KENNEDY WILSON INC
Form S-4
October 05, 2011
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As filed with the Securities and Exchange Commission on October 5, 2011

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

KENNEDY-WILSON, INC.

(Exact name of registrant as specified in its charter)

SEE TABLE OF ADDITIONAL REGISTRANTS

Delaware	**6500**	**95-4364537**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer**

Identification No.)

9701 Wilshire Boulevard, Suite 700

Beverly Hills, California 90212

(310) 887-6400

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

William J. McMorrow

Chief Executive Officer

Kennedy-Wilson, Inc.

9701 Wilshire Boulevard, Suite 700

Beverly Hills, California 90212

(310) 887-6400

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:

Julian T.H. Kleindorfer

Latham & Watkins LLP

355 South Grand Avenue

Los Angeles, California 90071

(213) 485-1234

Fax: (213) 891-8763

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	¨	Accelerated filer	x
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	¨

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Maximum Offering Price Per Note(1)	Maximum Aggregate Offering Price	Amount of Registration Fee
8.750 % Senior Notes due 2019	$250,000,000	100%	$250,000,000	$28,650
Guarantees of 8.750% Senior Notes due 2019(2)	N/A	N/A	N/A	(3)

(1) Estimated solely for the purpose of calculating the registration fee under Rule 457(f) of the Securities Act of 1933, as amended (the Securities Act).
(2) See inside facing page for additional registrant guarantors.
(3) Pursuant to Rule 457(n) under the Securities Act, no separate filing fee is required for the guarantees.

The registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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TABLE OF ADDITIONAL REGISTRANTS

Additional Registrants (as Guarantors of 8.750% Senior Notes due 2019)

Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number	Primary Standard Industrial Classification Code Number	Address, Including Zip Code and Telephone Number, Including Area Code of Registrant s Principal Executive Offices
Kennedy-Wilson Holdings, Inc.	DE	26-0508760	6531-04	97016 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Kennedy-Wilson Properties, Ltd.	DE	95-4697159	6531-08	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Kennedy-Wilson Property Services, Inc.	DE	95-4812579	6531-08	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Kennedy-Wilson Property Services, II, Inc.	DE	20-3693493	6531-06	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Kennedy Wilson Property Services III, L.P.	DE	26-1558520	6531-06	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Kennedy-Wilson Property Equity, Inc.	DE	95-4812580	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Kennedy-Wilson Property Equity II, Inc.	DE	20-3812712	6531-04	9701 Wilshire Boulevard, Suite 700

				Beverly Hills, California 90212 (310) 887-6400
Kennedy-Wilson Property Special Equity, Inc.	DE	95-4812583	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Kennedy-Wilson Property Special Equity II, Inc.	DE	20-3693618	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Kennedy Wilson Property Special Equity III, LLC	DE	26-1558607	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
K-W Properties	CA	95-4492564	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Kennedy Wilson Property Services III GP, LLC	DE	26-3806726	6531-06	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KW BASGF II Manager, LLC	DE	20-5523327	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400

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Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification Number	Primary Standard Industrial Classification Code Number	Address, Including Zip Code and Telephone Number, Including Area Code of Registrant s Principal Executive Offices
KWF Investors I, LLC	DE	27-3337920	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KWF Investors II, LLC	DE	27-3788594	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KWF Investors III, LLC	DE	27-4110400	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KWF Manager I, LLC	DE	27-3337771	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KWF Manager II, LLC	DE	27-3788479	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KWF Manager III, LLC	DE	27-4110811	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Kennedy Wilson Overseas Investments, Inc.	DE	20-2715619	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Fairways 340 Corp.	DE	20-4169707	6531-04	9701 Wilshire Boulevard, Suite 700

				Beverly Hills, California 90212 (310) 887-6400
KW-Richmond, LLC	DE	26-2852263	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Pacifica West Coast Partners, LLC	CA	27-1533980	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
SG KW Venture I Manager LLC	DE	27-1366657	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KW Loan Partners I LLC	DE	27-1944476	6162-01	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KW Loan Partners II LLC	CA	27-2450209	6162-01	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KW Sunrise Carlsbad, LLC	DE	27-3576271	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Sunrise Property Associates, LLC	DE	95-3825023	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400

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KW Summer House Manager, LLC	DE	27-2502491	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KW Mill Creek Property Manager, LLC	CA	26-0301460	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KW Montclair, LLC	DE	26-2942185	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KW Blossom Hill Manager, LLC	DE	26-3330309	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KW Serenade Manager, LLC	DE	27-3271987	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
K-W Santiago Inc.	CA	95-4704530	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KW Anaheim Land Partners LLC	DE	20-5046652	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KW Redmond Manager, LLC	DE	26-2773678	6531-04	9701 Wilshire Boulevard, Suite 700

				Beverly Hills, California 90212 (310) 887-6400
Dillingham Ranch Aina LLC	DE	20-4635382	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
68-540 Farrington, LLC	DE	20-4879846	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KW Dillingham Aina LLC	DE	20-4788802	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Kennedy Wilson Fund Management Group, LLC	CA	20-8342380	6531-08	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Kennedy-Wilson International	CA	95-3379144	6521-18	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Kennedy-Wilson Tech, Ltd.	CA	95-4725845	6531-08	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KW Multi-Family Management Group, LLC	DE	20-3909439	6531-08	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KWP Financial I	CA	95-4506679	6162-01	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400

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Kennedy-Wilson Properties, LTD	IL	36-2709910	6531-08	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Kennedy Wilson Auction Group Inc.	CA	26-0808460	6531-08	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KWF Manager IV, LLC	DE	45-1836132	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KWF Manager V, LLC	DE	45-2477455	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KW Ireland, LLC	DE	45-1840083	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
Kennedy Wilson Property Equity IV, LLC	DE	45-2147199	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KW Residential Group, Inc.	DE	45-2718656	6531-06	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KWF Fund IV Kohanaiki, LLC	DE	45-2718657	6531-04	9701 Wilshire Boulevard, Suite 700

				Beverly Hills, California 90212 (310) 887-6400
KW Telstar Partners, LLC	DE	45-2718658	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KWF Investors IV, LLC	DE	45-837186	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400
KWF Investors V, LLC	DE	45-477357	6531-04	9701 Wilshire Boulevard, Suite 700 Beverly Hills, California 90212 (310) 887-6400

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The information in this preliminary prospectus is not complete and may be changed. We may not offer or sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities, nor a solicitation of an offer to buy these securities, in any jurisdiction where the offering, solicitation or sale is not permitted.

SUBJECT TO COMPLETION, DATED October 5, 2011

PRELIMINARY PROSPECTUS

$250,000,000

Kennedy-Wilson, Inc.

Exchange Offer for

8.750% Senior Notes due 2019

We are offering to exchange up to $250,000,000 of our new 8.750% Senior Notes due 2019, which are wholly and unconditionally guaranteed by Kennedy-Wilson Holdings, Inc., the parent company of Kennedy-Wilson, Inc., and certain subsidiaries of Kennedy-Wilson, Inc. (the exchange notes), which will be registered under the Securities Act of 1933, as amended (the Securities Act), for any and all of our outstanding 8.750% Senior Notes due 2019, which are wholly and unconditionally guaranteed by Kennedy-Wilson Holdings, Inc., the parent company of Kennedy-Wilson, Inc., and certain subsidiaries of Kennedy-Wilson, Inc., (the outstanding notes). We are offering to exchange the exchange notes for the outstanding notes to satisfy our obligations contained in the registration rights agreement that we entered into when the outstanding notes were sold pursuant to Rule 144A and Regulation S under the Securities Act.

The Exchange Offer

We will exchange all outstanding notes that are validly tendered and not validly withdrawn for an equal principal amount of exchange notes that are freely tradable, except in limited circumstances as described below.

You may withdraw tenders of outstanding notes at any time prior to the expiration date of the exchange offer.

The exchange offer expires at 5:00 p.m., New York City time, on , , unless extended. We do not currently intend to extend the expiration date.

The exchange of the outstanding notes for exchange notes in the exchange offer will not be a taxable event for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

The Exchange Notes

The terms of the exchange notes to be issued in the exchange offer are identical in all material respects to the outstanding notes, except that the exchange notes will be freely tradable, except in limited circumstances described below.

Resales of the Exchange Notes

The exchange notes may be sold in the over-the-counter market, in negotiated transactions or through a combination of such methods. We do not plan to list the notes on any securities exchange or market.

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All untendered outstanding notes will continue to be subject to the restrictions on transfer set forth in the outstanding notes and in the related indenture. In general, the outstanding notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offer, we currently do not anticipate that we will register the outstanding notes under the Securities Act.

See Risk Factors beginning on page 20 for a discussion of certain risks that you should consider before participating in the exchange offer.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. In addition, all dealers effecting transactions in the exchange notes may be required to deliver a prospectus. We have agreed that, for a period of 180 days after the date of this prospectus, we will make this prospectus available to any broker-dealer for use in connection with such resale. See Plan of Distribution.

If you are our affiliate or are engaged in, or intend to engage in, or have an agreement or understanding to participate in, a distribution of the exchange notes, you cannot rely on the applicable interpretations of the Securities and Exchange Commission and you must comply with the registration requirements of the Securities Act in connection with any resale transaction.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these notes or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , .

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You should rely only on the information contained or incorporated by reference in this prospectus or in any additional written communication prepared by or authorized by us. We have not authorized anyone to provide you with any information or represent anything about us, our financial results or the exchange offer that is not contained in or incorporated by reference into this prospectus or in any additional written communication prepared by or on behalf of us. If given or made, any such other information or representation should not be relied upon as having been authorized by us. We are not making an offer to exchange the outstanding notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this prospectus or in any additional written communication prepared by or on behalf of us is accurate only as of the date on its cover page and that any information incorporated by reference herein is accurate only as of the date of the document incorporated by reference.

As used in this prospectus, references to our company, we, us and our and similar expressions refer to Kennedy-Wilson Holdings, Inc., and its consolidated subsidiaries, including Kennedy-Wilson, Inc., the issuer of the notes, unless otherwise stated or the context otherwise requires. However, in the Prospectus Summary The Exchange Offer, Prospectus Summary The Exchange Notes, the Description of the Notes and The Exchange Offer sections of this prospectus, references to we, us and our and similar expressions refer only to Kennedy-Wilson, Inc. and not to its subsidiaries or Kennedy-Wilson Holdings, Inc.

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WHERE YOU CAN FIND MORE INFORMATION

Kennedy-Wilson Holdings, Inc., Kennedy-Wilson, Inc. and certain subsidiaries of Kennedy-Wilson, Inc., have filed with the United States Securities and Exchange Commission (the SEC) a registration statement on Form S-4 under the Securities Act with respect to the notes being offered hereby. This prospectus, which forms a part of the registration statement, does not contain all of the information set forth in the registration statement. For further information with respect to us and the exchange notes, reference is made to the registration statement. Statements contained in this prospectus as to the contents of any contract or other document are not necessarily complete.

Kennedy-Wilson Holdings, Inc. is subject to the requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and files periodic reports, proxy statements and other information with the SEC. Materials that it files with the SEC may be read and copied at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet website at http://www.sec.gov, from which interested persons can electronically access reports, proxy statements and other information relating to SEC registrants, including our company. Kennedy-Wilson Holdings, Inc. s common stock is listed on the New York Stock Exchange and reports, proxy statements and other information that it provides to the New York Stock Exchange can be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

Our Internet website at http://www.kennedywilson.com contains information concerning us. On the Investor Relations page of that website, we provide access to all of Kennedy-Wilson Holdings, Inc. s SEC filings free of charge, as soon as reasonably practicable after filing with the SEC. The information at our Internet website is not incorporated in this prospectus by reference, and you should not consider it a part of this prospectus.

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows certain issuers, including our company, to incorporate by reference information into this prospectus, which means that we can disclose important information about us by referring you to those documents that are considered part of this prospectus but are filed separately with the SEC. Any statement contained in this prospectus or a document incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or therein, or in any other subsequently filed document that also is deemed to be incorporated herein or therein by reference, modifies or supersedes such statement. A statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. We incorporate by reference into this prospectus the documents set forth below that have been previously filed with the SEC; provided, however, that we are not incorporating any information furnished rather than filed on any Current Report on Form 8-K or Form 8-K/A:

Our Annual Report on Form 10-K for the year ended December 31, 2010, as filed with the SEC on March 14, 2011 (File No. 001-33824);

Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, as filed with the SEC on May 9, 2011 (File No. 001-33824);

Our Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, as filed with the SEC on August 9, 2011 (File No. 001-33824);

Our Current Report on Form 8-K filed with the SEC on March 28, 2011 (File No. 001-33824);

Our Current Report on Form 8-K filed with the SEC on April 7, 2011 (File No. 001-33824);

Our Current Report on Form 8-K filed with the SEC on April 13, 2011 (File No. 001-33824);

Our Current Report on Form 8-K filed with the SEC on June 1, 2011 (File No. 001-33824);

Our Current Report on Form 8-K filed with the SEC on June 21, 2011 (File No. 001-33824);

Our Current Report on Form 8-K filed with the SEC on June 24, 2011 (File No. 001-33824);

Our Current Report on Form 8-K filed with the SEC on June 29, 2011 (File No. 001-33824);

Our Current Report on Form 8-K filed with the SEC on August 4, 2011 (File No. 001-33824);

Our Current Report on Form 8-K filed with the SEC on August 19, 2011 (File No. 001-33824);

Our Current Report on Form 8-K filed with the SEC on October 3, 2011 (File No. 001-33824); and

any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act until we complete the exchange offer for the notes or terminate the exchange offer.

See Where You Can Find More Information above for further information concerning how to obtain copies of these SEC filings.

This prospectus incorporates by reference important business and financial information about us that is not included in or delivered with this prospectus. We will provide without charge to each person to whom a copy of this prospectus has been delivered, upon the written or oral request of such person, a copy of any and all of the documents that have been or may be incorporated by reference into this prospectus. Requests for copies of any such document should be directed to the Secretary, Kennedy-Wilson Holdings, Inc., 9701 Wilshire Boulevard, Suite 700, Beverly Hills, California 90212, phone: (310) 887-6400.

IN ORDER TO OBTAIN TIMELY DELIVERY, YOU MUST REQUEST THE INFORMATION NO LATER THAN , , WHICH IS FIVE BUSINESS DAYS BEFORE THE EXPIRATION OF THE EXCHANGE OFFER.

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PROSPECTUS SUMMARY

This summary highlights selected information contained or incorporated by reference in this prospectus and is not complete and does not contain all of the information that you should consider before tendering your notes in the exchange offer. To understand all of the terms of the exchange offer and for a more complete understanding of our business, you should read this summary together with the entire prospectus, including the documents incorporated by reference in this prospectus. References to EBITDA, Adjusted EBITDA and other financial terms shall have the meanings set forth on page 44 under Selected Historical Consolidated Financial Data. EBITDA and Adjusted EBITDA are not recognized terms under accounting principles generally accepted in the United Stated (GAAP). For a discussion of the use of these measures and directly comparable GAAP measures, see pages 44-45 under Selected Historical Consolidated Financial Data.

Our Company

Founded in 1977, we are a diversified, international real estate investment and services firm. We are a vertically-integrated real estate operating company with over 300 professionals in 23 offices throughout the U.S., Japan and Europe. As of June 30, 2011, we had approximately $9.8 billion of real estate assets under our management totaling over 50 million square feet of properties throughout the U.S., Japan and Europe. In addition, we hold ownership interests in 12,906 multifamily apartment units, of which 204 units are owned by our consolidated subsidiaries and 12,702 are held in joint ventures.

Our operations are comprised of two core business units: KW Investments and KW Services.

We have an integrated business model in which our services and investments segments complement each other and drive business across the platform. Our clients consist of a broad range of financial institutions (including banks and insurance companies) and real estate owners who require a full complement of real estate services. We have developed a network of established industry relationships through our services platform, which we believe provides us access to off-market investments, which we source primarily from financial institutions. Since January 1, 2010, approximately 80% of our deals, many of which originated from distressed situations at the seller, have been sourced directly from banks as opposed to competitive auction processes. For the fiscal year ended December 31, 2010 and the six month period ended June 30, 2011, we generated Adjusted EBITDA of $58.4 million and $32.6 million, respectively.

Our Business Segments

KW Investments invests our capital and our equity partners capital in multifamily, residential and office properties as well as loans secured by real estate. KW Services provides a full array of real estate-related services to investors and lenders, with a focus on financial institution based clients.

KW Investments

We invest our capital and our equity partners capital in real estate assets through joint ventures, separate accounts and commingled funds. We are an investment manager that typically acts as the general partner in these investment vehicles with ownership interests ranging from approximately 5% to 50% of the total equity investment in such vehicles. Our equity partners are not affiliated with us and include financial institutions, foundations, endowments, high net worth individuals and other institutional investors. We generally get promoted interests in the profits of our investments beyond our ownership percentage.

Our investment philosophy is based on three core fundamentals:

- significant proprietary deal flow from an established network of industry relationships, particularly with financial institutions;

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- focus on a systematic research process with a disciplined approach to investing; and
- superior in-house operating execution.

Our target investment markets include California, Washington, Hawaii, Japan and certain markets in Europe, which we have identified as areas with dense populations, high barriers to entry, scarcity of land and supply constraints. We typically focus on the following opportunities:

- real estate owners or lenders seeking liquidity;
- under-managed or under-leased assets; and
- repositioning opportunities.

Since 1999, we and our equity partners have invested in 206 transactions, deploying approximately $8.2 billion of capital, including over $3.0 billion of equity. We have liquidated our interests in 94 of these transactions, which have generated an internal rate of return, or IRR, of 42% and an equity multiple (excluding our promoted interest) of 1.64x. In 2010, we and our equity partners acquired over $2.0 billion of real estate assets, with approximately $600 million of equity. Of the more than $2.0 billion in acquisitions in 2010, 65% were in multifamily assets, 32% were in loans secured by real estate and 3% were in other real estate assets. Our current portfolio consists of 114 investments totaling over $3.8 billion of capital, including $1.5 billion of equity provided by our equity partners and us.

Recently, we established Kennedy Wilson Europe, or KWE, by acquiring the Bank of Ireland s Real Estate Investment Management division, or BOI REIM, which resulted in the addition of $2.3 billion to the real estate investments under our management. KWE, with offices in Dublin and London, is currently staffed with 13 real estate professionals who were previously at BOI REIM. While at BOI REIM, our KWE professionals collectively acquired approximately $4 billion of real estate assets, primarily in Western Europe, including $1.5 billion in the United Kingdom.

Our expansion into Europe is based on the same strategy we used to establish operations in Japan nearly two decades ago. Following the global recession of the early 1990s, we began doing business in Japan in 1993 by purchasing loans and real estate assets, which culminated in the initial public offering of Kennedy Wilson Japan (our Japanese asset management division) in 2002. We subsequently sold our ownership interest in Kennedy Wilson Japan and formed KW Residential, a private company that currently owns 50 multifamily assets in Japan comprising 2,410 units. Today, we own 41.5% of KW Residential and the balance is held by subsidiaries of Fairfax Financial Holdings Limited.

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The following chart breaks down our equity investment account information by year of origination, as of June 30, 2011:

The following table breaks down our equity investment account information derived from our consolidated balance sheet by investment type and geographic location as of June 30, 2011:

	($ in millions)					
	Multifamily	**Loans Secured by Real Estate**	**Residential (1)**	**Office**	**Other**	**Total**
California	$ 99.0	$ 68.4	$ 1.5	$ 46.0	$	$ 214.9
Japan	114.9			9.0		123.9
Hawaii		10.8	62.0			72.8
Washington	27.3	3.9	1.8	1.5		34.5
Other	3.0	0.5	0.3	5.5	4.1	13.4
Total	**$ 244.2**	**$ 83.6**	**$ 65.6**	**$ 61.9**	**$ 4.1**	**$ 459.4**

(1) Includes for-sale residential, condominiums and residential land.

KW Services

KW Services offers a comprehensive line of real estate services for the full lifecycle of real estate ownership and investment to clients that include financial institutions, developers, builders and government agencies. KW Services has three business lines: real estate auction and conventional sales, property management services and real estate investment management. These three business lines generate revenue for us through commissions and fees.

Since our inception, we have sold more than $10 billion of real estate through our auction platform and are considered one of the leaders in real estate auction marketing, conducting live and online auctions. Our auction group executes accelerated marketing programs for all types of residential and commercial real estate. From January 1, 2010 through June 30, 2011, we auctioned and conventionally sold over 839 properties in two countries and 19 states, including California, Washington, Hawaii, Oregon, Texas, Nevada, Florida, Georgia, and North Carolina.

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We manage over 50 million square feet of properties for institutional clients and individual investors in the U.S., Japan and Europe, including 12,906 multifamily apartment units, of which 204 units are owned by our consolidated subsidiaries and 12,702 are held in joint ventures. With 23 offices throughout the U.S., Japan and Europe, including five regional hubs, we have the capabilities and resources to provide property management services to real estate owners globally. In addition, through our investment management business, we provide acquisition, asset management and disposition services to our equity partners and to third parties. As of June 30, 2011, we had approximately $9.8 billion of real estate assets under our management, including approximately $2.3 billion in Europe.

Additionally, KW Services plays a critical role in supporting our investment strategy by providing local market intelligence and real-time data for evaluating and valuing investments, generating proprietary transaction flow and creating value through efficient implementation of asset management or repositioning strategies.

Market Opportunity

We operate our business in three real estate markets, the United States, Japan and Europe. We believe that these three markets provide us and our capital partners compelling investment opportunities to execute and realize substantial returns.

United States

We believe that the recent economic, capital and credit markets events have and will continue to create substantial buying opportunities as properties or loans secured by real estate may be purchased at significant discounts to historical cost. Many asset and loan dispositions will result from: (i) highly leveraged property owners who will have loans coming due in 2011 and 2012 but will be unable to refinance; (ii) assets and loan sales directly from financial institutions; and (iii) companies reducing real estate portfolios to raise cash and shore up their balance sheets.

Following the economic crisis of 2008 and 2009, financial institutions continue to face significant pressure on their balance sheets. We believe that, as financial institutions remain under pressure to move assets off of their balance sheets, our strong sourcing relationships will position us to acquire properties at discounts often prior to public auction processes. We believe these institutions will look to firms with whom they have long-standing relationships and that can execute acquisitions quickly and discreetly. Additionally, we have long-standing relationships with regional and international lenders who have demonstrated an ability and willingness to offer financing for investments.

Over the past several years, many U.S. real estate markets have experienced a downturn in occupancy and property values. Unlike the last cycle, this recent downturn was driven by a lack of liquidity and a tightening of credit markets rather than by an oversupply of newly developed real estate. We believe that underlying real estate fundamentals have remained strong, particularly in major metropolitan and downtown areas where supply constraints exist.

Europe

Given the significant deleveraging that is currently taking place across the European Union, we believe that Europe presents significant opportunities for both our KW Investments and KW Services segments. Before the economic crisis of 2008 and 2009, European banks were significant lenders in both the European and U.S. real estate markets. Now that these institutions are facing similar pressure on their balance sheets as U.S. financial institutions, we believe it is likely that they will seek to sell some of their real estate assets, which will lead to increased transaction flow and opportunities for acquisition and investment.

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Japan

Japan s current demographic trends include an influx of migration to major cities, creating strong demand for housing. Our research shows that real estate fundamentals have remained strong in greater Tokyo s residential market and, in particular, in Tokyo s three major wards: Minato-ku, Shibuy-ku, and Setagaya-ku. With diminishing supply of new inventory due to stricter building regulations imposed in 2007, rents for quality assets are expected to remain strong while vacancy rates remain stable. We expect that properties in the greater Tokyo area that are newer and of higher quality will remain acquisition targets for many institutional investors.

Our Competitive Strengths

We believe that we have a unique platform from which to execute our investment and services strategy. We believe the combination of a service business and an investment platform provides us with significant competitive advantages and allows us to generate superior risk adjusted returns. We use our service platform to facilitate the origination of investment opportunities, enhance the investment process and ensure the alignment of interest with our investors. Our competitive strengths include:

Experienced Senior Management Team with Strong Alignment of Interests. Our senior management team has over 125 years of combined real estate experience and has been working together on average for over 15 years. Specifically, our Chief Executive Officer, William McMorrow, has over 30 years of real estate experience, including 22 years at the company, as well as substantial experience as a credit officer for various banking institutions prior to the acquisition of Kennedy-Wilson, Inc. in 1988. Additionally, Mary Ricks, our Executive Vice Chairman and Chief Executive Officer of the commercial investment group has over 23 years of real estate investment and management experience, including 20 years at the company. Members of the executive committee have collectively acquired, developed and managed in excess of $15 billion of real estate investments in the United States and Japan through multiple economic cycles. Our management team, which owns approximately 37% of our outstanding shares, is fully aligned with all of our stakeholders. Furthermore, our Chief Executive Officer and other members of the senior management team also typically contribute personal funds to investments.

Extensive Network of Deep Industry Relationships. We have an established network of long-standing relationships with financial institutions, developers, builders and government agencies that drives significant proprietary deal flow. We have developed these relationships over many years as a result of our long operating history, the significant experience of our senior management team and our local presence and reputation in nearly every major metropolitan market on the West Coast of the United States, as well as in Japan. Also, we recently established operations in Europe through the acquisition of BOI REIM and the establishment of KWE. We believe that our relationship with the Bank of Ireland and our local presence in Europe will facilitate further relationships. Additionally, we have typically developed these relationships through our services platform, where we have conducted business with various divisions of our clients, providing us with significant insight and multiple points of contact. In particular, we have developed strong relationships with a network of financial institutions from which we have directly sourced approximately 80% of our acquisition activity since January 1, 2010.

Proven Track Record. Since 1999, we have successfully liquidated our interests in 94 investments generating a gross IRR of 42% and an equity multiple (excluding our promoted interest) of 1.64x. In addition, we have typically generated a higher return and equity multiple on our invested equity given the structure of our investments, which often entitles us to earn asset, property and/or acquisition fees, together with a promoted interest beyond our ownership percentage upon a sale of the investment.

Investment Discipline and Risk Protection. We maintain a strong culture of investment discipline and risk management. We have engaged in increased investment activity during real estate downturns, when

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we believe the best opportunities are available. For example, we and our equity partners purchased over $2 billion of real estate and loans secured by real estate in 2010, resulting in an increase of our investment account from $212 million to $364 million. We also diversify our portfolio by generally investing in smaller transactions. Since January 1, 2010, the more than $2.8 billion of purchases by our equity partners and us were spread over 174 investments (including each individual loan purchased through loan pools), representing an average transaction size of approximately $16 million. Additionally, we implement a rigorous underwriting process on all of our investments that leverages the full capabilities of our combined services and investment platform. We undertake a thorough examination of property economics and ensure that we possess a critical understanding of market dynamics and risk management strategies in order to mitigate risk and enhance our chances for success.

Conservative Balance Sheet. We maintain a conservative balance sheet with significant liquidity and limited near-term maturities. Our experience through multiple real estate cycles drives our strategy of maintaining a flexible balance sheet, which we believe provides us with a competitive advantage under adverse market conditions by allowing us to quickly capitalize on investment opportunities as they arise. As of June 30, 2011, we had a debt-to-capitalization ratio of 19.7%, net of cash, and a net debt to Adjusted EBITDA ratio of 4.2x. In addition, our equity investment account is substantial relative to our debt obligations. As of June 30, 2011, our equity investment account plus cash was $525.3 million while our total debt was $327.6 million. We have utilized our investment account to achieve an equity multiple (excluding our promoted interest) of 1.64x on investments that we have liquidated since 1999. Additionally, as of June 30, 2011, we had $266.2 million of liquidity, comprised of $191.2 million of cash and $75.0 million available under our undrawn revolving credit facility.

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Our Business Strategy

Our primary business objectives are to increase operating cash flows, maximize the value of our investments and provide best-in-class services to our clients. Specifically, we intend to pursue the following strategies to achieve these objectives:

Leverage the Full Capabilities of our Platform. The combination of a service business (including auctions) and an investment platform provides significant competitive advantages over other real estate buyers operating stand-alone service or investment-focused firms, which we believe allows us to generate superior risk-adjusted returns. The KW Services and KW Investments segments leverage their respective expertise to originate unique investment opportunities, implement a thorough underwriting process and risk mitigation procedures, and create value through intensive, hands-on management. Specifically, we consistently leverage our property management services business and other locally focused services businesses to gain discreet market information on potential investment opportunities. For example, in February 2010, we acquired a loan pool from a regional bank in an off-market transaction as a result of our long-standing relationship as the regional bank s leasing and property manager for its entire branch banking network. Also, in 2010, we acquired a multifamily community in the San Francisco Bay area in an off-market transaction as a result of our ongoing role as the manager of the asset.

Maintain Disciplined Acquisition Strategy. We target undervalued investment opportunities where (i) real estate owners or lenders are seeking liquidity, (ii) assets are under-managed or under-leased or (iii) assets can be repositioned. We successfully executed this strategy during the recent downturn by positioning ourselves to be acquisitive when we believed real estate was most undervalued.

Cultivate and Maintain Relationships Throughout Client Organizations. Both our services and investments businesses maintain relationships at all levels of our clients organizations. We believe that these relationships provide us with additional insight into opportunities for investment and offer us access to proprietary deal flow. We have been able to access off-market proprietary deals through our long-standing relationships, many of which are with financial institutions. Since January 1, 2010, approximately 80% of our deals have been sourced directly from these relationships with financial institutions.

Invest through Joint Ventures. We typically invest our capital through joint ventures, separate accounts and commingled funds where we are the general partner with ownership interests ranging from 5% to 50%. As discussed above, our equity partners include financial institutions, foundations, endowments, high net worth individuals and other institutional investors. As a general partner we generally oversee the day-to-day operations of our investments and earn asset management and/or property management fees and often earn a promoted interest upon disposition of the investment. Additionally, we typically obtain mortgage debt on our properties with loan-to-cost ratios ranging from 50% to 65% that is generally non-recourse to us and our equity partners. For example, in 2010 we formed a new joint venture platform, which provides for a capital commitment from a joint venture partner in the amount of $250 million, together with our commitment of $28 million. The commitment from the partner includes a three-year investment period and we have the right to earn asset management, property management and acquisition fees, in addition to our pro rata share of cash flow from operations, sales proceeds and a promoted interest above a specified return threshold. As of June 30, 2011, the partner had contributed $208 million of capital into five joint ventures.

Apply Property Management Expertise to Improve Portfolio Operations. We consistently work to increase our portfolio s operating efficiencies by applying our property management expertise, which we believe enhances the value of our properties and produces more compelling returns for us and our equity partners. Upon acquiring a property we typically assess the need for improvements and will

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invest between 5% and 50% of the property value, allowing for further asset appreciation. Additionally, our service capabilities provide us with significant insight into market conditions and trends, which allows us to evaluate and implement the optimal asset management strategy.

Maintain a Flexible Balance Sheet. We intend to maintain moderate leverage at all times given the cyclical nature of the real estate industry and our desire to be nimble and liquid during downturns. We believe such flexibility will allow us to capitalize on attractive investment opportunities. Although our debt-to-book equity increased to 0.91x at June 30, 2011 from 0.63x at June 30, 2010, we remain focused on prudently investing our cash to generate returns that will reduce that multiple.

Our principal executive offices are located at 9701 Wilshire Boulevard, Suite 700, Los Angeles, California 90212, and our telephone number is (310) 887-6400.

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The Exchange Offer

In this prospectus, the term outstanding notes refers to our 8.750% Senior Notes due 2019 and the related guarantees issued in two private placements on April 5, 2011 and April 12, 2011, for a total aggregate principal amount of $250,000,000. See Description of the Notes. The term exchange notes refers to our 8.750% Senior Notes due 2019 and the related guarantees, as registered under the Securities Act, offered by this prospectus. The term notes refers, collectively, to the outstanding notes and the exchange notes.

The summary below describes the principal terms of the exchange offer. See also the section of this prospectus titled The Exchange Offer, which contains a more detailed description of the terms and conditions of the exchange offer.

General

In connection with the two private placements, we entered into two registration rights agreements with the purchasers in which we agreed, among other things, to deliver this prospectus to you and to obtain the effectiveness of the registration statement on Form S-4 of which this prospectus is a part within 270 days after the date of original issuance of the outstanding notes. The terms of these Registration Rights Agreements were substantially similar. You are entitled to exchange in the exchange offer your outstanding notes for exchange notes, which are identical in all material respects to the outstanding notes except:

- the exchange notes will have been registered under the Securities Act;
- the exchange notes are not entitled to any registration rights that are applicable to the outstanding notes under the registration rights agreement; and
- the provisions of the registration rights agreements that provide for payment of additional amounts upon a registration default are no longer applicable.

The Exchange Offer

We are offering to exchange up to $250,000,000 aggregate principal amount of our 8.750% Senior Notes due 2019 and the related guarantees, which have been registered under the Securities Act, for any and all of our outstanding 8.750% Senior Notes due 2019 and the related guarantees.

Outstanding notes may be exchanged only in denominations of $2,000 and in integral multiples of $1,000 in excess thereof.

Subject to the satisfaction or waiver of specified conditions, we will exchange the exchange notes for all outstanding notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer. We will cause the exchange to be effected promptly after the expiration of the exchange offer.

Resale

Based on interpretations by the staff of the SEC set forth in no-action letters issued to third parties, we believe that the exchange notes issued pursuant to the exchange offer in exchange for outstanding notes may be offered for resale, resold and otherwise transferred by you (unless you are our affiliate within the meaning of Rule 405

	under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that: you are acquiring the exchange notes in the ordinary course of your business; and you have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of the exchange notes. If you are a broker-dealer and receive exchange notes for your own account in exchange for outstanding notes that you acquired as a result of market-making activities or other trading activities, you must acknowledge that you will deliver this prospectus in connection with any resale of the exchange notes. See Plan of Distribution.
Expiration Date	The exchange offer expires at 5:00 p.m., New York City time, on , , unless extended by us. We do not currently intend to extend the expiration date.
Withdrawal	You may withdraw any tender of your outstanding notes at any time prior to the expiration of the exchange offer. We will return to you any of your outstanding notes that are not accepted for any reason for exchange, without expense to you, promptly after the expiration or termination of the exchange offer.
Interest on the Exchange Notes and the Outstanding Notes	Each exchange note bears interest at the rate of 8.750% per annum from the original issuance date of the outstanding notes or from the most recent date on which interest has been paid on the notes. The interest on the notes is payable on April 1 and October 1 of each year, beginning on October 1, 2011. No interest will be paid on outstanding notes following their acceptance for exchange.
Conditions to the Exchange Offer	The exchange offer is subject to customary conditions, which we may assert or waive. See The Exchange Offer Conditions to the Exchange Offer.
Procedures for Tendering Outstanding Notes	If you wish to participate in the exchange offer, you must complete, sign and date the accompanying letter of transmittal, or a facsimile of the letter of transmittal, according to the instructions contained in this prospectus and the letter of transmittal. You must then mail or otherwise deliver the letter of transmittal, or a facsimile of the letter of transmittal, together with the outstanding notes and any other required documents, to the exchange agent at the address set forth on the cover page of the letter of transmittal. If you hold outstanding notes through The Depository Trust Company (DTC) and wish to participate in the exchange offer, you must comply with the procedures under DTC s Automated Tender Offer Program by which you will agree to be bound by the letter of

transmittal. By signing, or agreeing to be bound by, the letter of transmittal, you will represent to us that, among other things:

- you do not have an arrangement or understanding with any person or entity to participate in the distribution of the exchange notes;
- you are not our affiliate within the meaning of Rule 405 under the Securities Act;
- you are not engaged in, and do not intend to engage in, a distribution of the exchange notes;
- you are acquiring the exchange notes in the ordinary course of your business; and
- if you are a broker-dealer that receives exchange notes for your own account in exchange for outstanding notes that were acquired as a result of market-making activities, that you will deliver a prospectus, as required by law, in connection with any resale of such exchange notes.

Special Procedures for Beneficial Owners

If you are a beneficial owner of outstanding notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender those outstanding notes in the exchange offer, you should contact the registered holder promptly and instruct the registered holder to tender those outstanding notes on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date.

Guaranteed Delivery Procedures

If you wish to tender your outstanding notes and your outstanding notes are not immediately available or you cannot deliver your outstanding notes, the letter of transmittal or any other required documents, or you cannot comply with the procedures under DTC s Automated Tender Offer Program for transfer of book-entry interests, prior to the expiration date, you must tender your outstanding notes according to the guaranteed delivery procedures described under The Exchange Offer Guaranteed Delivery Procedures.

Effect on Holders of Outstanding Notes

As a result of the making of, and upon acceptance for exchange of all validly tendered outstanding notes pursuant to the terms of, the exchange offer, we will have fulfilled a covenant under the registration rights agreements. Accordingly, there will be no increase in the interest rate on the outstanding notes under the circumstances described in the registration rights agreements. If you do not tender your outstanding notes in the exchange offer, you will continue to be entitled to all the rights and limitations applicable to the outstanding notes as set forth in the indenture under which the outstanding notes were issued, except we will not have any further obligation to you to

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	provide for the exchange and registration of the outstanding notes and related guarantees under the applicable registration rights agreement. To the extent that outstanding notes are tendered and accepted in the exchange offer, the trading market for outstanding notes could be adversely affected.
Consequences of Failure to Exchange	All untendered outstanding notes will continue to be subject to the restrictions on transfer set forth in the outstanding notes and in the indenture under which the outstanding notes were issued. In general, the outstanding notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offer, we do not anticipate that we will register the outstanding notes under the Securities Act.
U.S. Federal Income Tax Consequences of the Exchange Offer	The exchange of outstanding notes for exchange notes in the exchange offer will not be a taxable event for United States federal income tax purposes. See United States Federal Income Tax Considerations.
Use of Proceeds	We will not receive any cash proceeds from the issuance of exchange notes in the exchange offer. See Use of Proceeds.
Exchange Agent	Wilmington Trust, National Association is the exchange agent for the exchange offer. The addresses and telephone numbers of the exchange agent are set forth under The Exchange Offer Exchange Agent.

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The Exchange Notes

The summary below describes the principal terms of the exchange notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of the Notes section of this prospectus contains more detailed descriptions of the terms and conditions of the outstanding notes and the exchange notes. The exchange notes will have terms identical in all material respects to the outstanding notes, except that the exchange notes will be registered under the Securities Act and will not contain terms with respect to transfer restrictions, registration rights and additional payments upon a failure to fulfill certain of our obligations under the registration rights agreements.

Issuer	Kennedy-Wilson, Inc.
Securities Offered	$250,000,000 in aggregate principal amount of 8.750 % Senior Notes due 2019 and the related guarantees.
Maturity	April 1, 2019
Interest Rate	The exchange notes bear interest at a rate of 8.750% per annum.
Interest Payment Dates	The interest on the exchange notes is payable on April 1 and October 1 of each year, beginning on October 1, 2011. Interest accrues from the original issuance date of the outstanding notes or from the most recent date on which interest has been paid on the notes.
Guarantees	The exchange notes will be guaranteed by Kennedy-Wilson Holdings, Inc. and, subject to certain exceptions, each material existing and future domestic subsidiary of Kennedy-Wilson, Inc. The guarantees by the guarantors of the notes will rank equal in right of payment to all existing and future senior indebtedness of the guarantors and senior in right of payment to any of the guarantor s existing and future subordinated indebtedness.
Ranking	The exchange notes will be our senior unsecured obligations and will: rank senior in right of payment to all of our future subordinated indebtedness; rank equally in right of payment with all our future senior indebtedness; be effectively subordinated in right of payment to all of our secured indebtedness to the extent of the value of the assets securing such debt; and be structurally subordinated in right of payment to all existing and future indebtedness of any of our subsidiaries (other than indebtedness and liabilities owed

to us or one of our subsidiaries).

As of June 30, 2011, we and our subsidiaries that are guarantors, had approximately $260 million of total senior indebtedness outstanding, of which:

- $10 million consisted of secured non-recourse mortgage indebtedness;

- $250 million consisted of the outstanding notes; and

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we had no indebtedness outstanding under our unsecured revolving credit facility, and would have $75 million of availability thereunder.

As of June 30, 2011, we had $40 million of subordinated indebtedness consisting entirely of our junior subordinated debentures due 2037 (the 2037 debentures).

In addition, as of such date, we had $24 million aggregate principal amount of guarantees that we provided in connection with loans secured by assets held in various joint ventures which are recourse to us.

As of June 30, 2011, revenues of our non-guarantor subsidiaries constituted approximately 18.8% of our consolidated revenues and the operating income of such non-guarantor subsidiaries was approximately $0.6 million. As of June 30, 2011, the total assets of such subsidiaries constituted approximately 8.4% of our consolidated total assets, and such subsidiaries had $28.7 million of secured non-recourse mortgage indebtedness, of which none is recourse to us.

Optional Redemption	At any time prior to April 1, 2015, we may redeem the exchange notes, in whole or in part, at a price equal to 100% of the principal amount, plus an applicable make-whole premium and accrued and unpaid interest, if any, to the redemption date, as described under the caption Description of the Notes Optional Redemption.
	At any time and from time to time on or after April 1, 2015, we may redeem the exchange notes, in whole or in part, at the redemption prices specified under the caption Description of the Notes Optional Redemption, plus accrued and unpaid interest, if any, to the date of redemption.
	Until April 1, 2015, we can choose to redeem the exchange notes in an amount not to exceed in aggregate 35% of the original principal amount of the exchange notes together with any additional notes issued under the indenture with money we or Kennedy-Wilson Holdings, Inc. raise in certain equity offerings as described under the caption Description of the Notes Optional Redemption.
Fundamental Change	Upon a fundamental change (as defined under Description of the Notes), we will be required to make an offer to purchase the exchange notes. The purchase price will equal 101% of the principal amount of the exchange notes on the date of purchase plus accrued and unpaid interest. We may not have sufficient funds available at the time of any fundamental change to make any required debt repayment (including repurchases of the notes). See Risk Factors Risks Related to the Notes We may not have the ability to raise the funds necessary to finance a fundamental change offer.

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Certain Covenants	The indenture governing the exchange notes contains covenants that limit our ability and the ability of certain of our subsidiaries to: incur or guarantee additional indebtedness; pay dividends or distributions on capital stock or redeem or repurchase capital stock; make investments; create restrictions on the payment of dividends or other amounts to us; sell stock of our subsidiaries; transfer or sell assets; create liens; enter into sale/leaseback transactions; enter into transactions with affiliates; and enter into mergers or consolidations. However, these limitations are subject to a number of important qualifications and exceptions. See Description of the Notes Certain Covenants.
Book-Entry	The exchange notes will be issued in book-entry form and will be represented by global certificates deposited with, or on behalf of, DTC and registered in the name of Cede & Co., DTC s nominee. Beneficial interests in the exchange notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee; and these interests may not be exchanged for certificated notes, except in limited circumstances. See Description of the Notes Book-Entry, Delivery and Form and Description of the Notes Exchange of Global Notes for Certificated Notes.
No Listing	The exchange notes will not be listed on any securities exchange or market.

Risk Factors

You should carefully consider all of the information included and incorporated by reference in this prospectus. See Risk Factors included in this prospectus beginning on page 20. In addition, you should review the information set forth under Forward-Looking Statements before deciding to tender your outstanding notes in the exchange offer.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The following summary historical consolidated financial data for the years ended December 31, 2010, 2009 and 2008 have been derived from our audited consolidated financial statements incorporated by reference herein. The same information for the six-month periods ended June 30, 2011 and 2010 has been derived from our unaudited consolidated financial statements incorporated by reference herein.

The financial data set forth in this table are not necessarily indicative of the results of future operations and should be read in conjunction with our SEC filings and our audited consolidated financial statements and accompanying notes thereto incorporated by reference herein.

Some of the financial data set forth below reflects the effects of, and may not total due to, rounding.

Statements of Operations:	Six Months Ended June 30,		Year Ended December 31,		
	2011	**2010**	**2010**	**2009**	**2008**
Revenue					
Management and leasing fees	$ 4,795,000	$ 4,213,000	$ 8,913,000	$ 9,026,000	$ 10,671,000
Management and leasing fees related party	5,162,000	5,760,000	12,417,000	10,138,000	8,380,000
Commissions	3,513,000	2,380,000	6,359,000	4,204,000	5,906,000
Commissions related party	1,657,000	2,285,000	5,375,000	727,000	4,295,000
Sale of real estate	417,000	3,937,000	3,937,000	52,699,000	
Sale of real estate related party			9,535,000	6,698,000	
Rental and other income	1,693,000	1,297,000	4,000,000	2,743,000	2,973,000
Total revenue	**$ 17,237,000**	**$ 19,872,000**	**$ 50,536,000**	**$ 86,235,000**	**$ 32,225,000**
Operating expenses					
Commission and marketing expenses	1,373,000	1,769,000	3,186,000	3,411,000	2,827,000
Compensation and related expenses	16,089,000	16,986,000	38,155,000	24,789,000	21,292,000
Merger-related compensation and related expenses			2,225,000	12,468,000	
Cost of real estate sold	397,000	2,714,000	2,714,000	36,179,000	
Cost of real estate sold related party			8,812,000	5,752,000	
General and administrative	5,853,000	4,806,000	11,314,000	6,351,000	6,074,000
Merger-related general and administrative				3,652,000	
Depreciation and amortization	897,000	581,000	1,618,000	1,122,000	920,000
Rental operating expense	1,053,000	524,000	1,913,000	1,148,000	1,458,000
Total operating expenses	**$ 25,662,000**	**$ 27,380,000**	**$ 69,937,000**	**$ 94,872,000**	**$ 32,571,000**
Equity in joint venture income	7,807,000	(29,000)	10,548,000	8,019,000	10,097,000
Interest income from loan pool participations and notes receivable	4,787,000	3,741,000	11,855,000		
Operating income (loss)	**$ 4,169,000**	**($ 3,796,000)**	**$ 3,002,000**	**($ 618,000)**	**$ 9,751,000**

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Statements of Operations:	Six Months Ended June 30, 2011	2010	Year Ended December 31, 2010	2009	2008
Non-operating income (expense)					
Interest income	190,000	115,000	192,000	102,000	221,000
Interest income related party	477,000	386,000	662,000	400,000	341,000
Remeasurement gain	6,348,000	2,108,000	2,108,000		
Gain on early extinguishment of mortgage debt		16,670,000	16,670,000		
Loss on early extinguishment of corporate debt			(4,788,000)		
Interest expense	(7,757,000)	(4,294,000)	(7,634,000)	(13,174,000)	(8,596,000)
Other than temporary impairment				(328,000)	(445,000)
Income (loss) before (provision for) benefit from income taxes	**$ 3,427,000**	**$ 11,189,000**	**$ 10,212,000**	**($ 13,618,000)**	**$ 1,272,000**
(Provision for) benefit from income taxes	(835,000)	(3,952,000)	(3,727,000)	3,961,000	(605,000)
Net income (loss)	**$ 2,592,000**	**$ 7,237,000**	**$ 6,485,000**	**($ 9,657,000)**	**$ 667,000**
Net income attributable to the noncontrolling interests	(1,337,000)	(1,159,000)	(2,979,000)	(5,679,000)	(54,000)
Net income (loss) attributable to Kennedy-Wilson Holdings, Inc.	**$ 1,255,000**	**$ 6,078,000**	**$ 3,506,000**	**($ 15,336,000)**	**$ 613,000**

Statements of Cash Flow Data:	Six Months Ended June 30, 2011	2010	Year Ended December 31, 2010	2009	2008
Cash flow (used in) provided by:					
Operating activities	$ (12,876,000)	$ (8,657,000)	$ 2,157,000	$ (25,226,000)	$ (14,669,000)
Investing activities	(67,331,000)	(64,252,000)	(114,836,000)	69,007,000	(96,773,000)
Financing activities	223,532,000	103,676,000	91,160,000	(15,707,000)	112,625,000
Balance Sheet Data:					
Cash and cash equivalents	$ 191,218,000	$ 92,207,000	$ 46,968,000	$ 57,784,000	$ 25,831,000
Total assets	741,002,000	500,866,000	487,848,000	336,257,000	256,837,000
Total debt	327,574,000	183,172,000	127,782,000	127,573,000	131,423,000
Total Kennedy-Wilson Holdings, Inc. stockholders equity	348,282,000	285,901,000	300,192,000	177,314,000	105,551,000
Other Selected Data:					
EBITDA(1)	$ 30,099,000	$ 24,427,000	$ 48,108,000	$ 18,620,000	$ 25,953,000
Adjusted EBITDA(2)	32,564,000	30,573,000	58,427,000	37,054,000	26,968,000
Investment Account(3)	459,400,000	291,792,000	363,700,000	211,522,000	165,165,000
Certain Pro Forma Financial Ratios(4):			**Pro Forma**		
Ratio of Adjusted EBITDA less our share of joint venture interest expense / corporate interest expense(5)	1.7x		1.7x		

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(1) EBITDA represents net income (loss) before interest expense, our share of interest expense included in income from investments in joint ventures and loan pool participations, depreciation and amortization, our share of depreciation and amortization included in income from investments in joint ventures, loss on early extinguishment of corporate debt and income taxes. We do not adjust EBITDA for gains or losses on the extinguishment of mortgage debt as we are in the business of purchasing discounted notes secured by real estate and, in connection with these note purchases, we may resolve these loans through discounted payoffs with the borrowers. EBITDA is not a recognized term under GAAP and does not purport to be an alternative to net earnings as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Additionally, EBITDA is not intended to be a measure of free cash flow available for management s discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Our presentation of EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. EBITDA is not calculated under GAAP and should not be considered in isolation or as a substitute for net income, cash flows or other financial data prepared in accordance with GAAP or as a measure of our overall profitability or liquidity. Our management believes EBITDA is useful in evaluating our operating performance compared to that of other companies in our industry because the calculation of EBITDA generally eliminates the effects of financing and income taxes and the accounting effects of capital spending and acquisitions. Such items may vary for different companies for reasons unrelated to overall operating performance. Additionally, we believe EBITDA is useful to investors to assist them in getting a more accurate picture of our results from operations.

(2) Adjusted EBITDA represents EBITDA, as defined above, adjusted to exclude merger related expenses and stock based compensation expense. Our management uses Adjusted EBITDA to analyze our business because it adjusts EBITDA for items we believe do not have an accurate reflection of the nature of our business going forward. Such items may vary for different companies for reasons unrelated to overall operating performance. Additionally, we believe Adjusted EBITDA is useful to investors to assist them in getting a more accurate picture of our results from operations.

(3) Investment Account is defined as investments in joint ventures plus real estate plus notes receivable plus loan pool participations less mortgage debt.

(4) These financial ratios are presented on a pro forma basis for the six months ended June 30, 2011 and for the year ended December 31, 2010 as if the incurrence of $250 million of indebtedness from the issuance of our 8.750% senior notes ($200 million of which we incurred on April 5, 2011 and $50 million of which we incurred on April 12, 2011) and the related use of proceeds to pay down other indebtedness had occurred on January 1, 2011 and January 1, 2010, respectively.

(5) Corporate interest expense is defined as total interest expense less our share of joint venture interest expense.

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The following table sets forth a reconciliation of EBITDA and Adjusted EBITDA to Net income (loss), the most directly comparable GAAP financial measure, for each of the periods indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2011	2010	2010	2009	2008
Net income (loss)	$ 2,592,000	$ 7,237,000	$ 6,485,000	($ 9,657,000)	$ 667,000
Add back:					
Interest expense	7,757,000	4,294,000	7,634,000	13,174,000	8,596,000
Kennedy-Wilson s share of interest expense included in investment in joint ventures and loan pool participations	10,309,000	4,209,000	13,802,000	10,468,000	10,095,000
Depreciation and amortization	897,000	581,000	1,618,000	1,122,000	920,000
Kennedy-Wilson s share of depreciation and amortization included in investment in joint ventures	7,709,000	4,154,000	10,054,000	7,474,000	5,070,000
Write-off of unamortized beneficial conversion on extinguishment of corporate debt			4,788,000		
Income taxes	835,000	3,952,000	3,727,000	(3,961,000)	605,000
EBITDA	**$ 30,099,000**	**$ 24,427,000**	**$ 48,108,000**	**$ 18,620,000**	**$ 25,953,000**
Add back:					
Merger related and other deal expenses[(1)]		$ 2,225,000	$ 2,225,000	$ 16,120,000	
Non-cash stock compensation expense[(2)]	2,465,000	3,921,000	8,094,000	2,314,000	1,015,000
Adjusted EBITDA	**$ 32,564,000**	**$ 30,573,000**	**$ 58,427,000**	**$ 37,054,000**	**$ 26,968,000**

(1) Expenses incurred in connection with the merger of one of our subsidiaries with and into Kennedy-Wilson, Inc. in 2009.

(2) Expenses related to stock based compensation pursuant to our equity participation plan and the award of restricted stock to certain of our executive officers.

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RISK FACTORS

Before deciding to tender your outstanding notes in the exchange offer, you should consider the risks described below and the other information included or incorporated by reference in this prospectus. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations. In any such case, the market price of our exchange notes could decline and you could lose all or part of your investment. In addition, we may not be able to make payments of interest and principal on the exchange notes.

Risks Relating to the Exchange Offer

If you do not exchange your outstanding notes in the exchange offer, the transfer restrictions currently applicable to your outstanding notes will remain in force and the market price of your outstanding notes could decline.

If you do not exchange your outstanding notes for exchange notes in the exchange offer, then you will continue to be subject to the transfer restrictions on the outstanding notes as set forth in the offering memoranda distributed in connection with the private offerings of the outstanding notes. In general, the outstanding notes may not be offered or sold unless they are registered, or exempt from registration, under the Securities Act (including pursuant to Rule 144 under the Securities Act, as and when available) and applicable state securities laws. Except as required by the registration rights agreements, we do not intend to register resales of the outstanding notes under the Securities Act. You should refer to Prospectus Summary The Exchange Offer and The Exchange Offer for information on how to tender your outstanding notes.

The tender of outstanding notes under the exchange offer will reduce the aggregate principal amount of the outstanding notes, which may have an adverse effect upon, and increase the volatility of, the market prices of the outstanding notes due to reduction in liquidity. In addition, if you do not exchange your outstanding notes in the exchange offer, you will no longer be entitled to exchange your outstanding notes for exchange notes registered under the Securities Act and you will no longer be entitled to have your outstanding notes registered for resale under the Securities Act.

Your ability to transfer the exchange notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the exchange notes.

We do not intend to apply for listing of the exchange notes on a securities exchange or market. The exchange notes are a new issue of securities for which there is no established public market. The initial purchasers in the private offering of the outstanding notes have advised us that they intend to make a market in the exchange notes as permitted by applicable laws and regulations; however, the initial purchasers are not obligated to make a market in any of the exchange notes, and they may discontinue their market-making activities at any time without notice. In addition, such market-making activity may be limited during the pendency of the exchange offer. Therefore, an active market for any of the exchange notes may not develop or, if developed, it may not continue. In addition, subsequent to their initial issuance, the exchange notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

Risks Relating to the Notes

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the notes.

As of June 30, 2011, we and our subsidiaries had $328.2 million of outstanding indebtedness, of which $38.2 million was secured non-recourse mortgage indebtedness, $250 million was senior indebtedness, consisting of the outstanding notes, and $40.0 million was subordinated in right of payment to the notes. In addition, as of such date, we had $24 million aggregate principal amount of guarantees that we provided in connection with loans secured by assets held in various joint ventures which are recourse to us. Our substantial indebtedness could have important consequences for you including:

- it may limit our ability to borrow money or sell stock to fund our working capital, capital expenditures and debt service requirements;
- it may limit our flexibility in planning for, or reacting to, changes in our business;
- we may be more highly leveraged than some of our competitors, which may place us at a competitive disadvantage;
- it may make us more vulnerable to a downturn in our business or the economy;
- the debt service requirements of our other indebtedness could make it more difficult for us to make payments on the notes;
- a substantial portion of our cash flow from operations could be dedicated to the repayment of our indebtedness and would not be available for other purposes; and there would be a material adverse effect on our business and financial condition if we were unable to service our indebtedness or obtain additional financing, as needed.

In addition, the indenture governing the notes, the indenture governing our 2037 debentures and our unsecured revolving credit facility contain financial and restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our debts.

Despite our substantial indebtedness, we may still incur significantly more debt. This could exacerbate the risks described above.

The terms of the indenture governing the notes and our unsecured revolving credit facility permit us and our subsidiaries to incur significant additional indebtedness in the future. As of June 30, 2011, we had approximately $75.0 million available for additional borrowing under our unsecured revolving credit facility, subject to certain conditions.

We may not have the ability to raise the funds necessary to finance a fundamental change offer.

Upon the occurrence of a fundamental change (as defined in the indenture), which includes a change of control event or a delisting of our common stock, we will be required to offer to repurchase all the notes. We cannot assure you that there will be sufficient funds available for us to make any required repurchases of the notes upon a change of control. In addition, our unsecured revolving credit facility provides that the occurrence of a change of control constitutes a default. Our failure to purchase tendered notes would constitute a default under the indenture governing the notes,which, in turn, would constitute a default under the credit facility. See Description of the Notes Fundamental Change.

In the event of a change of control or termination of trading of our common stock, our Series A and Series B preferred stock is redeemable at the option of the stockholders thereof.

Under the indenture governing the notes, upon the occurrence of a fundamental change (as defined in the indenture), which includes a change of control event or a delisting of our common stock, each noteholder will have the right to require us to purchase such noteholder s notes at a purchase price equal to 101% of the principal amount on the date of purchase plus accrued and unpaid interest, if any. The occurrence of a fundamental change will also trigger a redemption right held by the holders of our series A and series B preferred stock under the applicable certificate of designation. Under the terms of the indenture governing the notes, we may not make any restricted payment to redeem the series A and series B preferred stock, unless we have restricted payment capacity or we have previously made an offer to noteholders to purchase their notes. If the noteholders, however,

fail for any reason to tender their notes under our offer to purchase them and our preferred stockholders accept our offer to purchase the series A and series B preferred stock, we will be required to use cash to fund the purchase of our series A and series B preferred stock. In the event this occurs, it may make it more difficult for us to make scheduled payments on the untendered notes. See Description of the Notes Fundamental Change. In addition, we may not redeem the series A and series B preferred stock without the consent of the lenders under our unsecured revolving credit facility. Our failure to purchase Series A and B preferred stock could give the holders thereof a legal claim against us.

A subsidiary guarantee could be voided if it constitutes a fraudulent transfer under U.S. bankruptcy or similar state law, which would prevent the holders of the notes from relying on that subsidiary to satisfy claims.

Under U.S. bankruptcy law and comparable provisions of state fraudulent transfer laws, a subsidiary guarantee can be voided, or claims under the subsidiary guarantee may be subordinated to all other debts of that subsidiary guarantor if, among other things, the subsidiary guarantor, at the time it incurred the indebtedness evidenced by its subsidiary guarantee or, in some states, when payments become due under the subsidiary guarantee, received less than reasonably equivalent value or fair consideration for the incurrence of the subsidiary guarantee and:

- was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which the subsidiary guarantor s remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

A subsidiary guarantee may also be voided, without regard to the above factors, if a court finds that the subsidiary guarantor entered into the subsidiary guarantee with the actual intent to hinder, delay or defraud its creditors.

A court would likely find that a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its subsidiary guarantee if the subsidiary guarantor did not substantially benefit directly or indirectly from the issuance of the notes. If a court were to void a subsidiary guarantee, you would no longer have a claim against the subsidiary guarantor. Sufficient funds to repay the notes may not be available from other sources, including the remaining guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from the subsidiary guarantor.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon the governing law. Generally, a subsidiary guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;
- the present fair saleable value of its assets were less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they became absolute and mature; or
- it could not pay its debts as they became due.

Each subsidiary guarantee will contain a provision intended to limit the subsidiary guarantor s liability to the maximum amount that it could incur without causing the incurrence of obligations under its subsidiary guarantee to be a fraudulent transfer. This provision may not be effective to protect the subsidiary guarantees from being voided under fraudulent transfer law.

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The notes will not be guaranteed by all of our subsidiaries.

The notes will not be guaranteed by a number of our subsidiaries. To the extent that any of our subsidiaries do not guarantee the notes, the notes will be structurally subordinated to all existing and future obligations, including indebtedness, of such non-guarantor subsidiaries. The claims of creditors of the non-guarantor subsidiaries, including trade creditors, will have priority as to the assets of those subsidiaries. As a result, if we default on our obligations under the notes, you will not have any claims against any of our subsidiaries that do not provide guarantees of the notes. As of June 30, 2011, revenues of our non-guarantor subsidiaries constituted approximately 18.8% of our consolidated revenues, and the operating income of such non-guarantor subsidiaries was approximately $0.6 million. As of June 30, 2011, the total assets of such subsidiaries constituted approximately 8.4% of our consolidated total assets, and such subsidiaries had $28.7 million of secured non-recourse mortgage indebtedness, of which none is recourse to us.

We may not have access to the cash flow and other assets of our subsidiaries and our joint ventures that may be needed to make payment on the notes.

Although our operations are conducted through our subsidiaries and joint ventures, our subsidiaries and joint ventures are not obligated to make funds available to us for payment on the notes. Accordingly, our ability to make payments on the notes is dependent on the earnings and the distribution of funds from our subsidiaries and joint ventures. Furthermore, our subsidiaries will be permitted under the terms of the indenture governing the notes, our unsecured revolving credit facility and other indebtedness to incur additional indebtedness that may severely restrict or prohibit the making of distributions, the payment of dividends or the making of loans by such subsidiaries to us. We cannot assure you that the agreements governing the future indebtedness of our subsidiaries will permit our subsidiaries to provide us with sufficient dividends, distributions or loans to fund scheduled interest and principal payments on these notes when due.

To service our indebtedness, including the notes, we will require a significant amount of cash. The ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness, including the notes, and to fund planned capital expenditures will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We cannot assure you, however, that our business will generate sufficient cash flow from operations, that current capital spending projects will not require significant additional funds to complete or be successful, or that future borrowings will be available to us in an amount sufficient to enable us to pay our indebtedness, including the notes, or to fund our other liquidity needs. If we consummate an acquisition, our debt service requirements could increase. We may need to refinance all or a portion of our indebtedness, including the notes on or before maturity. We cannot assure you that we will be able to refinance any of our indebtedness, including our unsecured revolving credit facility and the notes, on commercially reasonable terms or at all.

We cannot assure you that an active trading market will be maintained for the notes.

The liquidity of the trading market in the notes and the market price quoted for the notes may be adversely affected by changes in the overall market for high yield securities and by changes in our financial performance or prospects or in the financial performance or prospects of companies in our industry generally. As a result, we cannot assure you that an active trading market will be maintained for the notes. If an active market is not maintained, the market price of the notes may decline and the liquidity of the notes may be limited.

Ratings of the notes may affect the market price and marketability of the notes.

The notes are rated B1 by Moody s Investors Service, Inc. and BB- Standard & Poor s Ratings Services. Such ratings are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the view of each rating agency at the time the rating is issued. An explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such credit ratings will be issued or remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency s judgment, circumstances so warrant. It is also possible that such ratings may be lowered in connection with future events, such as future acquisitions. Holders of notes will have no recourse against us or any other parties in the event of a change in or suspension or withdrawal of such ratings. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price or marketability of the notes.

Our debt agreements contain restrictions that limit our flexibility in operating our business.

The indenture governing the notes and our unsecured revolving credit facility contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our and our restricted subsidiaries ability to, among other things:

- incur additional debt;
- pay dividends or make other distributions;
- redeem stock;
- issue stock of subsidiaries;
- make certain investments;
- create liens;
- enter into transactions with affiliates; and
- merge, consolidate or transfer all or substantially all of our assets.

Additionally, the agreement governing our unsecured revolving credit facility requires us to maintain certain financial ratios. A breach of any of these covenants could result in a default under the indenture governing the notes and the agreement governing our unsecured revolving credit facility. We may also be unable to take advantage of business opportunities that arise because of the limitations imposed on us by the restrictive covenants under our indebtedness.

Risks Relating to Our Business

The success of our business is significantly related to general economic conditions and the real estate industry and, accordingly, our business could be harmed by an economic slowdown and downturn in real estate asset values, property sales and leasing activities.

Our business is closely tied to general economic conditions in the real estate industry. As a result, our economic performance, the value of our real estate and real estate secured notes, and our ability to implement our business strategies may be affected by changes in national and local economic conditions. The condition of the real estate markets in which we operate tends to be cyclical and related to the condition of the economy in the U.S., Japan and Europe as a whole and to the perceptions of investors of the overall economic outlook. Rising interest rates, declining employment levels, declining demand for real estate, declining real estate values or periods of general economic slowdown or recession or the perception that any of these events may occur have negatively impacted the real estate market in the past and may in the future negatively affect our performance. In addition, the economic condition of each local market where we operate may be dependent on one or more industries. Our ability to change our portfolio promptly in response to economic or other conditions is limited. Certain significant expenditures, such as debt service costs, real estate taxes, and operating and maintenance costs are generally not reduced when market conditions are poor. These factors would impede us from responding quickly to changes in the performance of our investments and could adversely impact our business, financial condition and results of operations. We have experienced in past years, and expect in the future to be negatively impacted by, periods of economic slowdown or recession, and corresponding declines in the demand for real estate and related services, within the markets in which we operate. The previous recession and the downturn in the real estate market have resulted in and/or may result in:

- a general decline in rents due to defaulting tenants or less favorable terms for renewed or new leases;
- fewer purchases and sales of properties by clients, resulting in a decrease in property management fees and brokerage commissions;
- a decline in actual and projected sale prices of our properties resulting in lower returns on the properties in which we have invested;
- higher interest rates, higher loan costs, less desirable loan terms and a reduction in the availability of mortgage loans and mezzanine financing, all of which could increase costs and could limit our ability to acquire additional real estate assets; and
- a decrease in the availability of lines of credit and other sources of capital used to purchase real estate investments and distressed notes.

If the economic and market conditions that prevailed in 2008 and 2009 were to return, our business performance and profitability could deteriorate. If this were to occur, we could fail to comply with certain financial covenants in our unsecured revolving loan agreement which would force us to seek an amendment with our lenders. No assurance can be given that we would be able to obtain any necessary waivers or amendments on satisfactory terms, if at all. In addition, in an extreme deterioration of our business, we could have insufficient liquidity to meet our debt service obligations when they come due in future years.

Adverse developments in the credit markets may harm our business, results of operations and financial condition.

Disruptions in the credit markets may adversely affect our business of providing advisory services to owners, investors and occupiers of real estate in connection with the leasing, disposition and acquisition of property. If our clients are unable to procure credit on favorable terms, there may be fewer completed leasing transactions, dispositions and acquisitions of property. In addition, if purchasers of real estate are not able to procure favorable financing resulting in the lack of disposition opportunities for our funds and projects, our services businesses will generate lower incentive fees and we may also experience losses of co-invested equity capital if the disruption causes a permanent decline in the value of investments made.

In 2008 and 2009, the credit markets experienced a disruption of unprecedented magnitude. This disruption reduced the availability and significantly increased the cost of most sources of funding. In some cases, these sources were eliminated. While the credit market has shown signs of improving since the second half of 2009, liquidity remains constrained and it is impossible to predict when the market will return to normalcy. This uncertainty may lead market participants to continue to act more conservatively, which may amplify decreases in demand and pricing in the markets we serve.

We could lose part or all of our investment in the real estate assets we have interests in, which could have a material adverse effect on our financial condition and results of operations.

There is the inherent possibility in all of our real estate investments that we could lose all or part of our investment. Real estate investments are generally illiquid, which may affect our ability to change our portfolio in response to changes in economic and other conditions. Moreover, regarding our investment in real estate, we may not be able to unilaterally decide the timing of the disposition of an investment, and as a result, we may not control when and whether any gain will be realized or loss avoided. The value of our investments can also be diminished by:

- civil unrest, acts of war and terrorism and acts of God, including earthquakes, hurricanes and other natural disasters (which may result in uninsured or underinsured losses);

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- the impact of present or future legislation in the U.S., Japan or Europe (including environmental regulation, changes in laws concerning foreign ownership of property, changes in real estate tax rates, changes in zoning laws and laws requiring upgrades for disabled persons) and the cost of compliance with these types of legislation; and
- liabilities relating to claims to the extent insurance is not available or is inadequate.

The March 2011 earthquake and tsunami in Japan may adversely affect our business in Japan, which may negatively affect our operating results.

In March 2011, a 9.0 magnitude earthquake hit the Tohoku region in northern Honshu, Japan, which also triggered multiple tsunamis along the Pacific coast of Japan, North America and South America, causing thousands of casualties and injuries as well as severe damage to roads, buildings and infrastructure. Moreover, nuclear reactors in Fukushima, Japan melted down resulting in hydrogen explosions and radiation leakage.

As of June 30, 2011, we held ownership interests in 51 properties in Japan, and our Adjusted EBITDA in Japan accounted for approximately 19% of our total Adjusted EBITDA for the six months ended June 30, 2011.

We cannot assure you that we will not suffer from the long-term impact of the earthquake and the tsunami. The catastrophic loss of lives, businesses and infrastructure may have an indirect impact on us by affecting our employees, customers, and the overall economy in Japan, and may reduce the demand for our products and services. Japan historically has been vulnerable to natural disaster risks, including tsunamis and earthquakes. Further earthquakes, aftershocks therefrom or other disasters in Japan may cause a decline in our revenues. Any of the above events or developments may have a material adverse effect on our business, results of operations and financial condition.

We may be unsuccessful in renovating the properties we acquire resulting in investment losses.

Part of our investment strategy is to locate and acquire real estate assets that we believe are undervalued and to improve them to increase their resale value. We face risks arising from the acquisition of properties not yet fully developed or in need of substantial renovation or redevelopment, particularly the risk that we overestimate the value of the property and the risk that the cost or time to complete the renovation or redevelopment will exceed the budgeted amount. Such delays or cost overruns may arise from:

- shortages of materials or skilled labor;
- a change in the scope of the original project;
- the difficulty in obtaining necessary zoning, land-use, environmental, building, occupancy and other governmental permits and authorization;
- the discovery of structural or other latent defects in the property once construction has commenced; and
- delays in obtaining tenants.

Any failure to complete a redevelopment project in a timely manner and within budget or to sell or lease the project after completion could have a material adverse effect upon our business, results of operation and financial condition.

We may not recover all or any of our investment in the mezzanine loans we make or acquire due to a number of factors including the fact that such loans are subordinate to the interests of senior lenders.

We have made and expect to continue to make or acquire mezzanine loans, which are loans that are secured by real property, but are subject to the interests of lenders who are senior to us. These mezzanine loans are

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considered to involve a high degree of risk compared to other types of loans secured by real property. This is due to a variety of factors, including that a foreclosure by the holder of the senior loan could result in its mezzanine loan becoming uncollectible. Accordingly, we may not recover the full amount, or any, of our investment in mezzanine loans. In addition, mezzanine loans may have higher loan to value ratios than conventional term loans.

The expansion of our business into Europe may expose us to risks related to conducting our business in a new international market.

We may have difficulty managing our expansion into Europe where, in comparison with the U.S. and Japan, our knowledge and understanding of the local economies is not as robust, we have fewer business relationships and less familiarity with the local real estate, zoning and development regulations and other governmental procedures and regulations.

In addition, there are risks inherent in conducting business internationally, which include:

- restrictions and problems relating to the repatriation of profits;
- difficulties and costs of staffing and managing international operations;
- the burden of complying with multiple and potentially conflicting laws;
- laws restricting foreign companies from conducting business and unexpected changes in regulatory requirements;
- the impact of different business cycles and economic instability;
- political instability and civil unrest;
- greater difficulty in perfecting our security interests, collecting accounts receivable, foreclosing on security and protecting our interests as a creditor in bankruptcies in certain geographic regions;
- potentially adverse tax consequences;
- share ownership restrictions on foreign operations;
- the tax and tariff regimes of the countries in which we do business; and
- geographic, time zone, language and cultural differences between personnel in different areas of the world.

Our operations in Japan subject us to additional social, political and economic risks associated with conducting business in foreign countries, which may materially adversely effect our business and results of operations.

One of our strategies for the future is to continue our operations in Japan. The scope of our international operations may lead to more volatile financial results and difficulties in managing our businesses. This volatility and difficulty could be caused by, among other things, the following:

restrictions and problems relating to the repatriation of profits;

difficulties and costs of staffing and managing international operations;

the burden of complying with multiple and potentially conflicting laws;

laws restricting foreign companies from conducting business and unexpected changes in regulatory requirements;

the impact of different business cycles and economic instability;

political instability and civil unrest;

greater difficulty in perfecting our security interests, collecting accounts receivable, foreclosing on security and protecting our interests as a creditor in bankruptcies in certain geographic regions;

potentially adverse tax consequences;

share ownership restrictions on foreign operations;

Japanese property and income taxes, tax withholdings and tariffs; and

geographic, time zone, language and cultural differences between personnel in different areas of the world.

Our joint venture activities subject us to unique third-party risks, including risks that other participants may become bankrupt or take action contrary to our best interests.

We have utilized joint ventures for large commercial investments and real estate developments. We plan to continue to acquire interests in additional limited and general partnerships, joint ventures and other enterprises, collectively referred to herein as joint ventures, formed to own or develop real property or interests in real property or note pools. It is our strategy in Japan to invest primarily through joint ventures. We have acquired and may acquire minority interests in joint ventures and we may also acquire interests as a passive investor without rights to actively participate in management of the joint ventures. Investments in joint ventures involve additional risks, including the possibility that the other participants may become bankrupt or have economic or other business interests or goals which are inconsistent with ours, that we will not have the right or power to direct the management and policies of the joint ventures and that other participants may take action contrary to our instructions or requests and against our policies and objectives. Should a participant in a material joint venture act contrary to our interest, it could have a material adverse effect upon our business, results of operations and financial condition. Moreover, we cannot be certain that we will continue these investments, or that we can identify suitable joint venture partners and form new joint ventures in the future.

We purchase distressed loans and loan portfolios that have a higher risk of default and delinquencies than newly originated loans and as a result, we may lose part or all of our investment in such loans and loan portfolios.

We may purchase loans and loan portfolios that are unsecured or secured by real or personal property. These loans and loan portfolios are generally non-performing or sub-performing, and often are in default at the time of purchase. In general, the distressed loans and loan portfolios we acquire are highly speculative investments and have a greater than normal risk of future defaults and delinquencies as compared to newly originated loans. Returns on loan investments depend on the borrower s ability to make required payments or, in the event of default, our security interests, if any, and our ability to foreclose and liquidate whatever property that secure the loans and loan portfolios. We cannot be sure that we will be able to collect on a defaulted loan or foreclose on security successfully or in a timely fashion. There may also be instances when we are able to acquire title to an underlying property and sell it, but not make a profit on its investment.

We may not be successful in competing with companies in the real estate services and investment industry, some of which may have substantially greater resources than we do.

Real estate investment and services businesses are highly competitive. Our principal competitors include both large multinational companies and national and regional firms, such as Jones Lang LaSalle, Inc. and CB Richard Ellis Group, Inc. Many of our competitors have greater financial resources and a broader global presence than we do. We compete with companies in the U.S., and to a limited extent, in Japan and Europe, with respect to:

selling commercial and residential properties on behalf of customers through brokerage and auction services;

leasing and property management, including construction and engineering services;

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- purchasing commercial and residential properties, as well as undeveloped land for our own account; and

- acquiring secured and unsecured loans.

Our services operations must compete with a growing number of national firms seeking to expand market share. There can be no assurance that we will be able to continue to compete effectively, maintain current fee levels or arrangements, continue to purchase investment properties profitably or avoid increased competition.

If we are unable to maintain or develop new client relationships, our service business and financial condition could be substantially impaired.

We are highly dependent on long-term client relationships and on revenues received for services with third-party owners and related parties. A considerable amount of our revenues are derived from fees related to our service business. The majority of our property management agreements are cancelable prior to their expiration by the client for any reason on as little as 30 to 60 days notice. These contracts also may not be renewed when their respective terms expire. If we fail to maintain existing relationships, fail to develop and maintain new client relationships or otherwise lose a substantial number of management agreements, we could experience a material adverse change in our business, financial condition and results of operations.

Decreases in the performance of the properties we manage are likely to result in a decline in the amount of property management fees and leasing commissions we generate.

Our property management fees are generally structured as a percentage of the revenues generated by the properties that we manage. Similarly, our leasing commissions typically are based on the value of the lease commitments. As a result, our revenues are adversely affected by decreases in the performance of the properties we manage and declines in rental value. Property performance will depend upon, among other things, our ability to control operating expenses (some of which are beyond our control), and financial conditions generally and in the specific areas where properties are located and the condition of the real estate market generally. If the performance or rental values of the properties we manage decline, the management fees and leasing commissions we derive from such properties could be materially adversely affected.

Our leasing activities are contingent upon various factors, including tenant occupancy and rental rates, which if adversely affected, could cause our operating results to suffer.

A significant portion of our property management business involves facilitating the leasing of commercial space. In certain areas of operation, there may be inadequate commercial space to meet demand and there is a potential for a decline in the number of overall lease and brokerage transactions. In areas where the supply of commercial space exceeds demand, we may not be able to renew leases or obtain new tenants for our owned and managed rental properties as leases expire. Moreover, the terms of new leases and renewals (including renovation costs or costs of concessions to tenants) may be less favorable than current leases. Our revenues may be adversely affected by the failure to promptly find tenants for substantial amounts of vacant space, if rental rates on new or renewal leases are significantly lower than expected, or if reserves for costs of re-leasing prove inadequate. We cannot be sure that we can continue to lease properties for our clients and for our own account in a profitable manner.

Our ability to lease properties also depends on:

- the attractiveness of the properties to tenants;

- competition from other available space;

- our ability to provide adequate maintenance and obtain insurance and to pay increased operating expenses which may not be passed through to tenants;

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the availability of capital to periodically renovate, repair and maintain the properties, as well as for other operating expenses; and

the existence of potential tenants desiring to lease the properties.

If we are unable to identify, acquire and integrate suitable acquisition targets, our future growth will be impeded.

Acquisitions and expansion have been, and will continue to be, a significant component of our growth strategy for the future. While maintaining our existing business lines, we intend to continue to pursue a sustained growth strategy by increasing revenues from existing clients, expanding the breadth of our service offerings, seeking selective co-investment opportunities and pursuing strategic acquisitions. Our ability to manage our growth will require us to effectively integrate new acquisitions into our existing operations while managing development of principal properties. We expect that significant growth in several business lines occurring simultaneously will place substantial demands on our managerial, administrative, operational and financial resources. We cannot be sure that we will be able to successfully manage all factors necessary for a successful expansion of our business. Moreover, our strategy of growth depends on the existence of and our ability to identify attractive and synergistic acquisition targets. The unavailability of suitable acquisition targets, or our inability to find them, may result in a decline in business, financial condition and results of operations.

Our business is highly dependent upon the economy and real estate market in California, which have recently experienced a significant downturn and are vulnerable to future decline.

We have a high concentration of our business activities in California. Consequently, our business, results of operations and financial condition are dependent upon general trends in California s economy and real estate market. California s economy has experienced a significant downturn in the recent recession and a sustained decline in the value of California real estate. Real estate market declines in California have become so severe that the market value of a number of properties securing loans has become significantly less than the outstanding balances of those loans. Real estate market declines may negatively affect our ability to sell property at a profit. In addition, California historically has been vulnerable to certain natural disaster risks, such as earthquakes, floods, wild fires and erosion-caused mudslides. The existence of adverse economic conditions or the occurrence of natural disasters in California could have a material adverse effect on our business, financial condition and results of operations.

We own real estate properties located in Hawaii, which subjects us to unique risks relating to, among other things, the current recession in Hawaii, Hawaii s economic dependence on fluctuating tourism, the isolated location of Hawaii and the potential for natural disasters.

We conduct operations and own properties in Hawaii. Consequently, our business, results of operations and financial condition are dependent upon and affected by general trends in Hawaii s economy and real estate market. Hawaii s economy has experienced a significant downturn in the current recession and a sustained decline in the value of Hawaiian real estate. Real estate market declines may negatively affect our ability to sell property at a profit. In addition, Hawaii s economy is largely dependent upon tourism, which is subject to fluctuation and has recently experienced a significant drop. Hawaii historically has also been vulnerable to certain natural disaster risks, such as tsunamis, hurricanes and earthquakes, which could cause damage to properties owned by us or property values to decline in general. Hawaii s remote and isolated location also may create additional operational costs and expenses, which could have a material adverse impact on our financial results.

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Our auction services business has historically been countercyclical and, as a result, our operating results may be adversely affected when general economic conditions are improving.

Our results of operations are dependent on the performance of our auction services group, which historically has been countercyclical. Our auction services group has recently experienced an increase in revenues due to, among other things, the substantial increase in the number of foreclosures stemming from the current economic crisis. Improvements in general economic conditions may cause auction service revenues to decrease, which could cause a material adverse impact on our results of operations.

If we fail to comply with laws and regulations applicable to us in our role as a real estate broker, property/facility manager or developer, we may incur significant financial penalties.

We are subject to numerous federal, state, local and non-U.S. laws and regulations specific to the services we perform in our business, as well as laws of broader applicability, such as tax, securities and employment laws. Brokerage of real estate sales and leasing transactions and the provision of property management and valuation services require us to maintain applicable licenses in each U.S. state and certain non-U.S. jurisdictions in which we perform these services. If we fail to maintain our licenses or conduct these activities without a license, or violate any of the regulations covering our licenses, we may be required to pay fines (including treble damages in certain states) or return commissions received or have our licenses suspended or revoked.

We have certain obligations in connection with our real estate brokerage services which could subject us to liability in the event litigation is initiated against us for an alleged breach of any such obligation.

As a licensed real estate broker, we and our licensed employees are subject to certain statutory due diligence, disclosure and standard-of-care obligations. Failure to fulfill these obligations could subject us or our employees to litigation from parties who purchased, sold or leased properties they brokered or managed. In addition, we may become subject to claims by participants in real estate sales claiming that we did not fulfill our statutory obligations as a broker.

We may become subject to claims for construction defects or other similar actions in connection with the performance of our property management services.

In our property management capacity, we hire and supervise third-party contractors to provide construction and engineering services for our properties. While our role is limited to that of a supervisor, we cannot be sure that we will not be subjected to claims for construction defects or other similar actions. Adverse outcomes of property management litigation could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to potential environmental liability.

Under various foreign, federal, state and local laws, ordinances and regulations, a current or previous owner or operator of real estate may be liable for the cleanup of hazardous or toxic substances and may be liable to a governmental entity or to third parties for property damage and for investigation and clean-up costs incurred by governmental entities or third parties in connection with the contamination. Such laws typically impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of the hazardous or toxic substances, even when the contaminants were associated with previous owners or operators. The costs of investigation, remediation or removal of hazardous or toxic substances may be substantial, and the presence of those substances, or the failure to properly remediate those substances, may adversely affect the owner s or operator s ability to sell or rent the affected property or to borrow using the property as collateral. The presence of contamination at a property can impair the value of the property even if the contamination is migrating onto the property from an adjoining property. Additionally, the owner of a site may be subject to claims by parties who have no relation to the property based on damages and costs resulting from environmental contamination emanating from the site.

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In connection with the direct or indirect ownership, operation, management and development of real properties, we may be considered an owner or operator of those properties or as having arranged for the disposal or treatment of hazardous or toxic substances. Therefore, we may be potentially liable for removal or remediation costs.

Certain foreign, federal, state and local laws, regulations and ordinances also govern the removal, encapsulation or disturbance of asbestos-containing materials during construction, remodeling, renovation or demolition of a building. Such laws may impose liability for release of asbestos-containing materials, and third parties may seek recovery from owners or operators of real properties for personal injuries associated with asbestos-containing materials. We may be potentially liable for those costs for properties that we own. In the past, we have been required to remove asbestos from certain buildings that we own or manage. There can be no assurance that in the future we will not be required to remove asbestos from our buildings or incur other substantial costs of environmental remediation.

Before consummating the acquisition of a particular piece of real property, it is our policy to retain independent environmental consultants to conduct an environmental review of the real property, including performing a Phase I environmental review. These assessments have included, among other things, a visual inspection of the real properties and the surrounding area and a review of relevant federal, state and historical documents. It is possible that the assessments we commissioned do not reveal all environmental liabilities or that there are material environmental liabilities of which we are currently unaware. There can be no assurance that future laws, ordinances or regulations will not impose any material environmental liability or that the current environmental condition of our properties will not be affected by tenants, by the condition of land or operations in the vicinity of those properties, or by unrelated third parties. There can be no assurance that federal, state and local agencies or private plaintiffs will not bring any actions in the future, or that those actions, if adversely resolved, would not have a material adverse effect on our business, financial condition and results of operations.

We may incur unanticipated expenses relating to laws benefiting disabled persons.

The Americans with Disabilities Act, or the ADA, generally requires that public accommodations such as hotels and office buildings be accessible to disabled people. If our properties are not in compliance with the ADA, the U.S. federal government could fine us or private litigants could sue us for money damages. If we are required to make substantial alterations to one or more of our properties, our results of operations could be materially adversely affected.

We may incur significant costs complying with laws, regulations and covenants that are applicable to our properties and operations.

The properties in our portfolio and our operations are subject to various covenants and federal, state and local laws and regulatory requirements, including permitting and licensing requirements. Such laws and regulations, including municipal or local ordinances, zoning restrictions and restrictive covenants imposed by community developers may restrict our use of our properties and may require us to obtain approval from local officials or community standards organizations at any time with respect to our properties, including prior to acquiring a property or when undertaking renovations of any of our existing properties. Among other things, these restrictions may relate to fire and safety, seismic, asbestos-cleanup or hazardous material abatement requirements. There can be no assurance that existing laws and regulations will not adversely affect us or the timing or cost of any future acquisitions or renovations, or that additional regulations will not be adopted that increase such delays or result in additional costs. Our failure to obtain required permits, licenses and zoning relief or to comply with applicable laws could have a material adverse effect on our business, financial condition and results of operations.

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Our property insurance coverages are limited and any uninsured losses could cause us to lose part or all of our investment in our insured properties.

We carry comprehensive general liability coverage and umbrella coverage on all of our properties with limits of liability which we deem adequate and appropriate under the circumstances (subject to deductibles) to insure against liability claims and provide for the cost of legal defense. There are, however, certain types of extraordinary losses that may be either uninsurable, or that are not generally insured because it is not economically feasible to insure against those losses. Should any uninsured loss occur, we could lose our investment in, and anticipated revenues from, a property, which loss or losses could have a material adverse effect on our operations. Currently, we also insure some of our properties for loss caused by earthquake in levels we deem appropriate and, where we believe necessary, for loss caused by flood. We cannot be sure that the occurrence of an earthquake, flood or other natural disaster will not have a materially adverse effect on our business, financial condition and results of operations.

Risks Related to Our Company

If we are unable to raise additional debt and equity capital, our results of operations could suffer.

We depend upon third-party equity and debt financings to acquire properties through our investment business, which is a key driver of future growth. We estimate that in the next 12 to 18 months our acquisition plan will require between approximately $800 million and $1.3 billion in third-party equity and between approximately $2.0 billion and $2.5 billion in third-party debt. We expect to obtain debt financing from seller financing, the assumption of existing loans, government agencies and financial institutions. We expect to obtain equity financing from equity partners, which include pension funds, family offices, financial institutions, endowments and money managers. Our access to capital funding is uncertain. Our inability to raise additional capital on terms reasonably acceptable to us could jeopardize the future success of our business.

The loss of one or more key personnel could have a material adverse effect on our operations.

Our continued success is dependent to a significant degree upon the efforts of our senior executives, who have each been essential to our business. The departure of all or any of our executives for whatever reason or the inability of all or any of them to continue to serve in their present capacities or our inability to attract and retain other qualified personnel could have a material adverse effect upon our business, financial condition and results of operations. Our executives have built highly regarded reputations in the real estate industry. Our executives attract business opportunities and assist both in negotiations with lenders and potential joint venture partners and in the representation of large and institutional clients. If we lost their services, our relationships with lenders, joint ventures and clients would diminish significantly.

In addition, certain of our officers have strong regional reputations and they aid in attracting and identifying opportunities and negotiating for us and on behalf of our clients. In particular, we view the establishment and maintenance of strong relationships through certain officers as critical to our success in the Japanese market. As we continue to grow, our success will be largely dependent upon our ability to attract and retain qualified personnel in all areas of business. We cannot be sure that we will be able to continue to hire and retain a sufficient number of qualified personnel to support or keep pace with our planned growth.

The loss of our chief executive officer, or CEO, could have a material adverse effect on our operations.

Our continued success is dependent to a significant degree upon the efforts of our CEO, who is essential to our business. The departure of our CEO for whatever reason or the inability of our CEO to continue to serve in his present capacity could have a material adverse effect upon our business, financial condition and results of operations. Our CEO has built a highly regarded reputation in the real estate industry. Our CEO attracts business opportunities and assists both in negotiations with lenders and potential joint venture partners and in the representation of large and institutional clients. If we lost his services, our relationships with lenders, joint ventures and clients would diminish significantly. Furthermore, the departure of our CEO for whatever reason or the inability of our CEO to continue to serve as our Chairman and CEO would be an event of default under our unsecured revolving loan agreement.

Our revenues and earnings may be materially and adversely affected by fluctuations in foreign currency exchange rates due to our international operations.

Our revenues from non-U.S. operations have been primarily denominated in the local currency where the associated revenues were earned. Thus, we may experience significant fluctuations in revenues and earnings because of corresponding fluctuations in foreign currency exchange rates. To date, our foreign currency exposure has been limited to the Japanese Yen, the Euro and the Pound Sterling. Due to the constantly changing currency exposures to which we will be subject and the volatility of currency exchange rates, there can be no assurance that we will not experience currency losses in the future, nor can we predict the effect of exchange rate fluctuations upon future operating results. Our management may decide to use currency hedging instruments from time to time including foreign currency forward contracts, purchased currency options (where applicable) and foreign currency borrowings. The economic risks associated with these hedging instruments include unexpected fluctuations in inflation rates, which could impact cash flow relative to paying down debt, and unexpected changes in our underlying net asset position. There can be no assurance that any hedging will be effective.

Our operating results are subject to significant volatility from quarter to quarter as a result of the varied timing and magnitude of our strategic acquisitions and dispositions.

We have experienced a fluctuation in our financial performance from quarter to quarter due in part to the significance of revenues from the sales of real estate on overall performance. The timing of purchases and sales of our real estate investments has varied, and will continue to vary, widely from quarter to quarter due to variability in market opportunities, changes in interest rates, and the overall demand for residential and commercial real estate, among other things. While these factors have contributed to our increased operating income and earnings in the fourth quarter in past years, there can be no assurance that we will continue to perform well in the fourth quarter. In addition, the timing and magnitude of brokerage commissions paid to us may vary widely from quarter to quarter depending upon overall activity in the general real estate market and the nature of our brokerage assignments, among other things.

We have in the past incurred and may continue in the future to incur significant amounts of debt to finance acquisitions, which could negatively affect our cash flows and subject our properties or other assets to the risk of foreclosure.

We have historically financed new acquisitions and property purchases with cash derived from secured and unsecured loans and lines of credit. For instance, we typically purchase real property with loans secured by a mortgage on the property acquired. We anticipate the continuation of this trend. We do not have a policy limiting the amount of debt that we may incur. Accordingly, our management and board of directors have discretion to increase the amount of our outstanding debt at any time. We could become more highly leveraged, resulting in an increase in debt service costs that could adversely affect results of operations and increase the risk of default on debt. We may incur additional debt from time to time to finance strategic acquisitions, investments, joint ventures or for other purposes, subject to the restrictions contained in the documents governing our indebtedness. If we incur additional debt, the risks associated with our leverage, including our ability to service our debt, would increase. If we are required to seek an amendment to our credit agreement, our debt service obligations may be substantially increased.

Some of our debt bears interest at variable rates. As a result, we are subject to fluctuating interest rates that may impact, adversely or otherwise, results of operations and cash flows. We may be subject to risks normally associated with debt financing, including that cash flow will be insufficient to make required payments of

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principal and interest; that existing indebtedness on our properties will not be able to be refinanced or our leverage could increase our vulnerability to general economic downturns and adverse competitive and industry conditions, placing us at a disadvantage compared to those of our competitors that are less leveraged; that our debt service obligations could limit our flexibility in planning for, or reacting to, changes in our business and in the commercial real estate services industry; that our failure to comply with the financial and other restrictive covenants in the documents governing our indebtedness could result in an event of default that, if not cured or waived, results in foreclosure on substantially all of our assets; and that the terms of available new financing will not be as favorable as the terms of existing indebtedness. If we are unable to satisfy the obligations owed to any lender with a lien on one of our properties, the lender could foreclose on the real property or other assets securing the loan and we would lose that property or asset. The loss of any property or asset to foreclosure could have a material adverse effect on our business, financial condition and results of operations. From time to time, Moody s Investors Service, Inc. and Standard & Poor s Ratings Services, a division of The McGraw-Hill Companies, Inc., rate our significant outstanding debt. These ratings and any downgrades thereof may impact our ability to borrow under any new agreements in the future, as well as the interest rates and other terms of any future borrowings, and could also cause a decline in the market price of our common stock. We cannot be certain that our earnings will be sufficient to allow us to pay principal and interest on our debt and meet our other obligations. If we do not have sufficient earnings, we may be required to seek to refinance all or part of our existing debt, sell assets, borrow more money or sell more securities, none of which we can guarantee that we will be able to do and which, if accomplished, may adversely impact our stock price.

Our debt obligations impose significant operating and financial restrictions, which may prevent us from pursuing certain business opportunities and taking certain actions.

Our existing debt obligations impose, and future debt obligations may impose, significant operating and financial restrictions on us. These restrictions limit or prohibit, among other things, our ability to:

- incur additional indebtedness;
- repay indebtedness (including our senior notes due 2019 and our 2037 debentures) prior to stated maturities;
- pay dividends on, redeem or repurchase our stock or make other distributions;
- make acquisitions or investments;
- create or incur liens;
- transfer or sell certain assets or merge or consolidate with or into other companies;
- enter into certain transactions with affiliates;
- sell stock in our subsidiaries;
- restrict dividends, distributions or other payments from our subsidiaries; and
- otherwise conduct necessary corporate activities.

In addition, our unsecured revolving credit facility and the indenture governing our 2037 debentures require us to maintain compliance with specified financial covenants, including maximum balance sheet leverage and fixed charge coverage ratios. As of June 30, 2011, we were in compliance with these covenants. These covenants could adversely affect our ability to finance our future operations or capital needs and pursue available business opportunities. A breach of any of these covenants could result in a default in respect of the related indebtedness. If a default occurs, the relevant lenders could elect to declare the indebtedness, together with accrued interest and other fees, to be immediately due and payable and proceed against any collateral securing that indebtedness.

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We have guaranteed a number of loans in connection with various equity partnerships which may result in us being obligated to make substantial payments.

We have provided guarantees associated with loans secured by assets held in various joint venture partnerships. The maximum potential amount of future payments (undiscounted) we could be required to make under the guarantees was approximately $24 million at June 30, 2011. The guarantees expire through 2015 and our performance under the guarantees would be required to the extent there is a shortfall upon liquidation between the principal amount of the loan and the net sales proceeds of the property. If we were to become obligated to perform on these guarantees, it could have an adverse effect on our financial condition.

We have a number of equity partnerships that are subject to obligations under certain non-recourse carve out guarantees that may be triggered in the future.

Most of our real estate properties within our equity partnerships are encumbered by traditional non-recourse debt obligations. In connection with most of these loans, however, we entered into certain nonrecourse carve out guarantees, which provide for the loans to become partially or fully recourse against us if certain triggering events occur. Although these events are different for each guarantee, some of the common events include:

- The special purpose property-owning subsidiary s filing a voluntary petition for bankruptcy;
- The special purpose property-owning subsidiary s failure to maintain its status as a special purpose entity; and
- Subject to certain conditions, the special purpose property-owning subsidiary s failure to obtain lender s written consent prior to any subordinate financing or other voluntary lien encumbering the associated property.

In the event that any of these triggering events occur and the loans become partially or fully recourse against us, our business, financial condition, results of operations and common stock price could be materially adversely affected.

The deteriorating financial condition and/or results of operations of certain of our clients could adversely affect our business.

We could be adversely affected by the actions and deteriorating financial condition and results of operations of certain of our clients if that led to losses or defaults by one or more of them, which in turn, could have a material adverse effect on our results of operations and financial condition. Any of our clients may experience a downturn in its business that may weaken its results of operations and financial condition. As a result, a client may fail to make payments when due, become insolvent or declare bankruptcy. Any client bankruptcy or insolvency, or the failure of any client to make payments when due, could result in material losses to our company. A client bankruptcy would delay or preclude full collection of amounts owed to us. Additionally, certain corporate services and property management client agreements require that we advance payroll and other vendor costs on behalf of clients. If such a client were to file bankruptcy or otherwise fail, we may not be able to obtain reimbursement for those costs or for the severance obligations we would incur as a result of the loss of the client.

We may incur expenses associated with defending lawsuits filed by former holders of Kennedy-Wilson, Inc. s stock.

On November 13, 2009, our wholly owned subsidiary, KW Merger Sub Corp., merged with and into Kennedy-Wilson, Inc. Prior to the merger, a small percentage of Kennedy-Wilson, Inc. outstanding common stock was owned by holders who were not known to our management. If one or more of these holders were to bring a claim alleging that members of Kennedy-Wilson, Inc. s board of directors breached their fiduciary duties in connection with approving the merger, we would incur costs defending and/or settling such claim.

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Our ability to utilize our net operating loss carryforwards and certain other tax attributes may be limited.

As of June 30, 2011, we had $28.2 million of federal and $33.3 million of state net operating loss carryforwards available to offset future taxable income. Under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an ownership change (generally defined as a greater than 50% change (by value) in its equity ownership over a three year period), the corporation s ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income may be limited. We have not performed a detailed analysis to determine whether an ownership change under Section 382 of the Code has previously occurred or will occur as a result of this offering. As a result, if we earn net taxable income, our ability to use our pre-change net operating loss carryforwards to offset U.S. federal taxable income may become subject to limitations, which could potentially result in increased future tax liability to us.

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FORWARD LOOKING STATEMENTS

Statements made by us in this prospectus and in other reports and statements released by us that are not historical facts constitute forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21 of the Securities Exchange Act. These forward-looking statements are necessary estimates reflecting the judgment of our senior management based on our current estimates, expectations, forecasts and projections and include comments that express our current opinions about trends and factors that may impact future operating results. Disclosures that use words such as believe, anticipate, estimate, intend, could, plan, expect, project or the negative well as similar expressions, are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance, rely on a number of assumptions concerning future events, many of which are outside of our control, and involve known and unknown risks and uncertainties that could cause our actual results, performance or achievement, or industry results, to differ materially from any future results, performance or achievements, expressed or implied by such forward-looking statements. For a discussion of factors that could impact our future results, performance or transactions, please carefully read the section entitled Risk Factors above. Such factors include:

- disruptions in general economic and business conditions, particularly in geographies where our business may be concentrated;
- the continued volatility and disruption of the capital and credit markets, higher interest rates, higher loan costs, less desirable loan terms and a reduction in the availability of mortgage loans and mezzanine financing, all of which could increase costs and could limit our ability to acquire additional real estate assets;
- continued high levels of, or increases in, unemployment and general slowdowns in commercial activity;
- our leverage and ability to refinance existing indebtedness or incur additional indebtedness;
- an increase in our debt service obligations;
- our ability to generate a sufficient amount of cash from operations to satisfy working capital requirements and to service our existing and future indebtedness;
- our ability to achieve improvements in operating efficiency;
- impacts of natural disasters, such as earthquakes or tsunamis, that are beyond our control;
- foreign currency fluctuations;
- adverse changes in the securities markets;
- our ability to retain our senior management and attract and retain qualified and experienced employees;

our ability to attract new clients in our KW Services and KW Investments segments;

our ability to retain major clients and renew related contracts;

trends in use of large, full-service commercial real estate providers;

changes in tax laws in the United States, Japan or Europe that reduce or eliminate deductions or other tax benefits we receive;

availability of future acquisitions at favorable prices or upon advantageous terms and conditions; and

higher than anticipated costs relating to the acquisition of assets we may acquire.

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Any such forward-looking statements, whether made in this prospectus or elsewhere, should be considered in the context of the various disclosures made by us about our businesses including, without limitation, the risk factors discussed above. Except as required under the federal securities laws and the rules and regulations of the SEC, we do not have any intention or obligation to update publicly any forward-looking statements, whether as a result of new information, future events, changes in assumptions, or otherwise.

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USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of the exchange notes pursuant to the exchange offer. In consideration for issuing the exchange notes as contemplated in this prospectus, we will receive in exchange a like principal amount of outstanding notes, the terms of which are identical in all material respects to the exchange notes, except that the exchange notes will not contain terms with respect to transfer restrictions, registration rights or additional interest upon a failure to fulfill certain of our obligations under the registration rights agreement. The outstanding notes surrendered in exchange for the exchange notes will be retired and cancelled and cannot be reissued. Accordingly, the issuance of the exchange notes will not result in any change in our capitalization.

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CAPITALIZATION

The following table sets forth the consolidated capitalization of Kennedy-Wilson Holdings, Inc. as of June 30, 2011:

	As of June 30, 2011 Actual
Cash and cash equivalents	$ 191,218,000
Debt:	
Secured Mortgage Loans	38,217,000
Unsecured Revolving Credit Facility(1)	
Unsecured Loans	
Senior Unsecured Notes(2)	249,357,000
Junior Subordinated Debentures	40,000,000
Total Debt	327,574,000
Total Shareholders Equity(3)	348,282,000
Non-Controlling Interest	15,023,000
Total Capitalization	$ 690,879,000

(1) Total availability of $75 million for general corporate purposes and seasonal borrowings, subject to certain conditions. The average amount of revolver borrowings fluctuates during the year. As of June 30, 2011, we had no borrowings under our unsecured revolving credit facility and we had no letters of credit outstanding thereunder.

(2) Represents the outstanding balance of the outstanding notes as of June 30, 2011. The terms of the exchange notes to be issued in the exchange offer are identical in all material respects to the outstanding notes, except that the exchange notes will be freely tradable, except in the limited circumstances described below under The Exchange Offer.

(3) Includes $100 million of Series A mandatory convertible preferred with a mandatory conversion date of May 19, 2015 and a conversion rate of $12.41 per share and $32.5 million of Series B mandatory convertible preferred with a mandatory conversion date of November 3, 2018 and a conversion rate of $10.70 per share.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following selected historical consolidated financial data for the years ended December 31, 2010, 2009 and 2008 have been derived from our audited consolidated financial statements incorporated by reference herein. The same information for the six-month periods ended June 30, 2011 and 2010 has been derived from our unaudited consolidated financial statements incorporated by reference herein.

The financial data set forth in this table are not necessarily indicative of the results of future operations and should be read in conjunction with our SEC filings and our audited consolidated financial statements and accompanying notes thereto incorporated by reference herein.

Some of the financial data set forth below reflects the effects of, and may not total due to, rounding.

Statements of Operations:	**Six Months Ended June, 30**		**Year Ended December 31,**		
Revenue	**2011**	**2010**	**2010**	**2009**	**2008**
Management and leasing fees	$ 4,795,000	$ 4,213,000	$ 8,913,000	$ 9,026,000	$ 10,671,000
Management and leasing fees related party	5,162,000	5,760,000	12,417,000	10,138,000	8,380,000
Commissions	3,513,000	2,380,000	6,359,000	4,204,000	5,906,000
Commissions related party	1,657,000	2,285,000	5,375,000	727,000	4,295,000
Sale of real estate	417,000	3,937,000	3,937,000	52,699,000	
Sale of real estate related party			9,535,000	6,698,000	
Rental and other income	1,693,000	1,297,000	4,000,000	2,743,000	2,973,000
Total revenue	**$ 17,237,000**	**$ 19,872,000**	**$ 50,536,000**	**$ 86,235,000**	**$ 32,225,000**
Operating expenses					
Commission and marketing expenses	1,373,000	1,769,000	3,186,000	3,411,000	2,827,000
Compensation and related expenses	16,089,000	16,986,000	38,155,000	24,789,000	21,292,000
Merger-related compensation and related expenses			2,225,000	12,468,000	
Cost of real estate sold	397,000	2,714,000	2,714,000	36,179,000	
Cost of real estate sold related party			8,812,000	5,752,000	
General and administrative	5,853,000	4,806,000	11,314,000	6,351,000	6,074,000
Merger-related general and administrative				3,652,000	
Depreciation and amortization	897,000	581,000	1,618,000	1,122,000	920,000
Rental operating expense	1,053,000	524,000	1,913,000	1,148,000	1,458,000
Total operating expenses	**$ 25,662,000**	**$ 27,380,000**	**$ 69,937,000**	**$ 94,872,000**	**$ 32,571,000**
Equity in joint venture income	7,807,000	(29,000)	10,548,000	8,019,000	10,097,000
Interest income from loan pool participations and notes receivable	4,787,000	3,741,000	11,855,000		
Operating income (loss)	**$ 4,169,000**	**($ 3,796,000)**	**$ 3,002,000**	**($ 618,000)**	**$ 9,751,000**

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Statements of Operations:	Six Months Ended June, 30			Year Ended December 31,	
Revenue	**2011**	**2010**	**2010**	**2009**	**2008**
Non-operating income (expense)					
Interest income	190,000	115,000	192,000	102,000	221,000
Interest income related party	477,000	386,000	662,000	400,000	341,000
Remeasurement gain	6,348,000	2,108,000	2,108,000		
Gain on early extinguishment of mortgage debt		16,670,000	16,670,000		
Loss on early extinguishment of corporate debt			(4,788,000)		
Interest expense	(7,757,000)	(4,294,000)	(7,634,000)	(13,174,000)	(8,596,000)
Other than temporary impairment				(328,000)	(445,000)
Income (loss) before (provision for) benefit from income taxes	**$ 3,427,000**	**$ 11,189,000**	**$ 10,212,000**	**($ 13,618,000)**	**$ 1,272,000**
(Provision for) benefit from income taxes	(835,000)	(3,952,000)	(3,727,000)	3,961,000	(605,000)
Net income (loss)	**$ 2,592,000**	**$ 7,237,000**	**$ 6,485,000**	**($ 9,657,000)**	**$ 667,000**
Net income attributable to the noncontrolling interests	(1,337,000)	(1,159,000)	(2,979,000)	(5,679,000)	(54,000)
Net income (loss) attributable to Kennedy-Wilson Holdings, Inc.	**$ 1,255,000**	**$ 6,078,000**	**$ 3,506,000**	**($ 15,336,000)**	**$ 613,000**

Statements of Cash Flow Data:	Six Months Ended June, 30			Year Ended December 31,	
	2011	**2010**	**2010**	**2009**	**2008**
Cash flow (used in) provided by:					
Operating activities	$ (12,876,000)	$ (8,657,000)	$ (2,157,000	$ (25,226,000)	$ (14,669,000)
Investing activities	(67,331,000)	(64,252,000)	(114,836,000)	69,007,000	(96,773,000)
Financing activities	223,532,000	103,676,000	91,160,000	(15,707,000)	112,625,000
Balance Sheet Data:					
Cash and cash equivalents	$ 191,218,000	$ 92,201,000	$ 46,968,000	$ 57,784,000	$ 25,831,000
Total assets	741,002,000	500,866,000	487,848,000	336,257,000	256,837,000
Total debt	327,574,000	183,172,000	127,782,000	127,573,000	131,423,000
Total Kennedy-Wilson Holdings, Inc. stockholders equity	348,282,000	285,901,000	300,192,000	177,314,000	105,551,000
Other Selected Data:					
EBITDA(1)	$ 30,099,000	$ 24,427,000	$ 48,108,000	$ 18,620,000	$ 25,953,000
Adjusted EBITDA(2)	32,564,000	30,573,000	58,427,000	37,054,000	26,968,000
Investment Account(3)	459,400,000	291,792,000	363,700,000	211,522,000	165,165,000
Certain Pro Forma Financial Ratios(4):			**Pro Forma**		
Ratio of Adjusted EBITDA less our share of joint venture interest expense / corporate interest expense(5)	1.7x		1.7x		

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(1) EBITDA represents net income (loss) before interest expense, our share of interest expense included in income from investments in joint ventures and loan pool participations, depreciation and amortization, our share of depreciation and amortization included in income from investments in joint ventures, loss on early extinguishment of corporate debt and income taxes. We do not adjust EBITDA for gains or losses on the extinguishment of mortgage debt as we are in the business of purchasing discounted notes secured by real estate and, in connection with these note purchases, we may resolve these loans through discounted payoffs with the borrowers. EBITDA is not a recognized term under GAAP and does not purport to be an alternative to net earnings as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. Additionally, EBITDA is not intended to be a measure of free cash flow available for management s discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. Our presentation of EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. EBITDA is not calculated under GAAP and should not be considered in isolation or as a substitute for net income, cash flows or other financial data prepared in accordance with GAAP or as a measure of our overall profitability or liquidity. Our management believes EBITDA is useful in evaluating our operating performance compared to that of other companies in our industry because the calculation of EBITDA generally eliminates the effects of financing and income taxes and the accounting effects of capital spending and acquisitions. Such items may vary for different companies for reasons unrelated to overall operating performance. Additionally, we believe EBITDA is useful to investors to assist them in getting a more accurate picture of our results from operations.

(2) Adjusted EBITDA represents EBITDA, as defined above, adjusted to exclude merger related expenses and stock based compensation expense. Our management uses Adjusted EBITDA to analyze our business because it adjusts EBITDA for items we believe do not have an accurate reflection of the nature of our business going forward. Such items may vary for different companies for reasons unrelated to overall operating performance. Additionally, we believe Adjusted EBITDA is useful to investors to assist them in getting a more accurate picture of our results from operations.

(3) Investment Account is defined as investments in joint ventures plus real estate plus notes receivable plus loan pool participations less mortgage debt.

(4) These financial ratios are presented on a pro forma basis for the six months ended June 30, 2011 and for the year ended December 31, 2010 as if the incurrence of $250 million of indebtedness from the issuance of our 8.750% senior notes ($200 million of which we incurred on April 5, 2011 and $50 million of which we incurred on April 12, 2011) and the related use of proceeds to pay down other indebtedness had occurred on January 1, 2011 and January 1, 2010, respectively.

(5) Corporate interest expense is defined as total interest expense less our share of joint venture interest expense.

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The following table sets forth a reconciliation of EBITDA and Adjusted EBITDA to Net income (loss), the most directly comparable GAAP financial measure, for each of the periods indicated:

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
Net income (loss)	$ 2,592,000	$ 7,237,000	$ 6,485,000	$ (9,657,000)	$ 667,000
Add back:					
Interest expense	7,757,000	4,294,000	7,634,000	13,174,000	8,596,000
Kennedy-Wilson s share of interest expense included in investment in joint ventures and loan pool participations	10,309,000	4,209,000	13,802,000	10,468,000	10,095,000
Depreciation and amortization	897,000	581,000	1,618,000	1,122,000	920,000
Kennedy-Wilson s share of depreciation and amortization included in investment in joint ventures	7,709,000	4,154,000	10,054,000	7,474,000	5,070,000
Write-off of unamortized beneficial conversion on extinguishment of corporate debt			4,788,000		
Income taxes	835,000	3,952,000	3,727,000	(3,961,000)	605,000
EBITDA	**$ 30,099,000**	**$ 24,427,000**	**$ 48,108,000**	**$ 18,620,000**	**$ 25,953,000**
Add back:					
Merger related and other deal expenses(1)		$ 2,225,000	$ 2,225,000	$ 16,120,000	
Non-cash stock compensation expense(2)	2,465,000	3,921,000	8,094,000	2,314,000	1,015,000
Adjusted EBITDA	**$ 32,564,000**	**$ 30,573,000**	**$ 58,427,000**	**$ 37,054,000**	**$ 26,968,000**

(1) Expenses incurred in connection with the merger of one of our subsidiaries with and into Kennedy-Wilson, Inc in 2009.

(2) Expenses related to stock based compensation pursuant to our equity participation plan and the award of restricted stock to certain of our executive officers.

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THE EXCHANGE OFFER

General

We are offering to exchange a like principal amount of exchange notes for any or all outstanding notes on the terms and subject to the conditions set forth in this prospectus and accompanying letter of transmittal. We refer to the offer as the exchange offer. You may tender some or all of your outstanding notes pursuant to the exchange offer.

As of the date of this prospectus, $250,000,000 aggregate principal amount of 8.750% Senior Notes due 2019 is outstanding. This prospectus, together with the letter of transmittal, is first being sent to all registered holders of outstanding notes known to us on or about , . Our obligation to accept outstanding notes for exchange pursuant to the exchange offer is subject to the satisfaction or waiver of certain conditions set forth under Conditions to the Exchange Offer below. We anticipate that each of the conditions will be satisfied and that no waivers will be necessary.

Purpose and Effect of the Exchange Offer

We issued $200 million in aggregate principal amount of the outstanding notes on April 5, 2011 (the original issue date) and an additional $50 million in aggregate principal amount on April 12, 2011. In connection with the two separate private offerings and sales of the outstanding notes, we and the guarantors of the notes entered into two registration rights agreements, each with substantially the same terms, with the initial purchasers of the outstanding notes in which we agreed, under certain circumstances, to file a registration statement relating to an offer to exchange the outstanding notes for exchange notes. The following description of the registration rights agreements is only a brief summary of the agreements. It does not purport to be complete and is qualified in its entirety by reference to all of the terms, conditions and provisions of the registration rights agreements. For further information, please refer to the registration rights agreements attached as exhibits to our Current Reports on Form 8-K filed with the SEC on April 7, 2011 and April 13, 2011 and listed in the exhibit index in the registration statement of which this prospectus forms a part. We also agreed to use our reasonable best efforts to cause a registration statement relating to the exchange notes to be declared effective within 270 days after the original issue date and to cause the exchange offer to be consummated within 310 days after the original issue date. The form and terms of the exchange notes will be identical in all material respects to the form and terms of the outstanding notes, except that the exchange notes will be registered under the Securities Act, and will not contain terms with respect to transfer restrictions, registration rights and additional payments upon a failure to fulfill certain of our obligations under the registration rights agreement.

Pursuant to the registration rights agreements and under the circumstances set forth below, we and the guarantors of the notes agreed to use our reasonable best efforts to cause the SEC to declare effective a shelf registration statement with respect to the resale of the outstanding notes within the time periods specified in the registration rights agreement and to keep the shelf registration statement effective for up to two years after the effective date of the shelf registration statement. These circumstances include:

- if we determine that this exchange offer is not permitted because it would violate any applicable law or applicable interpretations of the staff of the SEC;
- if for any other reason the exchange offer is not consummated within 310 days after the original issue date;
- any holder is prohibited by law or SEC policy from participating in the exchange offer and the holder requests that a shelf registration statement be filed;
- any holder may not resell the exchange notes acquired by it in the exchange offer to the public without delivering a prospectus and that this prospectus is not appropriate or available for such resales by such holder; or

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any holder is a broker-dealer and holds outstanding notes acquired directly from us or one of our affiliates.

If we fail to comply with specified obligations under the registration rights agreements, we will be required to pay additional interest to holders of the outstanding notes. These obligations include:

the obligation to cause the exchange offer registration statement or a shelf registration statement, if required, to be filed within the applicable timeframes required by the registration rights agreements;

the obligation to cause the exchange offer registration statement or a shelf registration statement, if required, to be declared effective within the applicable timeframes required by the registration rights agreements;

the obligation to consummate the exchange offer within 40 days after the SEC declares the registration statement effective; and

the obligation to keep the exchange offer registration statement or the shelf registration statement, as the case may be, effective and usable during the periods specified in the registration rights agreements.

If you wish to exchange your outstanding notes for exchange notes in the exchange offer, you will be required to make the following written representations:

you will acquire the exchange notes in the ordinary course of your business;

at the time of the commencement of the exchange offer, you have no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the exchange notes in violation of the provisions of the Securities Act;

you are not our affiliate or an affiliate of any guarantor of the notes, as defined by Rule 405 of the Securities Act, or if you are an affiliate, you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable; and

you are not engaged in, and do not intend to engage in, a distribution of exchange notes.

Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes, where the broker-dealer acquired the outstanding notes as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See Plan of Distribution.

Resale of Exchange Notes

Based on interpretations by the SEC set forth in no-action letters issued to third parties, we believe that you may resell or otherwise transfer exchange notes issued in the exchange offer without complying with the registration and prospectus delivery provisions of the Securities Act, if:

you are acquiring the exchange notes in the ordinary course of your business;

you do not have an arrangement or understanding with any person to participate in a distribution of the exchange notes;

you are not our affiliate or an affiliate of any guarantor of the notes as defined by Rule 405 of the Securities Act; and

you are not engaged in, and do not intend to engage in, a distribution of the exchange notes.

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If you are our affiliate, or are engaging in, or intend to engage in, or have any arrangement or understanding with any person to participate in, a distribution of the exchange notes, or are not acquiring the exchange notes in the ordinary course of your business, then:

- you cannot rely on the position of the SEC set forth in *Morgan Stanley & Co. Incorporated* (available June 5, 1991) and *Exxon Capital Holdings Corporation* (available May 13, 1988), as interpreted in the SEC s letter to *Shearman & Sterling*, dated July 2, 1993, or similar no-action letters; and

- in the absence of an exception from the position stated immediately above, you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes.

This prospectus may be used for an offer to resell, or for the resale or other transfer of exchange notes only as specifically set forth in this prospectus. With regard to broker-dealers, only broker-dealers that acquired the outstanding notes as a result of market-making activities or other trading activities may participate in the exchange offer. Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. Please read Plan of Distribution for more details regarding the transfer of exchange notes.

Terms of the Exchange Offer

On the terms and subject to the conditions set forth in this prospectus and in the accompanying letters of transmittal, we will accept for exchange in the exchange offer any outstanding notes that are validly tendered and not validly withdrawn prior to the expiration date. Outstanding notes may only be tendered in denominations of $2,000 and integral multiples of $1,000 in excess of $2,000. We will issue $2,000 principal amount or an integral multiple of $1,000 of exchange notes in exchange for a corresponding principal amount of outstanding notes surrendered in the exchange offer. In exchange for each outstanding note surrendered in the exchange offer, we will issue exchange notes with a like principal amount.

The form and terms of the exchange notes will be identical in all material respects to the form and terms of the outstanding notes, except that the exchange notes will be registered under the Securities Act and will not contain terms with respect to transfer restrictions, registration rights and additional payments upon a failure to fulfill certain of our obligations under the registration rights agreement. The exchange notes will be issued under and entitled to the benefits of the indenture that authorized the issuance of the outstanding notes. For a description of the indenture, see Description of the Notes.

The exchange offer is not conditioned upon any minimum aggregate principal amount of outstanding notes being tendered for exchange.

As of the date of this prospectus, $250,000,000 aggregate principal amount of the 8.750% Senior Notes due 2019 is outstanding. This prospectus and the letters of transmittal are being sent to all registered holders of outstanding notes. There will be no fixed record date for determining registered holders of outstanding notes entitled to participate in the exchange offer.

We intend to conduct the exchange offer in accordance with the provisions of the registration rights agreements, the applicable requirements of the Securities Act and the Securities Exchange Act of 1934, as amended (the Exchange Act), and the rules and regulations of the SEC. Outstanding notes that are not tendered for exchange in the exchange offer will remain outstanding and continue to accrue interest and will be entitled to the rights and benefits that such holders have under the indenture relating to such holders series of outstanding notes and the applicable registration rights agreement, except we will not have any further obligations to provide for the registration of the outstanding notes under the applicable registration rights agreement.

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We will be deemed to have accepted for exchange properly tendered outstanding notes when we have given written notice of the acceptance to the exchange agent. The exchange agent will act as agent for the tendering holders for the purposes of receiving the exchange notes from us and delivering exchange notes to holders. Subject to the terms of the registration rights agreements, we expressly reserve the right to amend or terminate the exchange offer and to refuse to accept outstanding notes for exchange upon the occurrence of any of the conditions specified below under Conditions to the Exchange Offer.

If you tender your outstanding notes in the exchange offer, you will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of outstanding notes. We will pay all charges and expenses, other than certain applicable taxes described below, in connection with the exchange offer. It is important that you read Fees and Expenses below for more details regarding fees and expenses incurred in the exchange offer.

Expiration Date; Extensions, Amendments

As used in this prospectus, the term expiration date means 5:00 p.m., New York City time, on , . However, if we, in our sole discretion, extend the period of time for which the exchange offer is open, the term expiration date will mean the latest time and date to which we shall have extended the expiration of such exchange offer.

To extend the period of time during which an exchange offer is open, we will notify the exchange agent of any extension by written notice, followed by notification by press release or other public announcement to the registered holders of the outstanding notes no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

We reserve the right, in our sole discretion:

- to delay accepting for exchange any outstanding notes (only in the case that we amend or extend the exchange offer);
- to extend the exchange offer or to terminate the exchange offer if any of the conditions set forth below under Conditions to the Exchange Offer have not been satisfied by giving written notice of such delay, extension or termination to the exchange agent; and
- subject to the terms of the registration rights agreements, to amend the terms of the exchange offer in any manner. In the event of a material change in the exchange offer, including the waiver of a material condition, we will extend the offer period, if necessary, so that at least five business days remain in such offer period following notice of the material change.

Any delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by written notice to the registered holders of the outstanding notes. If we amend an exchange offer in a manner that we determine to constitute a material change, we will promptly disclose the amendment in a manner reasonably calculated to inform the holders of applicable outstanding notes of that amendment.

Conditions to the Exchange Offer

Despite any other term of the exchange offer, we will not be required to accept for exchange, or to issue exchange notes in exchange for, any outstanding notes, and we may terminate or amend the exchange offer as provided in this prospectus prior to the expiration date if in our reasonable judgment:

- the exchange offer, or the making of any exchange by a holder violates any applicable law or interpretation of the SEC; or
- any action or proceeding has been instituted or threatened in writing in any court or by or before any governmental agency with respect to the exchange offer that, in our judgment, would reasonably be expected to impair our ability to proceed with the exchange offer.

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In addition, we will not be obligated to accept for exchange the outstanding notes of any holder that has not made to us:

- the representations described under Purpose and Effect of the Exchange Offer and Procedures for Tendering Outstanding Notes and Plan of Distribution; and
- any other representations as may be reasonably necessary under applicable SEC rules, regulations, or interpretations to make available to us an appropriate form for registration of the exchange notes under the Securities Act.

We expressly reserve the right at any time or at various times to extend the period of time during which the exchange offer is open. Consequently, we may delay acceptance of any outstanding notes by giving oral or written notice of such extension to their holders. We will return any outstanding notes that we do not accept for exchange for any reason without expense to their tendering holder promptly after the expiration or termination of the exchange offer.

We expressly reserve the right to amend or terminate the exchange offer and to reject for exchange any outstanding notes not previously accepted for exchange upon the occurrence of any of the conditions of the exchange offer specified above. We will give oral or written notice of any extension, amendment, non-acceptance or termination to the holders of the outstanding notes as promptly as practicable. In the case of any extension, such notice will be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

These conditions are for our sole benefit, and we may assert them regardless of the circumstances that may give rise to them or waive them in whole or in part at any or at various times prior to the expiration date in our sole discretion. If we fail at any time to exercise any of the foregoing rights, this failure will not constitute a waiver of such right. Each such right will be deemed an ongoing right that we may assert at any time or at various times prior to the expiration date.

In addition, we will not accept for exchange any outstanding notes tendered, and will not issue exchange notes in exchange for any such outstanding notes, if at such time any stop order is threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture under the Trust Indenture Act of 1939, as amended.

Procedures for Tendering Outstanding Notes

To tender your outstanding notes in the exchange offer, you must comply with either of the following:

- complete, sign and date the letter of transmittal or a facsimile of the letter of transmittal, have the signature(s) on the letter of transmittal guaranteed if required by the letter of transmittal and mail or deliver such letter of transmittal or facsimile thereof to the exchange agent at the address set forth below under Exchange Agent prior to the expiration date; or
- comply with DTC s Automated Tender Offer Program procedures described below.
- In addition, you will comply with either of the following conditions:
  - the exchange agent must receive certificates for outstanding notes along with the letter of transmittal prior to the expiration date;
  - the exchange agent must receive a timely confirmation of book-entry transfer of outstanding notes into the exchange agent s account at DTC according to the procedures for book-entry transfer described below or a properly transmitted agent s message prior to the expiration date; or

you must comply with the guaranteed delivery procedures described below.

Your tender, if not withdrawn prior to the expiration date, constitutes an agreement between us and you upon the terms and subject to the conditions described in this prospectus and in the letter of transmittal.

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The method of delivery of outstanding notes, letters of transmittal and all other required documents to the exchange agent is at your election and risk. We recommend that instead of delivery by mail, you use an overnight or hand delivery service, properly insured. In all cases, you should allow sufficient time to assure timely delivery to the exchange agent before the expiration date. You should not send letters of transmittal or certificates representing outstanding notes to us. You may request that your broker, dealer, commercial bank, trust company or nominee effect the above transactions for you.

If you are a beneficial owner whose outstanding notes are held in the name of a broker, dealer, commercial bank, trust company, or other nominee and you wish to tender your outstanding notes, you should promptly instruct the registered holder to tender outstanding notes on your behalf. If you wish to tender the outstanding notes yourself, you must, prior to completing and executing the letter of transmittal and delivering your outstanding notes, either:

- make appropriate arrangements to register ownership of the outstanding notes in your name; or

- obtain a properly completed bond power from the registered holder of outstanding notes.

The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date.

Signatures on the letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed by a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, a commercial bank or trust company having an office or correspondent in the United States or another eligible guarantor institution within the meaning of Rule 17A(d)-15 under the Exchange Act unless the outstanding notes surrendered for exchange are tendered:

- by a registered holder of the outstanding notes who has not completed the box entitled Special Registration Instructions or Special Delivery Instructions on the letter of transmittal; or

- for the account of an eligible guarantor institution.

If the letter of transmittal is signed by a person other than the registered holder of any outstanding notes listed on the outstanding notes, such outstanding notes must be endorsed or accompanied by a properly completed bond power. The bond power must be signed by the registered holder as the registered holder s name appears on the outstanding notes and an eligible guarantor institution must guarantee the signature on the bond power.

If the letter of transmittal or any certificates representing outstanding notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations, or others acting in a fiduciary or representative capacity, those persons should also indicate when signing and, unless waived by us, they should also submit evidence satisfactory to us of their authority to so act.

Any financial institution that is a participant in DTC s system may use DTC s Automated Tender Offer Program to tender. Participants in the program may, instead of physically completing and signing the letter of transmittal and delivering it to the exchange agent, electronically transmit their acceptance of the exchange by causing DTC to transfer the outstanding notes to the exchange agent in accordance with DTC s Automated Tender Offer Program procedures for transfer. DTC will then send an

agent s message to the exchange agent. The term agent s message means a message transmitted by DTC, received by the exchange agent and forming part of the book-entry confirmation, which states that:

- DTC has received an express acknowledgment from a participant in its Automated Tender Offer Program that is tendering outstanding notes that are the subject of the book-entry confirmation;

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- the participant has received and agrees to be bound by the terms of the letter of transmittal, or in the case of an agent s message relating to guaranteed delivery, that such participant has received and agrees to be bound by the notice of guaranteed delivery; and

- we may enforce that agreement against such participant.

DTC is referred to herein as a book-entry transfer facility.

Acceptance of Exchange Notes

In all cases, we will promptly issue exchange notes for outstanding notes that we have accepted for exchange under the exchange offer only after the exchange agent timely receives:

- outstanding notes or a timely book-entry confirmation of such outstanding notes into the exchange agent s account at the book-entry transfer facility; and

- a properly completed and duly executed letter of transmittal and all other required documents or a properly transmitted agent s message.

By tendering outstanding notes pursuant to the exchange offer, you will represent to us that, among other things:

- you are not our affiliate or an affiliate of any guarantor of the notes within the meaning of Rule 405 under the Securities Act;

- you do not have an arrangement or understanding with any person or entity to participate in a distribution of the exchange notes; and

- you are acquiring the exchange notes in the ordinary course of your business.

In addition, each broker-dealer that is to receive exchange notes for its own account in exchange for outstanding notes must represent that such outstanding notes were acquired by that broker-dealer as a result of market-making activities or other trading activities and must acknowledge that it will deliver a prospectus that meets the requirements of the Securities Act in connection with any resale of the exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. See Plan of Distribution.

Our interpretation of the terms and conditions of the exchange offer, including the letters of transmittal and the instructions to the letters of transmittal, and our resolution of all questions as to the validity, form, eligibility, including time of receipt, and acceptance of outstanding notes tendered for exchange will be final and binding on all parties. We reserve the absolute right to reject any and all tenders of any particular outstanding notes not properly tendered or to not accept any particular outstanding notes if the acceptance might, in our or our counsel s judgment, be unlawful. We also reserve the absolute right to waive any defects or irregularities as to any particular outstanding notes prior to the expiration date.

Unless waived, any defects or irregularities in connection with tenders of outstanding notes for exchange must be cured within such reasonable period of time as we determine. Neither we, the exchange agent, nor any other person will be under any duty to give notification of any defect or irregularity with respect to any tender of outstanding notes for exchange, nor will we or any of them incur any liability for any failure to give notification. Any outstanding notes received by the exchange agent that are not properly tendered and as to which the irregularities have not been cured or waived will be returned by the exchange agent to the tendering holder, unless otherwise provided in the letter of transmittal, promptly after the expiration date.

Book-Entry Delivery Procedures

Promptly after the date of this prospectus, the exchange agent will establish an account with respect to the outstanding notes at DTC and, as the book-entry transfer facility, for purposes of the exchange offer. Any financial institution that is a participant in the book-entry transfer facility s system may make book-entry delivery of the outstanding notes by causing the book-entry transfer facility to transfer those outstanding notes into the exchange agent s account at the facility in accordance with the facility s procedures for such transfer. To be timely, book-entry delivery of outstanding notes requires receipt of a confirmation of a book-entry transfer, a book-entry confirmation, prior to the expiration date. In addition, although delivery of outstanding notes may be effected through book-entry transfer into the exchange agent s account at the book-entry transfer facility, the letter of transmittal or a manually signed facsimile thereof, together with any required signature guarantees and any other required documents, or an agent s message, as defined below, in connection with a book-entry transfer, must, in any case, be delivered or transmitted to and received by the exchange agent at its address set forth on the cover page of the letter of transmittal prior to the expiration date to receive exchange notes for tendered outstanding notes, or the guaranteed delivery procedure described below must be complied with. Tender will not be deemed made until such documents are received by the exchange agent. Delivery of documents to the book-entry transfer facility does not constitute delivery to the exchange agent.

Holders of outstanding notes who are unable to deliver confirmation of the book-entry tender of their outstanding notes into the exchange agent s account at the book-entry transfer facility or all other documents required by the letter of transmittal to the exchange agent on or prior to the expiration date must tender their outstanding notes according to the guaranteed delivery procedures described below.

Guaranteed Delivery Procedures

If you wish to tender your outstanding notes, but your outstanding notes are not immediately available or you cannot deliver your outstanding notes, the letter of transmittal or any other required documents to the exchange agent or comply with the procedures under DTC s Automatic Tender Offer Program in the case of outstanding notes, prior to the expiration date, you may still tender if:

- the tender is made through an eligible guarantor institution;

- prior to the expiration date, the exchange agent receives from such eligible guarantor institution either a properly completed and duly executed notice of guaranteed delivery, by facsimile transmission, mail, or hand delivery or a properly transmitted agent s message and notice of guaranteed delivery, that (1) sets forth your name and address, the certificate number(s) of such outstanding notes and the principal amount of outstanding notes tendered; (2) states that the tender is being made thereby; and (3) guarantees that, within three New York Stock Exchange trading days after the expiration date, the letter of transmittal, or facsimile thereof, together with the outstanding notes or a book-entry confirmation, and any other documents required by the letter of transmittal, will be deposited by the eligible guarantor institution with the exchange agent; and

- the exchange agent receives the properly completed and executed letter of transmittal or facsimile thereof, as well as certificate(s) representing all tendered outstanding notes in proper form for transfer or a book-entry confirmation of transfer of the outstanding notes into the exchange agent s account at DTC and all other documents required by the letter of transmittal, within three New York Stock Exchange trading days after the expiration date.

Upon request, the exchange agent will send to you a notice of guaranteed delivery if you wish to tender your outstanding notes according to the guaranteed delivery procedures.

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Withdrawal Rights

Except as otherwise provided in this prospectus, you may withdraw your tender of outstanding notes at any time prior to 5:00 p.m., New York City time, on the expiration date. For a withdrawal to be effective:

- the exchange agent must receive a written notice, which may be by telegram, telex, facsimile or letter, of withdrawal at its address set forth below under Exchange Agent; or

- you must comply with the appropriate procedures of DTC s Automated Tender Offer Program system.

Any notice of withdrawal must:

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