

**STURBRIDGE CAPITAL, LLC**  
**Form ADV Part 2A**

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**February 2012**

This Brochure provides information about the qualifications and business practices of Sturbridge Capital, LLC (“Sturbridge” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer (“CCO”) Salam N. Chaudhary, at (248) 593-6874 or [salam@sturbridgecapital.com](mailto:salam@sturbridgecapital.com). Additional information about Sturbridge can be found on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration of an investment adviser does not imply that Sturbridge Capital, LLC or any of our principals or employees possesses a particular level of skill or training in the investment advisory business or any other business.

**Item 2: Material Changes**

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This is the Firm's first brochure using the SEC's revised Form ADV Part 2A, and accordingly there are no material changes from prior filings to report.

**Item 3: Table of Contents**

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#### Item 4: Advisory Business

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Sturbridge Capital, LLC (“**Sturbridge**”, “**we**”, “**us**”, “**our**” or the “**Firm**”), a Delaware limited liability company, commenced operations in 2011 with Salam N. Chaudhary as its sole member and owner.

Sturbridge is currently an investment adviser on a discretionary basis to high net worth families through a separately managed account arrangement (the “**Client Account**” or “**Account**”). In the future we may advise additional client accounts or privately pooled investment vehicles.

Client Accounts are managed separately and only in accordance with their own characteristics. Clients are interviewed at the opening of the account as to their investment experience, liquidity requirements, risk tolerance, as well as for general financial information.

Prior to engaging Sturbridge to provide investment management services, the Client Account will be required to enter into a formal investment management agreement with Sturbridge setting forth the terms and conditions under which Sturbridge shall manage the Client Account assets, and a separate custodial/clearing agreement with a designated broker-dealer/custodian. The investment management agreement between Sturbridge and the Client Account will continue in effect until terminated by either party by written notice in accordance with the terms of the investment management agreement. Generally, either Sturbridge or the client may terminate the investment management agreement upon seven (7) days prior written notice to the other party.

The Client Account is managed in accordance with the investment objectives, strategies, restrictions and guidelines set by the Client Account’s beneficial owner in the investment management agreement.

#### Item 5: Fees and Compensation

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The Client Account is generally charged a fee consisting of (1) a management fee (payable monthly in arrears consisting of 1/12<sup>th</sup> of the agreed upon rate) and (2) a performance fee which is calculated based upon a percentage of the net capital appreciation at the end of each fiscal year.

The Client Account shall be responsible for all expenses related to trading the assets of the Client Account, including any initial and per trade fees, other brokerage or transactional fees, custodial fees, interest on margin borrowing and soft dollar expenses related to research. In addition, to the extent we make investments that involve shareholder activism, the Client Account will bear its pro rata share of any expenses relating to such activist investments, including without limitation costs of proxy fights, out-of-pocket due diligence expenses and legal fees.

#### Item 6: Performance-Based Fees and Side-By-Side Management

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As described in Item 5, Sturbridge charges performance-based fees which are based on a share of appreciation of the Client Account’s assets. Pursuant to Rule 205-3 Investment Advisers Act of 1940 (the “**Advisers Act**”), any client account that pays a performance fee must be a “Qualified Client.”

In measuring the Account assets for the calculation of the performance fee, Sturbridge includes realized and unrealized capital gains and losses.

Generally, at the end of each year, we charge an aggregate amount equal to a percentage of the new net profits, subject to a “high water mark”. The high water mark feature prevents us from receiving a performance fee as to profits that simply restore previous losses and is intended to insure that each performance fee is based on the long-term performance of an investment in the Client Account.

The Client Account generally pays us after we have provided the Client Account a monthly statement prepared by us that describes the fees that are due to us for our services. Upon approval by both parties, the Client Account pays Sturbridge directly.

In our sole discretion, we may waive all or any portion of the management fee or performance fee with respect to a Client Account or any future client accounts.

A performance based fee arrangement may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities.

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**Item 7: Types of Clients**

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As discussed in Item 4, we provide investment management services to a high net worth family. In the future, we may offer our services to other client accounts and/or private pooled investment vehicles.

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**Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

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In managing a client account, we strive to create short and long-term capital appreciation in both rising and falling markets.

Our investment approach is based on constructing, monitoring and advising portfolios of long and/or short positions generally in equity-related securities, bonds (convertible and nonconvertible), other fixed-income investments, and derivative instruments such as options.

The investment management agreement for a Client Account shall impose any limits on the types of securities or other instruments in which a client account may invest, set any limits on the types of positions, the concentration of investments (whether by sector, industry, country, asset class or otherwise), the amount of leverage, or the number or nature of positions in a portfolio. Therefore, in pursuit of our investment objective, we may hold, sell, sell short, trade (on margin or otherwise), and otherwise deal in U.S. equity securities, foreign equity securities, fixed income products and other financial instruments.

We will not invest in futures contracts on behalf of any client accounts until we have registered with the U.S. Commodity Futures Trading Commission (the “CFTC”) or apply for an exemption from registration as a commodity trading adviser or commodity pool operator.

No assurances can be given, however, that we will achieve our objective, and results may vary substantially over time and from period to period.

***Risk of Loss Factors***

The following are certain of the material risks involved in our investment strategy. This list does not purport to be a complete enumeration or explanation of the risks involved in such strategy.

***Limited Operating History***

Our Firm has a limited operating history for prospective clients to evaluate prior to selecting us as an investment adviser.

***Operational Risk***

Operational risk is the potential for loss caused by a deficiency in information, communication, transaction processing and settlement and accounting systems. We (or our agents) maintain controls that include systems and procedures to record and reconcile transactions and positions, and to obtain necessary documentation for trading activities.

***Performance-Based Fee***

As described in Item 5, we charge a performance based fee to the Client Account and most likely to any future client accounts. A performance-based fee arrangement may create an incentive for Sturbridge to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

***Use of Leverage***

We may leverage investment positions by borrowing funds from broker-dealers, banks or others. While leverage presents opportunities for increasing the total return on an investment, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by a client account would likely be magnified to the extent that it is leveraged.

***Non-Diversification***

In general, we are not subject to limitations on the percentage of assets we may invest in a particular security. Being concentrated in a small number of securities, options or futures, exposes a portfolio to the risk of adverse developments in or affecting a single issuer or industry to a greater extent than if the investments were diversified over a large number of issuers and industries.

***Illiquid Portfolio Investments***

Certain investments may be very illiquid, and may not be able to be sold at prices that reflect our assessment of their value. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale and other factors. Furthermore, the nature of certain investments, especially those in financially distressed companies, may require a long holding period prior to profitability.

***Derivatives***

Derivative instruments, or “derivatives,” include futures, options, swaps, structured securities and other instruments and contracts that are derived from, or the value of which is related to, one or more underlying securities, financial benchmarks, currencies or indices.

Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark currency or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives of such asset. However, there are a number of other risks associated with derivatives trading, including liquidity risk and counterparty risk.

***Short Selling Increases Risk of Capital Losses***

We intend to make short sales. Short selling, or the sale of securities not owned by the Account, involves certain additional risks. Such transactions may expose a client to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed in connection with a short sale would need to be returned to the securities lender on short notice. If such request for return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a “short squeeze” can occur, wherein we may be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.

***Non-U.S. Investments***

Investment in non-U.S. issuers or securities principally traded outside the U.S. will likely involve certain special risks due to economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations (including currency blockage), expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and possible difficulty in obtaining and enforcing judgments against non-U.S. entities. Furthermore, issuers of non-U.S. securities are subject to different, often less comprehensive accounting reporting and disclosure requirements than domestic issuers. The securities of some foreign governments and companies and foreign securities markets are less liquid and at times more volatile than comparable U.S. securities and securities markets.

**Item 9: Disciplinary Information**

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Neither Sturbridge nor any of our management personnel or employees are subject to, or have in the past been subject to, any criminal or civil action in any domestic or foreign court, nor have we been subject to any administrative proceedings before the SEC or any other state, federal or foreign financial regulatory authority.

**Item 10: Other Financial Industry Activities and Affiliations**

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As discussed, we provide investment management services to accounts for a high net worth family client. We may in the future provide such services to other clients. Sturbridge and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

**Item 11: Code of Ethics, Participation and Employee Investment Policy**

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***Code of Ethics and Employee Investment Policy***

Pursuant to Rule 204A-1 of the Advisers Act, we have adopted a Code of Ethics and Employee Investment Policy that establishes various procedures with respect to investment transactions in accounts in which employees of Sturbridge or related persons (such as members of their immediate household) have a beneficial interest or accounts over which an employee has investment discretion.

The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must at all times place the interests of our clients first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics; and
- Employees should not take inappropriate advantage of their position at Sturbridge.

All Sturbridge employees are deemed to be “Access Persons” and are required to adhere to a comprehensive Code of Ethics and Employee Investment Policy, which covers the duty of confidentiality as well as personal trading. All employees are required to certify their adherence to the Code of Ethics and Employee Investment Policy.

In addition, employees may not acquire securities for their own account in an initial public offering. Employees must also obtain pre-approval from the CCO before engaging in any outside business activities or private placements.

All of our employees must direct their brokers to send duplicate brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies.

These policies apply to any personal transactions involving equity, debt, options, or futures. This policy does not apply to transactions involving government securities, open-end mutual funds, money market funds or other instruments which afford the investor no discretion over individual securities

Sturbridge’s Code of Ethics and Employee Investment Policy are available to clients upon request.

***Privacy Policy***

We are committed to maintaining the confidentiality, integrity and security of our client’s personal information. It is our policy to collect only information necessary or relevant to our management business and to use only legitimate means to collect such information. Without client consent we do not disclose any non-public personal information about our clients or former clients to anyone except for servicing and processing transactions and as required by law. We restrict access to non-public personal information about our clients to those employees with a legitimate business need for the information. Sturbridge maintains security practices, physical, electronic, and procedural safeguards to guard Investor’s non-public personal information.

Upon request, we will provide you with a copy of our privacy policy.



**Item 12: Brokerage Practices**

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We have discretionary authority to manage the Client Account and most likely future client accounts, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. Our authority is governed by the terms of the investment management agreement with the Client Account.

In selecting an appropriate broker-dealer to affect a client trade, we seek to obtain “best execution,” meaning generally the execution of a securities transaction for a client in such a manner that a client’s total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking best execution, we take into consideration the price of a security offered by the broker-dealer, as well as a broker-dealer’s full range and quality of services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

***Soft Dollar Usage***

We have entered into a “soft dollar” arrangement with a particular broker. We will limit the use of “soft dollars” to obtain research and brokerage services to services which constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended. Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; data services (including services providing market data, company financial data and economic data).

***Aggregation of Orders***

We generally aggregate trade orders for multiple Client Accounts in order to achieve more efficient execution or to provide for equitable treatment among the accounts. The clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

***Allocation***

Our policy prohibits any allocation of trades in a manner that favors our proprietary accounts, affiliated accounts, or any particular client(s) or group of clients over other Client Accounts.

We have adopted a policy for the fair and equitable allocation of transactions that generally analyses each trade and/or investee fund subscription and redemption on an investment by investment basis, taking into consideration the specifics of each trade and the characteristics of each Client Account. To the extent that multiple Client Accounts participate in a particular transaction such transaction will generally be allocated pro-rata among such client accounts, unless facts specific to the transaction and the trade warrant an alternative allocation methodology.

**Trade Errors**

As a fiduciary, we have the responsibility to effect orders correctly, promptly and in the best interests of the Client Accounts. In the event any error occurs in the handling of any transactions due to Sturbridge's actions, or inaction, or the actions of others, our policy is to assess each trade error on a case-by-case basis.

**Item 13: Review of Accounts**

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**Review of Accounts**

The Client Account portfolio is reviewed on a continual basis by Mr. Chaudhary to assure conformity with investment objectives and guidelines.

We engage in active management for the Client Account and, accordingly, review our transactions, positions and cash balances on a daily basis.

**Item 14: Client Referrals and Other Compensation**

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We do not currently utilize any third party marketers or solicitors.

**Item 15: Custody**

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We do not provide custodial services to the Client Account and do not intend to provide custodial services to any future clients. The Client Account maintains the discretion to select and utilize one or more custodians of its choice.

**Item 16: Investment Discretion**

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We generally have discretionary authority to determine, without obtaining specific consent, securities to be bought or sold, the amount of securities to be bought or sold, the broker-dealer to be used and the commission rates paid. Any limitation on our authority is included in the investment management agreement between Sturbridge and the Client Account.

**Item 17: Voting Client Securities**

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**Proxy Voting Policy**

To the extent Sturbridge has been delegated proxy voting authority on behalf of its clients, Sturbridge complies with its proxy voting policies and procedures that are designed to ensure that in cases where Sturbridge votes proxies with respect to client securities, such proxies are voted in the best interest of the Client Accounts. The beneficial owners in the Client Account may not direct voting of proxies.

Upon request, we will provide our clients with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast for such client.

**Item 18: Financial Information**

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Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. Sturbridge has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.