market maker acting as principal on a net basis without a stated commission but at prices generally reflecting a dealer spread or mark-up. Listed equity securities are normally purchased through brokers in transactions executed on securities exchanges involving negotiated commissions. Both fixed income and equity securities are also purchased in underwritten offerings at fixed prices which include discounts to underwriters and/or concessions to dealers.</p> <p>In selecting brokers and dealers for clients and placing portfolio transactions, Black Diamond, inclusive of the Black Diamond Affiliates, will consider such factors as price (including the applicable dealer spread or commission, if any), execution capabilities, reputation, infrastructure, reliability, financial resources, quality of research products or services and other value added services, (although, as of the date hereof, Black Diamond is not receiving research products or services) in connection with client brokerage arrangements.</p> <p>Black Diamond has established procedures for allocating investments purchased and sold among Black Diamond Affiliate clients and determining the manner and order in which transactions for multiple clients are executed. In general, investments are purchased or sold on behalf of clients based on the respective investment objectives and policies, as set forth in the offering memorandum for each client. Allocations of investments will be made first by determining the client or clients for which a particular investment is appropriate. If the investment is appropriate for more than one client, an allocation between or among such clients will be generally made either on a pro rata basis across different clients based on fund size, current investment in a particular borrower or other relevant criteria, or on a non-pro rata basis based on such criteria as: a client already having sufficient exposure to the securities, issuer, industry or market in question; the different liquidity positions and requirements of the participating clients; tax considerations; regulatory considerations; relative risk and return profiles of the participating clients; different investment strategies; portfolio concentration and diversification considerations; contractual investment restrictions; minimum investment criteria or minimum transfer size for the applicable investment; and/or investment time horizon. Under certain circumstances however, other criteria will be used in the allocation process. Where an aggregate order is executed at more than one price over the course of a period of time, Black Diamond will generally seek to allocate the executed transactions so that each client receives the average unit price and bears its pro rata share of the transaction costs, to the extent reasonably practicable.</p> <p>Black Diamond, inclusive of Black Diamond Affiliates, may on occasion experience errors with respect to trades made on behalf of clients of the Black Diamond Affiliates. Black Diamond attempts to minimize trade errors by promptly reconciling trade confirmations, trade tickets, commitment letters and assignment documents. Black Diamond also reviews past trade errors to assess whether a trade error was a result of a weakness in internal controls. If it is determined that a weakness in internal controls caused or contributed to the error, mitigating controls are established to rectify the identified control weakness. If trading errors do occur, they are for the account of the client, unless they are the result of Black Diamond's or its personnel's willful misconduct, bad faith or gross negligence or as otherwise provided in the offering memoranda of the client.</p> <p>Black Diamond, inclusive of the Black Diamond Affiliates, or its respective members, officers or employees, as applicable, may, subject to provisions regarding entitlement to ancillary fees set forth in governing documents for the funds, receive advisory fees, organization or success fees, break-up fees, directors' fees, monitoring fees, consulting fees, transaction fees and other similar fees, as well as syndication and origination fees, agent fees, administration fees and similar fees</p>	

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Proxy Voting Policy	<p>in connection with any loan originations or other related activities by Black Diamond Commercial Finance, L.L.C., a loan origination company affiliated with Black Diamond, notwithstanding a client's purchase of loans originated by Black Diamond Commercial Finance, L.L.C, whether the foregoing are paid in cash, securities or other property, from issuers of client investments (or from third parties in relation to client investments or issuers of client investments) in respect of services performed by such persons for such entities, all or a portion of which Black Diamond or such other persons will retain, as described in the client offering memoranda. Directors fees paid to Black Diamond employees for serving on the board of directors of any company in which clients are invested will, subject to provisions regarding entitlement to ancillary fees set forth in governing documents for the funds, be retained by Black Diamond. However, directors fees paid to third parties serving on the Boards at Black Diamond's request on the boards of directors of companies in which clients are invested will be retained by such third party.</p> <p>It is the policy of Black Diamond, inclusive of the Black Diamond Affiliates, when it has responsibility to exercise voting rights, to do so on behalf of clients in the interest of maximizing investor value. To that end, Black Diamond will vote in a way that it believes, consistent with its fiduciary duty, will, over time, cause the value of the investment to increase the most or decline the least. Consideration will be given to both the short and long term implications of the proposal to be voted on when considering the optimal vote. Black Diamond has in place voting procedures designed to enable Black Diamond to resolve material conflicts of interest that may arise between Black Diamond and its clients and their investors before exercising voting rights.</p> <p>Black Diamond clients, including, as appropriate, their boards of directors or trustees, may obtain information about how Black Diamond has exercised voting rights with respect to assets held by such clients by request to Black Diamond. It is Black Diamond's policy not to reveal or disclose to any investor in any Black Diamond Affiliate client how Black Diamond may have voted (or intends to vote) on a particular matter. Black Diamond will never disclose such information to unrelated third parties unless doing so would be in the client's best interest.</p>	
Privacy Policy Notice	<p>Black Diamond's privacy policy notice is as follows:</p> <p>Your privacy is very important to us. This Privacy Notice sets forth the policies of [Black Diamond Managed Fund] (the "Company") with respect to non-public personal information of its investors, prospective investors and former investors. These policies apply to individuals only and may be changed at any time, provided a notice of such change is given to you.</p> <p>In connection with the formation and ongoing activities of our affiliated private investment funds (collectively, the "Funds"), we collect and maintain non-public personal information (such as your address, social security number or tax identification number, assets and/or income information) about our investors to enable us to provide you with services in connection with your subscription of the Funds, to meet legal and regulatory requirements and for any other purpose to which you have consented. We collect your personal information from the following sources:</p> <ul style="list-style-type: none"> (a) Information we receive from you or Subscription Agreements, investor questionnaires or other forms that you submit to us or contracts that you enter into with us; (b) Information about your transactions with us or our affiliates; and (c) Information obtained from communications and correspondences with you. 	

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>We do not disclose any of this personal information about our investors, prospective investors or former investors to anyone, other than to our affiliates, and except as permitted by law, such as to our attorneys, auditors, brokers and regulators and certain service providers, in such case, only as necessary to facilitate the acceptance of your investment and management of the Company. Thus, it may be necessary, under anti-money laundering and similar laws, to disclose information about the Company's investors in order to accept subscriptions from them. We will also release information about you if you direct us to do so, if compelled to do so by law, or in connection with any government or self-regulatory organization request or investigation.</p> <p>We may also disclose information you provide to us to companies that perform marketing services on our behalf, such as placement agent(s). If such a disclosure is made, the Company will require such third parties to treat your private information with confidentiality.</p> <p>By subscribing to become an investor in the Company, the Investor acknowledges that under the Company's governing law, other Investors in the Company may be entitled to review the books and records of the Company and are entitled to see a list of Investors and their Capital Commitments. The Investor consents to disclosure of the fact of its, his or her investment in the Company, its, his or her mailing address and its, his or her Capital Commitment to other Investors in the Company.</p> <p>We seek to carefully safeguard your private information and, to that end, restrict access to non-public personal information about you to those employees and other persons who need to know the information to enable the Company to provide services to you. We maintain physical, electronic and procedural safeguards to protect your non-public personal information.</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).