

## TLA Capital Management, LLC

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August 6, 2012

This brochure provides information about the qualifications and business practices of TLA Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

TLA Capital Management, LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the advisor.

Additional information about TLA Capital Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## TLA Capital Management, LLC

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Our last annual updating amendment was dated March 20, 2012.

The amendment dated May 21, 2012, which was filed as part of the conversion from SEC to state registration contained the following material changes:

Throughout this Part 2A all references to the pooled investment vehicle that used to be managed by us, and to conflicts and procedures connected to the vehicle, were removed.

The addition of Item 19 in its entirety as follows.

### ITEM 19: REQUIREMENTS FOR STATE REGISTERED ADVISORS

#### Principal Executive Officers and Management Persons

Our principal executive officer is John Cha. Additional information regarding Mr. Cha's education and business background is provided on Part 2B.

Neither TLA nor any management person has been involved in any of the items listed below.

- An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following: 1) an investment or an investment-related business or activity; 2) fraud, false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.
- An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following: 1) an investment or an investment-related business or activity; 2) fraud, false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.

#### California Disclosure Requirements

In our opinion, all material conflicts of interest regarding TLA, our representatives or any of our employees which could be reasonably be expected to impair our rendering of unbiased and objective advice to an advisory client under Section 260.238(k) of the California Code of Regulations have been disclosed.

Please contact us if you would like a copy of our updated Part 2.

# ITEM 3

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## ITEM 4: ADVISORY BUSINESS

### Who we Are

TLA Capital Management, LLC (referred to as “we,” “our,” “us,” or “TLA”) has been registered as an investment advisor since January 2007. Our principal officer and owner is John Cha.

### Services We Offer

We provide investment services tailored to the individual needs of our clients

We do not provide portfolio management services to a wrap fee program.

### Assets Under Management

As of December 31, 2011, we have \$59 million in discretionary and \$0 in non-discretionary assets under management.

## ITEM 5: FEES AND COMPENSATION

Fees for investment management services are calculated as a percentage of assets under management. These fees are billed quarterly in advance, based on the assets under management as of the last day of the previous calendar quarter. Our standard fee schedule is:

<u>Assets under Management</u>	<u>Annual Fee</u>
On the first \$3,000,000	1.25%
On the next \$7,000,000	1.00%
On the next \$10,000,000	0.75%
Assets over \$10,000,000	Negotiable

Our fees are not negotiable.

We require that you provide authorization for us to deduct our fees directly from your investment account. Important information about the deduction of management fees:

- You must provide authorization for us to pull fees by initialing the appropriate section of our investment management agreement.
- You will receive a detailed invoice each quarter which outlines our fees and how they are calculated at the same time we request payment from the custodian.
- You will receive a statement from your custodian which shows your holdings.
- You are responsible for reviewing the accuracy of the fees being billed, as the custodian will not do so.

If you would like to end our advisory relationship, you may do so by providing 30 days written notice. We will prorate the advisory fees received through the termination date and send you a refund of the prepaid, unearned portion of your fee. We process refund payments within 30 days of the termination date and will send you a check or refund your investment account. In either case we will provide a final invoice detailing the calculation of the refund.

## Other Costs Involved

In addition to our advisory fees shown above, expenses associated with making investments on your behalf will also be incurred. These fees include:

- management fees for ETFs and mutual funds. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.
- brokerage costs and transaction fees for any securities or fixed income trades. These are generally charged by your custodian and/or executing broker.

Additional information about brokerage costs and services is provided in “Item 12: Brokerage Practices.”

We believe the fees mentioned above are competitive; however you may be able to obtain similar services from other sources at a lower price.

## ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not receive performance fees for managing accounts.

## ITEM 7: TYPES OF CLIENTS

We also provide investment advisory services to individuals.

We require a minimum investment commitment of \$3,000,000 to manage assets in a separate account. These minimums may be waived at our sole discretion.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

We use macro top down, bottom up fundamental, tactical, event driven strategies. This investment strategy is not significantly riskier than general investments in the stock market. To limit this risk we generally invest in a mix of stocks and bonds.

All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situations at all times. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

## ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you. We have no information of this type to report.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Mr. Cha is the Chief Compliance Officer for Twin Lakes Capital Management, LLC, an investment advisor registered with the state of California. Mr. Cha is a minority owner of this firm, and not considered a control person.

## ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### Code of Ethics

We have adopted a set of enforceable guidelines (Code of Ethics), which describes unacceptable conduct by TLA and our associated persons. Summarized, this Code of Ethics prohibits us from:

- placing our interests before yours,
- using non public information gathered when providing services to you for our own gains, or
- engaging in any act, practice or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule or regulation of a governmental agency.

Please contact us if you would like to receive a full copy of this Code of Ethics.

### Personal Trading for Associated Persons

We may buy or sell some of same securities for you that we already hold in our personal account. We may also buy for our personal account some of the same securities that you already hold in your account. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by your transactions.

We may restrict trading for a particular security for our accounts or those of our associated person if there is a pending trade in that security in a client account. Trades for our accounts (and those of our associated persons) will be placed as part of a block trade with client trades, or individually after client trades have been completed. Additional information about block trades is provided in “Item 12: Brokerage Practices.” When our trades are placed after our client trades, we may receive a better or worse price than that received by the client.

TLA and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

All persons associated with us are required to report all personal securities transactions to us quarterly.

## ITEM 12: BROKERAGE PRACTICES

### The Custodian and Brokers We Use

We do not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see “Item 15: Custody”). Your assets must be maintained in an account at a “qualified custodian,” generally a broker/dealer or bank. We require that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker/dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we require that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Schwab, then we cannot manage your account.

Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

### How We Select Brokers/Custodians

We seek to use a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “*Products and Services Available to Us From Schwab*”)

## Your Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "*How We Select Brokers/Custodians*").

## Products and Services Available to Us From Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

### Services That Benefit You.

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

### Services That May Not Directly Benefit You.

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting



### Services That Generally Benefit Only Us.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

We attend educational, industry update, compliance related meetings on a regular basis.

### Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to require that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "*How We Select Brokers/Custodians*") and not Schwab's services that benefit only us. We have over \$59 Million in client assets under management, and we do not believe that requiring our clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

### Soft Dollars

"Soft dollars" are typically generated when an investment advisor enters into an agreement with an executing broker to receive a portion of the commissions generated by the advisor's client trades. The soft dollars are allocated to the investment advisor and can then be used to purchase items or services. The investment advisor has a fiduciary duty to its clients to obtain best execution, on an overall basis, for any securities transactions.

We do not use soft dollars as described above. The SEC recently changed the wording of certain questions on the Form ADV and has indirectly changed the definition of soft dollars. Due to the new wording, the receipt of goods and/or services from a third party in connection with providing advice to clients could be seen as "soft dollars." The additional services we receive from Schwab, as disclosed in the section entitled "Products and Services Available to Us From Schwab" above, would fall under this description of soft dollars.

## Directed Brokerage

We require that you open an account with Charles Schwab & Co. You may not direct us to trade at different broker/dealers. .

## ITEM 13: REVIEW OF ACCOUNTS

John Cha reviews the account holdings for our clients at least monthly for compliance with the clients' investment strategies. Additional reviews will be performed when changes in the financial markets and the economy warrant. We send our clients quarterly portfolio updates for their managed accounts, an asset allocation report, and a performance review with a comparison with an appropriate index, prepared using portfolio center.

## ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

We do not pay for client referrals.

## ITEM 15: CUSTODY

When you give us authority to deduct our fees directly from your separately managed account, we have custody of those assets. In order to avoid additional regulatory requirements in these cases, we follow the procedures outlined in "Item 5: Fees and Compensation." You will also receive quarterly statements directly from custodian of the account that details all transactions in the account.

We do not accept physical custody of client or investor assets.

## ITEM 16: INVESTMENT DISCRETION

As one of the conditions of managing your account, you are required to provide discretionary authority for us to manage your assets. Discretionary authority means that you are giving us a limited power of attorney to place trades on your behalf. This limited power of attorney does not allow us to withdraw money from your account, other than advisory fees if you agree to give us that authority.

You grant us discretionary authority by completing the following items:

- Sign a contract with us that provides a limited power of attorney for us to place trades on your behalf. Any limitations to the trading authorization will be added to this agreement.
- Provide us with discretionary authority on the new account forms that are submitted to the broker/dealer acting as custodian for your account(s).

All accounts are managed using the investment strategy described in the "Methods of Analysis, Investment Strategies and Risk of Loss" section above. We do not allow clients to limit investments we make that fall within the parameters of the investment strategy described.

## ITEM 17: VOTING CLIENT SECURITIES

We do not accept the authority to vote proxies. Upon request we will provide guidance about voting a specific proxy solicitation. You will receive proxies and other related paperwork directly from your custodian.

## ITEM 18: FINANCIAL INFORMATION

We do not charge or solicit pre-payment of more than \$500 in fees per client six months or more in advance. We have never filed for bankruptcy and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to clients.

## ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISORS

### Principal Executive Officers and Management Persons

Our principal executive officer is John Cha. Additional information regarding Mr. Cha's education and business background is provided on Part 2B.

Neither TLA nor any management person has been involved in any of the items listed below.

- An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following: 1) an investment or an investment-related business or activity; 2) fraud, false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.
- An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following: 1) an investment or an investment-related business or activity; 2) fraud, false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.

### California Disclosure Requirements

In our opinion, all material conflicts of interest regarding TLA, our representatives or any of our employees which could be reasonably be expected to impair our rendering of unbiased and objective advice to an advisory client under Section 260.238(k) of the California Code of Regulations have been disclosed.

**BROCHURE SUPPLEMENT**  
**ITEM 1: COVER SHEET**

**John J. Cha**

**TLA Capital Management, LLC**  
3 Lagoon Drive, Suite 150  
Redwood Shores, CA 94065  
(650) 610-9363

August 6, 2012

This Brochure Supplement provides information about John J. Cha that supplements the TLA Capital Management, LLC Brochure. You should have received a copy of that Brochure. Please contact John Cha, Managing Member at (650) 610-9363 or [jcha@tlacapital.com](mailto:jcha@tlacapital.com) if you did not receive TLA Capital Management, LLC's Brochure or if you have any questions about the content of this supplement.

Additional information about John J. Cha is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

John J. Cha was born in 1970. He received a BA in Communication and English from UC Davis in 1992.

**Employment Background**

Employment Dates:	6/2006 - Present
Firm Name:	TLA Capital Management, LLC
Type of Business:	Investment Advisor
Job Title & Duties:	Managing Member
Employment Dates:	4/2005 - Present
Firm Name:	Twin Lakes Capital Management, LLC
Type of Business:	Investment Advisor
Job Title & Duties:	Chief Compliance Officer

**ITEM 3: DISCIPLINARY INFORMATION**

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of each investment advisor representative providing investment advice to you. There is no information of this type to report.

#### ITEM 4: OTHER BUSINESS ACTIVITIES

Mr. Cha is also the Chief Compliance Officer for Twin Lakes Capital Management, LLC, a registered investment advisor.

#### ITEM 5: ADDITIONAL COMPENSATION

Mr. Cha does not receive any economic benefit from any non-client for providing advisory services.

#### ITEM 6: SUPERVISION

Mr. Cha, Managing Member, is the owner and sole person providing investment advice on our behalf. His telephone number is (650) 610-9363.

#### ITEM 7: REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Investment advisors who are registered with a state regulatory agency rather than the SEC are required to provide information about a wider range of disciplinary information than that described above. Mr. Cha has not filed for personal bankruptcy and has no disciplinary information to report.