Foundry Capital Group, LLC

Form ADV Part 2A (“Brochure”) and 2B as of March 15, 2018

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This brochure provides information about the qualifications and business practices of Foundry Capital Group, LLC. If you have any questions about the contents of this brochure, please contact us at (317) 709-8462 or by email at: tyler@foundrycapllc.com. 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 Foundry Capital Group, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.
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Material Disclosures

Part 2 of Form ADV requires a registered investment adviser to amend its Brochure when information becomes materially inaccurate. If there are any material changes to an adviser’s Brochure, the adviser is required to notify its clients and provide them with a description of the material changes.

Foundry Capital Group, LLC (“Foundry”) recently had an ownership change. Tyler Sadek remains as its Principal and is also Foundry’s Chief Compliance Officer (“CCO”). Troy Marchand is no longer a Principal or CCO for Foundry but has an agreement with Foundry to provide ongoing management services for the Foundry Mezzanine Opportunity Fund, LP. Scott Wolfrum, President of Wolfrum and Company, LLC, became an equal partner of Foundry in February, 2018.

Foundry Mezzanine Opportunity Fund, LP (“Mezzanine”) is Foundry Capital Group, LLC’s sole client as of the effective date of registration. It is Foundry’s intent to focus solely on the management of Mezzanine. All other references to services offered may or may not apply.

Our Brochure may be requested at any time by contacting Tyler Sadek, CCO, at (317) 709-8462 or at tyler@foundrycapllc.com. Regardless of the request or delivery mechanism, our Brochure is available free of charge.

Foundry’s Privacy Policy

Foundry does not sell consumer information to anyone. Confidential and non-public information is collected to provide financial services as described in this brochure, to complete transactions, or to provide newsletters to its underlying investors. Investors of Mezzanine receive a copy of its Privacy Notice at the inception of the new management relationship and on an annual basis thereafter. A copy is available upon request at no charge.
Advisory Business

Foundry Capital Group, LLC (hereinafter “Foundry” or the “general partner”) is a Limited Liability Company organized in the State of Delaware. Its offices are located in Indiana. The firm failed to renew registration by December 31, 2017, and applied for reregistration in January 2018.

Foundry evaluates the risk tolerance levels, time horizon and suitability of each investor into its sole “client” - Mezzanine. Suitability and qualifications are documented in the private placement memorandum and subscription documents, which are provided in advance to each investor.

The objective of Mezzanine is to execute high yield private loan investments with complementary opportunistic short-term liquidity, which plays to achieve private equity returns with much lower risk. Foundry manages the underlying investments by purchasing and liquidating loans, mezzanine loans and equity of private companies.

Mezzanine offers a single class of its limited partnership interests by issuing a Confidential Private Placement Memorandum, (“Memorandum”) with each of its exhibits to each potential investor of the fund.

Prospective investors should not construe the contents of the Memorandum as legal, tax, financial or other advice or as a recommendation or advice in relation to the subscription, purchase, holding or disposition of an Interest. Each prospective investor should consult his or her independent professional advisers in assessing the merits and risks of investing in Mezzanine.

As general partner, Foundry, has overall responsibility for managing the business and affairs of Mezzanine.

There is no guarantee, or implied guarantee, that Mezzanine or Foundry can achieve its objective.

Services provided by Foundry are limited to private equity investments for the Mezzanine Fund.
Management Fees, Performance-Based Fees and Side-by-Side Management

Asset-based management fees are withdrawn directly from Mezzanine. Fees are paid in arrears.

Performance-based management fees are withdrawn directly from Mezzanine. Fees are paid in arrears.

Accredited investors of Mezzanine will pay an annual fee of 2.00% of assets under management along with a 20.00% performance fee based on capital appreciation. If the client's portfolio rises in value, the client will pay 20.00% on that increase in value, but if the portfolio drops in value, the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a “high water mark.” Wolfrum and Company, LLC and its advisors participate in receiving fees.

Qualified clients will pay an annual fee of 2.00% of assets under management along with a 20.00% performance fee based on capital appreciation. If the client's portfolio rises in value, the client will pay 20.00% on that increase in value, but if the portfolio drops in value, the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a “high water mark.” Wolfrum and Company, LLC and its advisors participate in receiving fees.

The high water mark will be the highest value of the client’s account on the last day of any previous year, after accounting for the client’s deposits or withdrawals for each billing period. This calculation is determined by using the net asset value at calendar year end.

Mezzanine ordinarily will debit from each investor account and pay to the general partner a quarterly management fee, in arrears, in an amount equal to 0.5% of the net asset value of each account approximately 2% annually, determined as of the last Business Day of each calendar quarter (the Management Fee will be appropriately prorated for any periods that are not full calendar quarters).

All methods of fees affiliated with Mezzanine are disclosed in the private placement documents that are provided to each potential in advance. Investors have adequate time, and are encouraged, to review documents with their attorney, accountant and financial advisor.

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. Foundry does not participate in any wrap fee programs.
Types of Clients

Foundry Mezzanine Opportunity Fund, LP (“Mezzanine”) is Foundry Capital Group, LLC’s (“Foundry”) sole client as of the effective date of registration. It is Foundry’s intent to focus solely on the management of Mezzanine. All other references to services offered may or may not apply.

Investors in Mezzanine must be an “accredited investor” as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended, and must be a “qualified client” as defined in Rule 205-3 adopted under the Investment Advisors Act of 1940, as amended. The subscription documents, that every investor must complete and sign, contains descriptions of the types of investors that qualify as accredited investors and qualified clients.

There is an account minimum of $250,000, which may be waived by Foundry in its discretion.

Methods of Analysis, Investment Strategies and Risk of Loss

Investing in private equity involves a risk of loss that you, as a client, should be prepared to bear.

In considering an investment in Mezzanine, prospective investors should be aware of certain special considerations and risk factors, which include, but are not limited to, the following:

- General Investment Risk, *i.e.*, the risk of deterioration in the financial markets in general;
- Strategy Risk, *i.e.*, the risk that a private placement investment strategies and/or investment techniques may not work as intended;
- Institutional Risk, *i.e.*, the risk that private placements could incur losses due to: (i) suspension of investing, (ii) the failure of counterparties to perform their contractual commitments, or (iii) the financial difficulty of brokerage firms, banks or other financial institutions that hold the assets of the investments;
- Fund Structure Risk, *i.e.*, the special considerations and risks arising from the operation of certain provisions and the organizing documents of private placements;
- Operational Risk, *i.e.*, the special considerations and risks arising from the day-to-day management of a pooled investment vehicle; and
- Tax Risk, *i.e.*, the special considerations and risks arising from the operation of an investment vehicle treated as a partnership for U.S. federal tax purposes.
Potential investors of Mezzanine and their advisers must rely on your own examination of the investment, the interests and the terms of the offering in assessing the merits and risks. Potential investors should not construe the contents of the Mezzanine Memorandum as legal, tax, financial or other advice or as a recommendation or advice in relation to the subscription, purchase, holding or disposition of an Interest. Each prospective investor should consult his or her independent professional advisers in assessing the merits and risks of investing in the investment.

An investment in Mezzanine, or any private placement involves substantial risk due to, among other things, the nature of the investment strategy and techniques. Potential investors should not invest in the Fund unless you have no need for immediate liquidity with respect to your investment, are fully able to bear the financial risk of such as investment for an indefinite period of time and are fully able to sustain the loss of all or a significant part of your investment. In light of this financial risk, any potential investor should consider an investment in private equity only for an appropriate portion of one’s overall portfolio.

Other potential risks of investment in Mezzanine is described in great detail in the documents that are provided to each potential investor in advance of any such investment. The business of investing in securities is highly competitive and the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty.

As General Partner and manager of Mezzanine, Foundry uses what it considers to be seasoned investment research techniques and risk management strategies in investment and trading Mezzanine’s assets. The general partner will look for high yielding opportunities with generally some sort of collateral or guarantee on the loan. It seeks to use the proceeds of the continuous offering of interests to pursue its investment strategy and to pay its expenses. To the extent the general manager is not using excess funds for those purposes, the general manager will hold them in a form that provides readily available funds, either holding cash or investing them in high quality short-term instruments, such as a U.S. Government securities or shares of money market mutual funds that earn interest at competitive rates. Ideas will be internally and externally generated through the general partner’s proprietary network and resources. The general partner may use leverage in investing the Fund’s assets.

The general partner cannot warrant or guarantee that Mezzanine will achieve its stated investment objective or achieve positive or competitive total investment returns. Market, regulatory, and other factors, many of which cannot be anticipated or controlled by the general partner, could result in Mezzanine not generating positive or competitive investment returns or in an investor losing a portion or all of its investment in the Fund.
Other Financial Industry Activities and Affiliations

As principal of Foundry, Tyler Sadek acts as a sponsor, general partner, and managing member of Mezzanine. Foundry always acts in the best interest of each investor and investors are in no way required to utilize the services of Foundry in connection with activities outside of Mezzanine. Sadek is Chief Financial Officer of Innovative Seed Solutions, LLC, a portfolio company of Teays River Investments, LLC.

Scott Wolfrum, equal partner of Foundry, is president of Wolfrum and Company, LLC, a registered investment advisor with the Securities and Exchange Commission. Scott is also a registered representative through Huntleigh Securities Corporation from St. Louis, MO. Huntleigh holds Scott’s securities licenses and custodies most of Wolfrum and Company’s clients’ accounts. Scott also holds his insurance and annuity licenses through multiple insurance companies.

NAV Consulting Inc. of Oakland Terrace, IL, serves as the Administrator for Mezzanine. The Administrator is responsible for the Fund’s non-investment activities, such as processing additions and withdrawals of capital, maintaining the Fund’s records and calculating the Fund’s net asset value. The general partner may select a different administrator at any time without the consent of the limited partners (investors). The Fund currently holds controlling interest investments in Liquidation Solutions Acquisitions, LLC and Foundry Office Solutions LLC. The General Partner and its related persons serve in the capacity of President of both of these investments and they are considered related party transactions.

Neither Foundry nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Foundry has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Compliance Policies, Compliance with Laws and Regulations, Procedures and Reporting, Reporting Violations, Compliance Officer Duties, Training and Education, and Recordkeeping. Foundry's Code of Ethics is available free upon request to any client or prospective client.

There are no criminal, civil or administrative proceedings or actions to report. Additionally, there are no self-regulatory organization proceedings to report.

Brokerage Practices

Foundry does not utilize the services of brokerage firms, nor does it engage in brokerage practices.
Review of Accounts

As soon as reasonable after the end of each calendar quarter, Mezzanine will provide to each investor a report reflecting the net asset value of their account. Additionally, each investor will receive an audited balance sheet of Mezzanine, which also includes a statement of income and changes in financial position.

Client Referrals and Other Compensation

Potential Conflicts of Interest

Other than its relationship with Wolfrum, Foundry receives no referrals from broker-dealers or third parties.

Foundry does not receive any economic benefit, directly from any investor of Mezzanine. Investors pay their fees to Mezzanine; Mezzanine pays Foundry their management fee.

Scott Wolfrum, and other advisors at Wolfrum, will be involved in sourcing both investors and deals for Mezzanine and has a significant interest in the general partner with respect to the income of the general partner generated by Mezzanine. Investors of Mezzanine, at the recommendation of Wolfrum, should be aware that Wolfrum will benefit financially from the activities of Mezzanine, including but not limited to a finder’s fee.

Foundry has entered into written agreements with Wolfrum whereby Foundry provides cash compensation in return for providing investor referrals into Mezzanine.

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing investors to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective investor with a copy of this document and a separate disclosure statement that includes the following information:

• the Solicitor's name and relationship with our firm;

• the fact that the Solicitor is being paid a referral fee;

• the amount of the fee; and

• whether the fee paid to us by the client will be increased above our normal fees in order to compensate the solicitor

As a matter of firm practice, the management fees paid to us by clients referred by solicitors are not increased as a result of any referral.
Custody

Investors will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Fees are paid by Mezzanine, therefore custody for each individual investor does not apply.

Investment Discretion

Investors will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Fees are paid by Mezzanine, therefore custody for each individual investor does not apply.

Voting Client Securities

Foundry acknowledges its fiduciary obligation to vote proxies on behalf of Mezzanine and its underlying investments. Foundry will vote proxies on behalf of Mezzanine solely in the best interest of the relevant investment and its underlying investors.

Investors may obtain a complete copy of the proxy voting policies and procedures by contacting Foundry in writing and requesting such information. Each client may also request, by contacting Foundry in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period.

Financial Information

Neither Foundry, nor its principals, have any financial condition that is likely to reasonably impair Foundry’s ability to meet contractual commitments to client and underlying investors.

Foundry’s principal has not been the subject of bankruptcy petition in the last ten years.
Tyler Sadek, born in 1981 obtained a Bachelors of Business Administration Finance/Accounting from Emory University in 2003.

Tyler is a Chartered Financial Analyst (“CFA”). Its charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute - the largest global association of investment professionals. There are currently more than 90,000 CFA charter holders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charter holders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charter holders—often making the charter a prerequisite for employment.

In addition to managing partner of Foundry Capital, Tyler is also the Chief Financial Officer of Innovative Seed Solutions, LLC, a portfolio company with Teays River Investments. Prior to his current affiliations, Tyler was an investment consultant for Stifel Nicolaus & Company, Inc. Tyler may from time to time have an ownership or financial interest in the Mezzanine’s underlying investments.

There are no legal or disciplinary events that are material to a client or investor’s evaluation of this management business.
Scott Wolfrum, born 1967, started Wolfrum & Company during the fourth quarter of 2017. He brings close to 25 years of experience in the financial services industry. Scott earned his degree from Indiana University with a major in Economics.

Prior to founding Wolfrum & Company, Scott was a registered representative of David A. Noyes & Company, a SEC- and FINRA-registered broker-dealer, where he was employed since May of 2013.

Scott holds the Series 7 and 63 license through Huntleigh Securities Corporation of St. Louis, MO, with clearing services through First Clearing. Scott also holds life, health and variable insurance licenses.

Scott is affiliated with The Human Fund as a Member and Manager, the Wolfrum Holdings LLC as a Member, the Foundry Capital Group, LLC as an equal Partner, the Foundry Mezzanine Opportunities Fund as a Shareholder, the Warsaw Chemical Company as a majority Partner, The Giving Tree as President, PrivacyDataSystems as Shareholder, Perfinity Biosciences as Chairman of the Board and investor, Vrsus as a minority owner, MESH Systems as an investor and SuperNova as a Board Member. Scott may from time to time have an ownership or financial interest in the Mezzanine’s underlying investments.

There have not been any civil or criminal actions brought against Scott, nor has there been any administrative proceedings before the SEC or other regulatory authority.

Scott is married to his wife, Amanda, and they have 4 daughters together. He is also a member of the Northview Church in Carmel, Indiana.

This Supplement is attached to, and part of, Foundry’s Part 2 of Form ADV.