

Ares Commercial Real Estate Corp  
Form SC 13G  
February 14, 2013

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 13G**

Under the Securities Exchange Act of 1934  
(Amendment No.)\*

**Ares Commercial Real Estate Corporation**

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(Name of Issuer)

**Common Stock**

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(Title of Class of Securities)

**04013V108**

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(CUSIP Number)

**December 31, 2012**

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(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see Instructions).

CUSIP No.: 04013V108

1                      NAME OF REPORTING PERSON  
Canyon Capital Advisors LLC

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES)

ONLY)  
95-4688436

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(a)  [X]  
(b)  [ ]

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

NUMBER OF 5 SOLE VOTING POWER  
SHARES 562,912 (based upon conversion of bonds CUSIP 04013VAA6)

BENEFICIALLY 6 SHARED VOTING POWER  
OWNED BY EACH

REPORTING 7 SOLE DISPOSITIVE POWER  
PERSON WITH 562,912 (based upon conversion of bonds CUSIP 04013VAA6)

8 SHARED DISPOSITIVE POWER

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH  
REPORTING PERSON  
562,912 (based upon conversion of bonds CUSIP 04013VAA6)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9)  
EXCLUDES CERTAIN SHARES  [ ]

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
5.73%

12 TYPE OF REPORTING PERSON  
IA

CUSIP No.: 04013V108

1 NAME OF REPORTING PERSON  
Mitchell R. Julis

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES  
ONLY)

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(a)  [X]  
(b)  [ ]

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5 SOLE VOTING POWER

6 SHARED VOTING POWER  
562,912 (based upon conversion of bonds CUSIP 04013VAA6)

7 SOLE DISPOSITIVE POWER

8 SHARED DISPOSITIVE POWER  
562,912 (based upon conversion of bonds CUSIP 04013VAA6)

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
562,912 (based upon conversion of bonds CUSIP 04013VAA6)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
5.73%

12 TYPE OF REPORTING PERSON  
IN

CUSIP No.: 04013V108

1 NAME OF REPORTING PERSON  
Joshua S. Friedman

2 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

3 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(a)   
(b)

4 SEC USE ONLY

5 CITIZENSHIP OR PLACE OF ORGANIZATION  
United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5 SOLE VOTING POWER

6 SHARED VOTING POWER  
562,912 (based upon conversion of bonds CUSIP 04013VAA6)

7 SOLE DISPOSITIVE POWER

8 SHARED DISPOSITIVE POWER  
562,912 (based upon conversion of bonds CUSIP 04013VAA6)

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

562,912 (based upon conversion of bonds CUSIP 04013VAA6)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9)  
EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
5.73%

12 TYPE OF REPORTING PERSON  
IN

CUSIP No.: 04013V108

1 NAME OF REPORTING PERSON  
K. Robert Turner

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES  
ONLY)

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP  
(a)   
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION  
United States

5 NUMBER OF SHARES  
SOLE VOTING POWER

6 BENEFICIALLY OWNED BY EACH  
562,912 (based upon conversion of bonds CUSIP 04013VAA6)

7 REPORTING PERSON WITH  
SOLE DISPOSITIVE POWER

8 SHARED DISPOSITIVE POWER  
562,912 (based upon conversion of bonds CUSIP 04013VAA6)

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH  
REPORTING PERSON  
562,912 (based upon conversion of bonds CUSIP 04013VAA6)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9)  
EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
5.73%

12 TYPE OF REPORTING PERSON  
IN

CUSIP No.: 04013V108

ITEM 1(a). NAME OF  
ISSUER:

Ares  
Commercial  
Real Estate  
Corporation

ADDRESS OF  
ISSUER'S

ITEM 1(b). PRINCIPAL  
EXECUTIVE  
OFFICES:

Two North  
LaSalle Street  
Suite 925  
Chicago, IL  
United States

ITEM 2(a). NAME OF  
PERSON  
FILING:

This Schedule  
13G is being  
filed on behalf  
of the following  
persons\*:

- (i) Canyon  
Capital Advisors  
LLC (CCA)
- (ii) Mitchell R.  
Julis
- (iii) Joshua S.  
Friedman
- (iv) K. Robert  
Turner

CCA is the  
investment  
advisor to the  
following  
persons:  
(i) Canyon  
Capital  
Arbitrage  
Master Fund  
Ltd. ("CARB")

\* Attached as  
Exhibit A is a

copy of an  
agreement  
among the  
persons filing  
(as specified  
hereinabove)  
that this  
Schedule 13G is  
being filed on  
behalf of each of  
them.

ITEM 2(b). ADDRESS OF  
PRINCIPAL  
BUSINESS  
OFFICE OR, IF  
NONE,  
RESIDENCE:  
2000 Avenue of  
the Stars, 11th  
Floor,  
Los Angeles,  
CA 90067  
United States

ITEM 2(c). CITIZENSHIP:  
CCA: a  
Delaware  
limited liability  
company  
CARB: a  
Cayman Islands  
corporation

Mitchell R.  
Julis: United  
States  
Joshua S.  
Friedman:  
United States  
Robert K.  
Turner United  
States

ITEM 2(d). TITLE OF  
CLASS OF  
SECURITIES:  
Common Stock

ITEM 2(e). CUSIP  
NUMBER:  
04013V108

ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO SECTION 240.13d-1(b), or 13d-2(b) or (c) CHECK WHETHER THE PERSON FILING IS A:

- (a)  Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78c);
- (b)  Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c)  Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d)  Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8);
- (e)  An investment adviser in accordance with 240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with 240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with 240.13d-1(b)(1)(ii)(G);
- (h)  A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  A non-U.S. institution in accordance with 240.13d-1(b)(1)(ii)(J);
- (k)  Group, in accordance with 240.13d-1(b)(1)(ii)(K). If filing as a non-U.S. institution in accordance with 240.13d1(b)(1)(ii)(J), please specify the type of institution:

ITEM 4. OWNERSHIP:

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a) Amount beneficially owned:  
562,912 (based upon conversion of bonds CUSIP 04013VAA6)
- (b) Percent of class:  
5.73%
- (c) Number of shares as to which the person has:
  - (i) Sole power to vote or to direct the vote:  
562,912 (based upon conversion of bonds CUSIP 04013VAA6)
  - (ii) Shared power to vote or to direct the vote:  
562,912 (based upon conversion of bonds CUSIP 04013VAA6)
  - (iii) Sole power to dispose or to direct the disposition of:  
562,912 (based upon conversion of bonds CUSIP 04013VAA6)
  - (iv) Shared power to dispose or to direct the disposition of:

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS:

If this statement is being filed to report the fact that as of the date hereof the

reporting person has  
ceased to be the  
beneficial owner of  
more than five  
percent of the class of  
securities, check the  
following [ ].

ITEM 6. OWNERSHIP OF  
MORE THAN FIVE  
PERCENT ON  
BEHALF OF  
ANOTHER  
PERSON:

CCA is an investment  
advisor to various  
managed accounts  
noted above,  
including CARB,  
with the right to  
receive, or the power  
to direct the receipt,  
of dividends from, or  
the proceeds from the  
sale of the securities  
held by, such  
managed accounts.  
Messrs. Julis,  
Friedman, and Turner  
control entities which  
own 100% of CCA.

ITEM 7. IDENTIFICATION  
AND  
CLASSIFICATION  
OF THE  
SUBSIDIARY  
WHICH ACQUIRED  
THE SECURITY  
BEING REPORTED  
ON BY THE  
PARENT HOLDING  
COMPANY:

n/a

ITEM 8. IDENTIFICATION  
AND  
CLASSIFICATION  
OF MEMBERS OF  
THE GROUP:

n/a

NOTICE OF  
ITEM 9. DISSOLUTION OF  
GROUP:

n/a

ITEM 10. CERTIFICATION:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

February 14, 2013

Date

Canyon Capital Advisors LLC

/s/ John H. Simpson

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Signature

John H. Simpson, Chief Operating Officer

---

Name/Title

February 14, 2013

Date

Mitchell R. Julis

/s/ Mitchell R. Julis

---

Signature

**SIGNATURE**

Mitchell R. Julis,  

---

Name/Title

February 14, 2013

Date

Joshua S. Friedman

/s/ Joshua S. Friedman  

---

Signature

Joshua S. Friedman,  

---

Name/Title

February 14, 2013

Date

K. Robert Turner

/s/K. Robert Turner  

---

Signature

K. Robert Turner,  

---

Name/Title

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (see 18 U.S.C. 1001).

CUSIP No.: 04013V108

EXHIBIT A

#### AGREEMENT REGARDING JOINT FILING

The undersigned hereby agree and consent to the joint filing on their behalf of this amendment to Schedule 13G in connection with their beneficial ownership of the common stock of Ares Commercial Real Estate.

Dated: February 14, 2013

CANYON CAPITAL ADVISORS LLC,  
a Delaware limited liability company

By: /s/ John H. Simpson

Name: John H. Simpson

Title: Chief Operating Officer

JOSHUA S. FRIEDMAN

SIGNATURE

/s/ Joshua S. Friedman

MITCHELL R. JULIS

/s/ Mitchell R. Julis

K. ROBERT TURNER

/s/ K. Robert Turner