Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
MARINER INVESTMENT GROUP, LLC 401(K) PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2001

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

MARINER INVESTMENT GROUP, LLC

500 MAMARONECK AVE 4TH FLOOR
HARRISON, NY 10528

2b Employer Identification Number (EIN) 51-0661527

2c Sponsor's telephone number 914-670-4300

2d Business code (see instructions) 523900

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/04/2012	CHARLES R. HOWE II
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
MARINER INVESTMENT GROUP, LLC

500 MAMARONECK AVE 4TH FLOOR
HARRISON, NY 10528

3b Administrator's EIN
51-0661527

3c Administrator's telephone number
914-670-4300

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	185
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	181
b	Retired or separated participants receiving benefits	**6b**	
c	Other retired or separated participants entitled to future benefits	**6c**	30
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	211
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	0
f	Total. Add lines **6d** and **6e**	**6f**	211
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	145
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2T 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)		**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
MARINER INVESTMENT GROUP, LLC 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
MARINER INVESTMENT GROUP, LLC

D Employer Identification Number (EIN)
51-0661527

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

CHARLES SCHWAB & CO., INC.

94-1737782

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
MARINER INVESTMENT GROUP, LLC 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
MARINER INVESTMENT GROUP, LLC

D Employer Identification Number (EIN)
51-0661527

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		166
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)	31195	160821
(3) Other	1b(3)	851	518
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1110104	1090959
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	81787	31067
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	7665520	7953420
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	8889457	9236951
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	8889457	9236951

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)		
(B) Participants	2a(1)(B)	1445863	
(C) Others (including rollovers)	2a(1)(C)	168528	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1614391
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	101	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	1758	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		1859
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	2944673	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	2811245	
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		133428

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-221809
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		1527869
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1162358	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1162358
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		17717
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	300	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		300
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1180375
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		347494
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: J.H. COHN, LLP **(2)** EIN: 22-1478099

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) **4a**		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) **4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) **4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) **4d**		X	
e	Was this plan covered by a fidelity bond? **4e**	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? **4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? **4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? **4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) **4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) **4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? **4k**		X	
l	Has the plan failed to provide any benefit when due under the plan? **4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) **4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. **4n**		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
MARINER INVESTMENT GROUP, LLC 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
MARINER INVESTMENT GROUP, LLC

D Employer Identification Number (EIN)
51-0661527

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 42-1558009

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Mariner Investment Group, LLC
401(k) Profit Sharing Plan

Report on Financial Statements
(With Supplementary Information)

Year Ended December 31, 2011

MARINER INVESTMENT GROUP, LLC 401(K) PROFIT SHARING PLAN

Index

	Page
Report of Independent Public Accountants	2
Statements of Net Assets Available for Benefits December 31, 2011 and 2010	3
Statement of Changes in Net Assets Available for Benefits Year Ended December 31, 2011	4
Notes to Financial Statements	5-12
Schedule of Assets (Held at End of Year) (Schedule H, Line 4i) December 31, 2011	13

J.H. COHN LLP
Accountants and Consultants since 1919

www.jhcohn.com ▪ 888-542-6461 ▪ fax 888-542-3291

Report of Independent Public Accountants

To the Administrative Committee and Participants of
Mariner Investment Group, LLC 401(k) Profit Sharing Plan

We were engaged to audit the accompanying statements of net assets available for benefits of Mariner Investment Group, LLC 401(k) Profit Sharing Plan as of December 31, 2011 and 2010 and the related statement of changes in net assets available for benefits for the year ended December 31, 2011 and the supplemental schedule of assets (held at end of year) (Schedule H, Line 4i). These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Charles Schwab Trust Company, the Custodian of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the Custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the Custodian as of December 31, 2011 and 2010 and for the year ended December 31, 2011, that the information provided to the Plan administrator by the Custodian is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

J.H. Cohn LLP

Roseland, New Jersey
October 2, 2012

MARINER INVESTMENT GROUP, LLC 401(K) PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2011 AND 2010

	2011	2010
Assets:		
Investments, at fair value:		
Mutual funds	**$ 7,953,420**	$ 7,665,520
Money market funds	**1,090,959**	954,428
Total investments	**9,044,379**	8,619,948
Cash	**166**	155,676
Receivables:		
Participant contributions	**160,821**	31,195
Notes receivable from participants	**31,067**	81,787
Other receivables	**518**	851
Total receivables	**192,406**	113,833
Net assets available for benefits	**$ 9,236,951**	$ 8,889,457

See Notes to Financial Statements.

MARINER INVESTMENT GROUP, LLC 401(K) PROFIT SHARING PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2011

Additions to net assets attributed to:	
Investment income (loss):	
Net depreciation in fair value of mutual funds	$ (88,381)
Interest income on money markets	101
Total investment loss	(88,280)
Interest income on notes receivable from participants	1,758
Contributions:	
Participant	1,445,863
Rollovers	168,528
Total contributions	1,614,391
Total additions	1,527,869
Deductions from net assets attributed to:	
Benefits paid to participants	1,180,075
Administrative expenses	300
Total deductions	1,180,375
Net increase	347,494
Net assets available for benefits:	
Beginning of year	8,889,457
End of year	$ 9,236,951

See Notes to Financial Statements.

Note 1 - Description of Plan:

The following description of the Mariner Investment Group, LLC 401(k) Profit Sharing Plan (the "Plan") provides only general information. Participants should refer to the formal Plan document for a comprehensive description of Plan information and provisions.

General:

The Plan is a defined contribution plan covering all eligible employees of the Mariner Investment Group, LLC (the "Company") who are age twenty-one or older. The funding of the Plan is made through employee contributions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Plan's investments are held by Charles Schwab Trust Company (the "Custodian"). Contributions by or on behalf of a participant are invested at the election of the participant in money market funds and specified mutual funds administered by CMC Interactive, the third party administrator.

Contributions:

The Plan provides for a salary reduction plan, which is a savings plan that allows a participant to defer a portion of their salary for tax purposes through contributions to the Plan and the investment of such contributions in specified funds. The amount an employee may contribute on a pre-tax basis is subject to an annual limitation permitted under the Internal Revenue Code (the "Code"). Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also elect to defer after-tax Roth contributions. Earnings on contributions accumulate tax free, and no taxes are payable until the participant receives a distribution from the Plan. Participants are immediately vested in their contributions plus actual earnings thereon.

In addition, the Plan provides for a discretionary additional profit sharing and safe harbor contribution equal to 3% of a participant's compensation for any plan year in which it is made on behalf of eligible participants at the discretion of the Company. There were no additional discretionary profit sharing and safe harbor contributions in 2011.

The total amount of all contributions to the Plan on behalf of a participant is also subject to certain limitations as set forth in the Code.

A participant may, with the consent of the Plan administrator, make a rollover contribution to the Plan at any time. Rollover contributions are assets transferred to the Plan from a qualified savings plan in which employees participated prior to their employment by the Company.

Contributions to the Plan by or on behalf of a participant are invested as directed by the participant.

Note 1 - Description of Plan (concluded):

Participant accounts:

Each participant's account is credited or charged with the participant's contributions, the sponsoring company's safe harbor and profit sharing contributions, if any, and an allocation of the Plan earnings or the Plan losses and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting:

Participants are 100% vested in their voluntary contributions to the Plan plus earnings thereon at all times. Vesting in the Company's safe harbor and profit sharing contribution portion of their accounts plus earnings thereon is based on years of continuous service. A participant is 100% vested after six years of service.

Notes receivable from participants:

A participant may obtain a loan from the Plan a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of the participant's vested account balance. Borrowings are repaid over a period of one to five years. However, loans used to acquire a principal residence shall provide for periodic repayment over a reasonable period of time that may exceed five years. The loans are secured by the balance in the participants' accounts and bear interest at rates of 4.25 percent, which are commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest is paid ratably through payroll deductions. In addition, a one-time loan origination fee of $100 is charged to those participants who obtain a loan.

Forfeitures:

Forfeitures of the nonvested account balances of terminated or withdrawn participants will be used to pay administrative expenses. The remaining balance will be credited to the Plan sponsor to offset their future contributions to the Plan. There were no forfeitures at December 31, 2011 and 2010, and no forfeitures were used in 2011.

Payment of benefits:

On termination of service due to death, disability, retirement, or attaining the age of 59-1/2, a participant or a participant's designated beneficiary may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount or in annual installments over a specified period that may not exceed the life expectancy of the participant or the joint life expectancy of the participant and the participant's designated beneficiary. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. The Plan does not allow hardship distributions.

Note 2 - Summary of significant accounting policies:

Basis of presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting.

Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Notes receivable from participants:

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Investment valuation and income recognition:

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Net depreciation includes interest and dividend income and the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of benefits:

Benefits are recorded when paid. As of December 31, 2011, there were no payments due to participants but not yet paid.

Subsequent events:

The Plan has evaluated subsequent events through October 2, 2012, which is the date the financial statements were available to be issued.

Note 3 - Fair value measurements:

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures," provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining fair value, the Plan utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Note 3 - Fair value measurements (continued):

Financial assets carried at fair value at December 31, 2011 are classified in the table below in one of the three categories described above:

	2011			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
High yield bond	$ 177,339			$ 177,339
Inflation-protected bond	146,336			146,336
Intermediate-term bond	1,231,703			1,231,703
Intermediate government	325,753			325,753
Large blend	2,925,648			2,925,648
Large growth	1,300,792			1,300,792
Large value	319,832			319,832
Mid growth	665,983			665,983
Mid value	433,228			433,228
Short government	31,409			31,409
Short-term bond	189,800			189,800
Small growth	68,837			68,837
Small value	95,815			95,815
World bond	40,945			40,945
Total mutual funds	7,953,420			7,953,420
Money market funds		$1,090,959		1,090,959
Total investments, at fair value	$7,953,420	$1,090,959	$ -	$9,044,379

Note 3 - Fair value measurements (concluded):

Financial assets carried at fair value at December 31, 2010 are classified in the table below in one of the three categories described above:

	2010			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
High yield bond	$ 83,115			$ 83,115
Inflation-protected bond	63,924			63,924
Intermediate-term bond	1,027,660			1,027,660
Intermediate government	269,002			269,002
Large blend	2,172,371			2,172,371
Large growth	2,194,241			2,194,241
Large value	379,152			379,152
Mid blend	213,727			213,727
Mid growth	583,633			583,633
Mid value	205,402			205,402
Short government	22,144			22,144
Short-term bond	208,869			208,869
Small growth	43,543			43,543
Small value	84,364			84,364
World bond	114,373			114,373
Total mutual funds	7,665,520			7,665,520
Money market funds		$954,428		954,428
Total investments, at fair value	$7,665,520	$954,428	$ -	$8,619,948

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Plan at year end.

Money markets: Valued at average yields, which approximates the current fair value, but since the value is not obtained from a quoted price in an active market, such investment is reflected as Level 2.

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 4 - Investments:

The following table presents the fair values of the Plan's investments that represent 5% or more of the Plan's net assets at December 31, 2011 and 2010:

	2011		2010	
	Shares	**Amount**	Shares	Amount
Money Market Fund:				
Schwab Value Advantage Money Fund	**1,044,181**	**$1,044,181**	954,428	$ 954,428
Mutual Funds:				
Columbia Acorn Fund	**20,180**	**556,151**	16,140	487,264
Oakmark Equity Income Fund	**25,242**	**682,804**	20,215	560,752
PIMCO Total Return Institutional Fund	**113,312**	**1,231,702**	94,715	1,027,659
Schwab Markettrack Balanced Fund	**80,604**	**1,210,673**	86,728	1,317,400
Scwhab S&P 500 Index Fund			25,724	503,409

Note 5 - Plan termination:

Although it has not expressed any intent to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become fully vested in their employer contributions.

Note 6 - Tax status:

The Plan obtained its latest opinion letter on a prototype plan approved by the Internal Revenue Service ("IRS"), effective February 2, 1996. The IRS stated that the prototype plan, as designed, was in compliance with the applicable requirements of the Internal Revenue Code (the "Code"). Although the Plan has been amended since receiving the opinion letter, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

Note 7 - Certification by the Custodian:

The following account balances and transactions were obtained from statements certified by the Custodian:

Statements of net assets available for benefits:
Investments

Statement of changes in net assets available for benefits:
Investment income (loss)

Schedule of assets (held at end of year)

Note 8 - Administrative expenses:

The majority of the Plan's expenses, incident to the operation of the Plan, are paid by the Company.

Note 9 - Party-in-interest transactions:

Certain Plan investments are managed by the Custodian or its commonly controlled affiliates; therefore, these transactions qualify as exempt party-in-interest transactions.

Note 10- Risks and uncertainties:

The Plan provides for various investment options in funds which can invest in a combination of stocks, bonds, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

MARINER INVESTMENT GROUP, LLC 401(K) PROFIT SHARING PLAN
E.I. #51-0661527
PLAN #001

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
(Schedule H, Line 4i)
DECEMBER 31, 2011

(a)	(b) Identity of Issue, Borrower Lessor or Similar Party	(c) Description	Number of Units	(d) Cost (A)	(e) Current Value
*	Schwab Government Money Fund	Money Market	46,778		$ 46,778
*	Schwab Value Advantage Money Fund	Money Market	1,044,481		1,044,181
	American Beacon Intl. EQT Fund	Mutual fund	7,845		114,073
	American Capital Inc Builder Fund	Mutual fund	3,458		170,227
	American Funds Growth Fund	Mutual fund	5,784		165,891
	American Funds New Perspective Fund	Mutual fund	6,408		167,386
	Baron Growth Institutional Fund	Mutual fund	2,139		109,832
	Blackrock Inflation Protected Institutional Bond	Mutual fund	12,529		146,336
	Blackrock US Government Bond Portfolio Fund	Mutual fund	9		101
	Blackrock US Government Bond Portfolio Institutional Fund	Mutual fund	19		200
	Buffalo Small Cap Fund	Mutual fund	1,534		38,254
	Calamos Growth Fund CL	Mutual fund	3,449		175,387
	Columbia Acorn Fund	Mutual fund	20,180		556,151
	Columbia Small Cap Value Fund	Mutual fund	2,328		95,815
	Dreyfus Global Fixed Income Fund	Mutual fund	1,971		40,945
	Fidelity Japan Fund	Mutual fund	6,931		63,763
	First Eagle Sogen Global Fund	Mutual fund	5,020		227,234
	FMI Common Stock Fund	Mutual fund	6,922		166,617
	Hussman Strategic Total Return Fund	Mutual fund	8,868		109,082
	Janus Contrarian I Fund	Mutual fund	6,261		77,131
	Loomis Sayles Ltd Govt and Agency Fund	Mutual fund	2,633		31,409
	Marshall Mid-Cap Value I Fund	Mutual fund	4,233		49,911
	MFS Government Secs R4 Fund	Mutual fund	19,069		201,756
	Oakmark Equity Income Fund	Mutual fund	25,242		682,804
	Oppenheimer Developing Mkts Fund	Mutual fund	11,664		337,893
	Parnassus Equity Income Institutional Fund	Mutual fund	4,459		117,768
	Payden GNMA Fund	Mutual fund	11,528		123,696
	Perkins Mid Cap Value I Class Fund	Mutual fund	5,333		107,618
	PIMCO High Yield Fund	Mutual fund	13		119
	PIMCO High Yield Institutional Fund	Mutual fund	19,735		177,220
	PIMCO Low Duration Fund	Mutual fund	6		67
	PIMCO Low Duration Institutional Fund	Mutual fund	18,439		189,733
	PIMCO Total Return Fund	Mutual fund	0		1
	PIMCO Total Return Institutional Fund	Mutual fund	113,312		1,231,702
*	Schwab Markettrack Balanced Fund	Mutual fund	80,604		1,210,673
*	Schwab S&P 500 Index Fund	Mutual fund	22,085		432,202
	Scout Small Cap Found	Mutual fund	2,066		30,583
	Selected American Shares D Fund	Mutual fund	3,369		132,890
	Sound Shore Fund	Mutual fund	5,066		149,605
	Thornburg Intl. Value Fund	Mutual fund	13,095		321,345
	Total				9,044,379
*	Participant loans	Interest at 4.25%, various maturity dates and secured by participant account balance			31,067
	Total				$9,075,446

* Party-in-interest.
(A) Cost not required.

See Report of Independent Public Accountants.

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Mariner Investment Group, LLC 401(k) Profit Sharing Plan **EIN:** 51-0661527
Plan Sponsor's Name Mariner Investment Group, LLC **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	MUTUAL FUND	AMERICAN BEACON INTL EQUITY PLAN FUND		114,073
	MUTUAL FUND	AMERICAN FUND CAPITAL INCOME BLDR R5		170,227
	MUTUAL FUND	AMERICAN FUNDS GROWTH FUND		165,891
	MUTUAL FUND	AMERICAN FUNDS NEW PERSPECTIVE R5 FUND		167,386
	MUTUAL FUND	BARON GROWTH INSTL FUND		109,832
	MUTUAL FUND	BLACKROCK GOVT INC INV FUND		101
	MUTUAL FUND	BLACKROCK INFLATION PROTECTED BOND INSTL FUND		146,336

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Plan Name Mariner Investment Group, LLC 401(k) Profit Sharing Plan **EIN:** 51-0661527
Plan Sponsor's Name Mariner Investment Group, LLC **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	MUTUAL FUND	BLACKROCK INTERM GOVT BOND FUND		200
	MUTUAL FUND	BUFFALO SMALL CAP FUND		38,254
	MUTUAL FUND	CALAMOS GROWTH I FUND		175,387
	MUTUAL FUND	COLUMBIA ACORN FUND Z		556,151
	MUTUAL FUND	COLUMBIA SMALL CAP VALUE I Z FUND		95,815
	MUTUAL FUND	DREYFUS/STANDISH GLOBAL FIXED INCOME I FUND		40,945
	MUTUAL FUND	FIDELITY JAPAN FUND		63,763

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Plan Name Mariner Investment Group, LLC 401(k) Profit Sharing Plan **EIN:** 51-0661527
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(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	MUTUAL FUND	FIRST EAGLE GLOBAL FUND		227,234
	MUTUAL FUND	FMI COMMON STOCK FUND		166,617
	MUTUAL FUND	HUSSMAN STRATEGIC TOTAL RETURN FUND		109,082
	MUTUAL FUND	JANUS CONTRARIAN I FUND		77,131
	MUTUAL FUND	LOOMIS SAYLES LTD TERM GOVT AND AGENCY Y		31,409
	MUTUAL FUND	MARSHALL MID-CAP VALUE I FUND		49,911
	MUTUAL FUND	MFS GOVERNMENT SECS R4 FUND		201,756

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Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Mariner Investment Group, LLC 401(k) Profit Sharing Plan **EIN:** 51-0661527
Plan Sponsor's Name Mariner Investment Group, LLC **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	MUTUAL FUND	OAKMARK EQUITY & INCOME I FUND		682,804
	MUTUAL FUND	OPPENHEIMER DEVELOPING MKTS Y FUND		337,893
	MUTUAL FUND	PARNASSUS EQUITY INC FD INSTL		117,768
	MUTUAL FUND	PAYDEN GNMA FUND		123,696
	MUTUAL FUND	PERKINS MID CAP VALUE FUND CL I		107,618
	MUTUAL FUND	PIMCO HIGH YIELD FUND CLASS D		119
	MUTUAL FUND	PIMCO HIGH-YIELD FUND INSTL CLASS		177,220

Attachment to 2011 Form 5500
Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Mariner Investment Group, LLC 401(k) Profit Sharing Plan **EIN:** 51-0661527

Plan Sponsor's Name Mariner Investment Group, LLC **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	MUTUAL FUND	PIMCO LOW DURATION FD CL D		67
	MUTUAL FUND	PIMCO LOW-DURATION FUND INSTL CLASS		189,733
	MUTUAL FUND	PIMCO TOTAL RETURN FUND INSTL CLASS		1,231,702
	MUTUAL FUND	PIMCO TOTAL RETURN FD CL D		1
	MUTUAL FUND	SCHWAB MARKETTRACK BALANCED FUND		1,210,673
	MUTUAL FUND	SCHWAB S & P 500 INDEX FUND		432,202
	MUTUAL FUND	UMB SCOUT SMALL CAP FD		30,583

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Schedule H, line 4i - Schedule of Assets (Held at End of Year)

Plan Name Mariner Investment Group, LLC 401(k) Profit Sharing Plan **EIN:** 51-0661527
Plan Sponsor's Name Mariner Investment Group, LLC **PN:** 001

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value.	(d) Cost	(e) Current value
	MUTUAL FUND	SELECTED AMERICAN SHARES FUND		132,890
	MUTUAL FUND	SOUND SHORE FUND		149,605
	MUTUAL FUND	THORNBURG INTL VALUE FD CL R-5		321,345
	MUTUAL FUND	SCHWAB VALUE ADVANTAGE MONEY FUND		1,044,181
	MUTUAL FUND	SCHWAB GOV'T MONEY MARKET FUND		46,778
	CASH	CASH		166