

Firm Brochure
Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Private Portfolio, Inc. If you have any questions about the contents of this brochure, please contact us at (858) 551-2071, or by email at: etovar@PrivatePortfolio.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. Registration as an investment advisor does not imply any specific skill or training.

Additional information about Private Portfolio is available on the SEC website:

www.advisorinfo.sec.gov

Private Portfolio of San Diego, Inc.

7534 La Jolla Blvd.

La Jolla Ca 92037

(858) 551-2071

www.privateportfolio.com

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Material Changes

Annual Update

Private Portfolio, Inc has changed its registration from and SEC investment advisor to a State investment advisor, our home state is California. This is due too the fact that in order to be registered as an SEC investment advisor you need \$100 million dollars under management and we currently have \$68,203,449.

Material Changes since the Last Update

Registration has changed from SEC investment advisor to a state registered investment advisor.

Full Brochure Availability

To request a copy of the Firm Brochure, please contact Private Portfolio's home office at:

7534 La Jolla Blvd.
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Advisory Business

Firm Description

Private Portfolio, Inc. was established in 1994 by Daniel Barba as a broker-dealer. The firm added registered investment advisor services in 2005.

Principal Owners

Daniel Barba is sole owner of the firm.

Types of Advisory Services Offered

Some of Private Portfolio's Registered Representatives (RRs) are also Registered Investment Advisors (RIAs), and provide asset management.

Tailored Relationships

Individual needs of clients are met by personalizing their portfolios based on analysis, knowledge, research, experience, and risk assessment. RIAs advise clients as to possible investments that are consistent with the clients' written and stated Portfolio Investment Strategies, Investment Objectives, and Additional Terms agreements.

Wrap Fee Programs (N/A)

Client Assets

As of January 1, 2011, Private Portfolio manages approximately \$68,203,449 in assets for approximately 74 clients. Approximately \$68,203,449 is managed on a discretionary basis, and \$0 is managed on a non-discretionary basis. Client Assets Under Management are calculated using accounting information provided by Pershing, LLC, PPI's clearing firm.

Fees and Compensation

Description

Private Portfolio, Inc. (PPI) bases fees on a percentage of the assets under management. Because they act as both RRs and RIAs, brokers may receive a commission as well as a fee. Fees are negotiable.

Fee Billing

The annualized management fee is payable quarterly, and is calculated on the following basis: the month-end closing total market value of the account is multiplied by the Annualized Management Fee base (which can range from 0 to 1.5%), and divided by 4; the minimum fee is \$25.00 per month. Fees are automatically deducted (by PPI's clearing firm, Pershing LLC) from designated client accounts. Clients must consent in advance to direct debiting of their investment account(s).

Other Fees

Brokerage fees are paid by the client. Pershing, as custodian, may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. Using sole discretion, PPI may waive its minimum fee and/or charge a lesser investment advisory fee.

Fees Paid in Advance

Investment management fees are billed quarterly, in advance (before the 3-month billing period has begun). Refunds are negotiable, depending upon circumstances.

Performance-Based Fees & Side-by-Side Management

Private Portfolio, Inc., does not currently use a performance-based fee structure.

Sharing of Capital Gains or Capital Appreciation (N/A)**Types of Clients****Description**

PPI generally provides investment advice to individual investors, and has special expertise in serving international investors.

Account Minimums

Negotiable, depending on clients and their needs.

Methods of Analysis, Investment Strategies and Risk of Loss**Methods of Analysis**

Advisors may combine several methods of analyzing investments, including: charting and fundamental and technical analysis. Information sources may include, among others: financial news sources such as Investors Business Daily, Bloomberg, Reuters, Standard and Poor's, Dow Jones News Service, the world wide web; other information is gleaned from research into such sources as rating services, annual reports, prospectuses, and company press releases.

Investment Strategies

We work closely with clients to develop personal investment strategies that include long- and short-term purchases and assessment of each investor's suitability and risk. These choices and determinations are kept in hard copy, signed by each client, and filed in the home office as "Investment Objectives".

Risk of Loss

All investments have potential risks that are borne by the investor. Risks may include:

- Fluctuations in interest rates, causing bond price and yield variations.

- Market reactions to a variety of factors that may be independent of a security's underlying value or circumstances.
- Inflation, which may erode purchasing power.
- Exchange rate shifts that affect the value of the dollar.
- Reinvestment at lower interest rates due to various factors.
- Industry ups and downs.
- Liquidity

Because PPI is a small firm, brokers and RIAs have close ties to the home office and to their clients. In determining individual investment strategies, risks are discussed and RIAs are instructed to know their clients and their personal needs and wants.

Disciplinary Information

PPI and its associates have not been involved in legal or disciplinary events related to past or present clients.

Legal and Disciplinary (N/A)

Criminal or Civil Action (N/A)

Administrative Proceeding (N/A)

Self-Regulatory Proceeding (N/A)

Other Financial Industry Activities and Affiliations

PPI is both a securities broker-dealer and investment advisory firm.

Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor or Associated Person (N/A)

Material Relationships or Arrangements with Financial Industry

All trades are conducted through our clearing firm, Pershing, LLC, with whom we have Fully Disclosed Clearing Agreements.

Recommend or Select Other Investment Advisors (N/A)

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

Code of Ethics

RRs and RIAs must provide fair, honest, and ethical service to clients. This includes providing asset management that is suitable for clients based on their expressed wishes, their assets, liabilities, tax position, income, risk tolerance, age, and investment objectives.

Recommend Securities with Material Financial Interest (N/A)

Investments in the Same Securities Recommended to Clients

PPI and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees must comply with the PPI Compliance Manual in all ways in this and other areas of ethical treatment of clients.

Personal Trading Policies

Personal trading reviews ensure that the trades conducted by employees for their own accounts do not affect markets, and that clients of the firm receive preferential treatment. Personal trading reviews are conducted in accordance with the Compliance Manual by the Chief Compliance Officer and by the President.

Brokerage Practices

Selecting Brokerage Firms

All PPI's advisors are also brokers, so we recommend keeping the brokerage business in-house. Our brokerage business is especially suited for international clients which is our specialty and expertise. We have a 20-year relationship with Pershing, LLC based on their proven integrity and financial responsibility and best execution practices.

Research and Soft Dollars (N/A)

Brokerage for Client Referrals (N/A)

Directed Brokerage (N/A)

Order Aggregation (N/A)

Review of Accounts

Periodic Reviews

Accounts are monitored daily for composition and market movement. These reviews are documented according to the PPI Compliance Manual. Trading fees are reviewed quarterly. Accounting reviews are conducted regularly; Pershing, LLC prepares statements for each

account monthly (quarterly if there is no activity.) Records are kept according to the company Compliance Manual and reviewed with documentation by the Chief Compliance Officer.

Client Referrals and Other Compensation

PPI has been fortunate enough to receive client referrals from current and past clients, accountants, employees, personal friends of employees, and other sources. The firm does not compensate referring parties for these referrals. PPI also does not accept fees in any form from other professional service providers when we refer prospects or clients to them.

Custody

Account Statements

All assets are held with our clearing firm and Custodian, Pershing LLC. Pershing provides and sends statements directly to clients at their address of record, at least quarterly. Pershing also makes statements and accounts accessible online via a secure website.

Investment Discretion

Discretionary Authority for Trading

Clients appoint RIAs to manage their accounts on a discretionary basis per the agreement they sign upon becoming clients. RIAs and RRs agree to invest clients' assets strictly in accordance with stated client investment objectives. Clients agree to grant Limited Trading Authorization that allows advisors limited authority to act as the clients' agent for the sole purpose of investment and management of the account. Advisors are not authorized to withdraw funds without specific written instructions signed by the client. Clients authorize advisors to receive copies of statements and trade confirmations on the clients' account(s).

Limited Power of Attorney (N/A)

Voting Client Securities

Proxy Voting

PPI and its employees do not vote proxies on securities. Clients vote their own proxies. If assistance is requested by clients, PPI may provide recommendations. If a conflict of interest exists, it is disclosed to the client.

Financial Information

PPI does not have any financial impairment that would preclude the firm from meeting contractual commitments to clients. Private Portfolio, Inc. does not serve as a custodian for client funds or securities, and does not require or solicit pre-payment of fees of more than \$1,200 per client, 6 months or more in advance. PPI has not been the subject of a bankruptcy petition at any time.

Requirements for State-Registered Advisors

Principal Executive Officers:

Daniel Barba – President

Hermann von Bertrab – Vice President

Eduardo Tovar – Vice President

Private Portfolio, Inc is also registered as a broker dealer with its home office at:

7534 La Jolla Blvd
La Jolla, Ca 92037

Phone Number 858 551 2071