

ITEM 1: COVER PAGE

CARMEL CAPITAL MANAGEMENT L.L.C.

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**Form ADV Part 2A
Firm Brochure
March 31, 2011**

This brochure provides information about the qualifications and business practices of CCM Capital Management. If you have any questions about the contents of this brochure, please contact us at (831) 625-1375. 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.

Item 2:

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ITEM 3: MATERIAL CHANGES

There have been no material changes in Carmel Capital Management L.L.C.'s advisory business since its previous Form ADV Part II, dated December 22, 2010.

ITEM 4: ADVISORY BUSINESS

- A. Carmel Capital Management L.L.C. ("CCM") is an investment adviser registered with the Securities and Exchange Commission. CCM has been in business since 1999. Its principal owner, and sole owner, is West W. Whittaker.
- B. CCM is an independent invest advisory firm that furnishes investment advisory services to clients in individually managed accounts. CCM generally manages all client accounts on a discretionary basis. CCM's usual initial minimum account size is \$2,000,000 for new clients. CCM will consider waivers to the minimum account size; however, accounts below the usual minimum may be charged higher investment advisory fees in CCM's sole discretion.
- C. CCM advisory services are tailored to its clients needs as determined by the information provided by each client, such as investment objectives and experience, financial condition, family circumstances, retirement goals, and other relevant information.
- D. CCM does not participate in wrap fee programs.
- E. As of December 31, 2010, CCM had just under \$100 million in assets under management. All assets were managed on a discretionary basis.

ITEM 5: FEES AND COMPENSATION

- A. CCM generally charges an annual advisory fee equal to 1% of the assets under management in a client account. Advisory fees are payable in quarterly installments, in advance.

Fees may be negotiable depending on the circumstances surrounding a particular account, including such factors as the size of the account, the account's investment objectives, and the blend of its portfolio holdings.

In some cases, when CCM accepts an initial investment that is below CCM's usual account minimum, CCM may charge a higher advisory fee (up to 1.75%).

The valuation of client accounts is determined in accordance with procedures established by CCM from time to time.

- B. Clients may consent to having their fees deducted from their accounts or having their fees billed to them, as provided in the investment advisory agreement between CCM and the client.
- C. Clients pay the typical fees associated with an investment account, such as custodial fees, commissions and mark ups charged by broker-dealers. Should client assets be invested in mutual funds, exchange traded funds, or private funds, clients also pay their share of advisory fees and other expenses charged by the funds.

Clients should refer to Item 12, below, for more information on CCM's brokerage practices.

- D. Generally, CCM or a client may terminate an individually managed account upon a 5-day written notice to the other party. Clients will receive a pro-rata refund of any pre-paid unearned fees. CCM uses its account valuation procedures to determine the value of the client's account at termination.
- E. Neither CCM nor its Principal accepts compensation for the sale of securities or other investment products, or sale of mutual funds.

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

CCM does not charge performance-based investment advisory fees. In addition, CCM does not engage in side-by-side management where an investment adviser advises different types of client accounts separately from other investment management accounts.

ITEM 7: TYPES OF CLIENTS

CCM's primary client base is composed of high net worth individuals and charitable organizations. CCM also provides advice pension and profit sharing plans, and family trusts.

CCM may also provide advisory services to other types of clients, such as business entities and private investment companies.

ITEM 8: METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

- A. CCM uses a value strategy that seeks to identify undervalued securities, which CCM believes will have the potential for significant growth over time. Generally, CCM may invest in small and mid cap equity securities.
- B. CCM may also invest in large cap equity securities, fixed income securities, Rule 144A securities, Exchange Traded Funds (ETFs), Exchange Traded Notes (ETNs), bonds, and other securities.

From time to time, CCM may have access to private placements, securities that are issued under Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). Rule 144A securities are private re-sales of securities that are usually available on a limited basis to “qualified institutional buyers.” Buying Rule 144A securities presents unique opportunities to acquire securities that limited availability. Securities sold under Rule 144A are often available at lower prices, prior to being registered for sale on major exchanges. Thus, such securities represent value based investment opportunities. However, Rule 144A securities have significant risks, including the risk of a substantial loss of value, in the event that the securities are not registered with the Securities and Exchange Commission for sale on a major exchange, or the registration is significantly delayed. In addition, the Rule 144A offering prices may not, in fact, be lower than when the securities are offered on an exchange. Clients may restrict use of Rule 144A investments in their accounts.

The mix of securities held in client portfolios will vary depending upon CCM’s portfolio management decisions and clients’ investment objectives.

- C. CCM does not primarily recommend a particular security. The mix of securities held in client portfolios will vary depending upon CCM’s portfolio management decisions and clients’ investment objectives.

ITEM 9: DISCIPLINARY INFORMATION

There are no adverse events affecting CCM that would be material to a client’s decision to use CCM’s investment advisory services.

- A. There have been no criminal or civil actions in a domestic, foreign or military court of competent jurisdiction involving either CCM or any member of its management team.
- B. There have been no administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority involving either CCM or any member of its management team.
- C. There have been no self-regulatory organization (SRO) proceedings involving either CCM or any member of its management team.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

- A. Neither CCM nor its management persons are registered or have a pending registration as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither CCM nor its management persons are registered or have a pending registration as a futures commission merchant, commodity pool operator, a commodity trading adviser, or as an associated person of the foregoing list.

- C. Neither CCM nor its management persons have relationships with other entities in the financial services industry that materially affects CCM's advisory business or its clients.
- D. CCM does not recommend or select other investment advisers.

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

- A. CCM has a Code of Ethics that sets forth its personal security transaction policies. Copies of the CCM Code of Ethics are available free of charge upon request.
- B. Neither CCM nor any related person recommends a security in which CCM or investment persons related to CCM have a material financial interest.
- C. In order to prevent conflicts of interest, CCM has adopted a set of procedures for its officers and employees (including a pre-clearing procedure) with respect to transactions effected by its officers and employees for their "personal accounts."

In order to monitor compliance with its personal trading policy, CCM has adopted a quarterly securities transaction reporting system for all of its employees. In addition, CCM employs numerous other safeguards to ensure compliance in this area, including:

- D. Employees cannot buy or sell a security until all client trades on a given day have been completed. An employee "personal account" may participate in block trades if such participation does not preclude client orders from being fully filled.

ITEM 12: BROKERAGE PRACTICES

- A. Description of Factors in Selecting/Recommending Broker-Dealers

CCM has discretion to determine which broker-dealers it uses for client transactions, and to determine the amount of commissions and other transaction costs paid by client accounts. The following disclosures describe how CCM uses its discretionary brokerage authority when placing transactions for client accounts. Certain individual clients may have different guidelines or restrictions for their accounts.

When selecting broker-dealers for client account transactions, CCM considers a number of factors. While the transaction cost associated with client transactions is always an important consideration, there are a myriad of considerations, when taken together, are as important as the cost of transactions.

When CCM places orders for the execution of portfolio transactions for clients, CCM allocates transactions to broker-dealers that CCM in its good faith judgment believes is in the best interest of its clients – taking into consideration all circumstances surrounding the transactions.

As an investment adviser, CCM is a fiduciary with respect to its clients. As a fiduciary, CCM has a duty to act in the best interest of its clients. When selecting broker-dealers for client transactions, CCM has a duty to obtain the most favorable available execution. In certain circumstances, the most favorable execution may not necessarily have the lowest transaction cost. For example, discount broker-dealers may charge lower transaction fees, but they may be lacking in other factors needed to provide the most favorable execution for client accounts. CCM believes that it has a duty to consider the full range of factors that result in execution that is more favorable.

Other relevant factors taken into account include such things as:

- execution capabilities and research;
- custodial and other services provided by such brokers and dealers which are expected to enhance the general portfolio management capabilities of CCM;
- the size of the transaction;
- the difficulty of execution;
- the operational facilities of the broker and/or dealer involved;
- the risk in positioning a block of securities;
- the quality of the overall brokerage and research services provided by the broker and/or dealer; and
- the value of an ongoing relationship of CCM with such brokers and dealers.

1. Research and Other Soft-Dollar Benefits

Under Section 28(e) of the Securities Exchange Act of 1934, as amended, an investment adviser with investment discretion over an account is permitted to pay a broker-dealer commissions in excess of commissions that may be charged by another broker-dealer if the adviser:

- Determined in good faith the amount of commissions paid was reasonable in relation to the value of the brokerage and research provided by the broker-dealer.
- Determined the arrangement was reasonable in light of a specific transaction or the adviser's overall responsibilities for its client accounts.
- Obtained "brokerage and research" services from a broker-dealer who:
 - (A) furnishes advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or purchasers or sellers of securities;
 - (B) furnishes analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; or
 - (C) effects securities transactions and performs functions incidental thereto (such as clearance, settlement, and custody) or required in connection therewith by rules of the Commission or a self-regulatory organization of which such person is a member or

person associated with a member or in which such person is a participant. [Securities Exchange Act, Section 28(e), Subsections (2)(A)-(C)]

The provisions in Section 28(e) create a “safe harbor” for investment advisers who receive brokerage and research services from broker-dealers in view of the commissions paid, if advisers comply with Section 28(e) regarding the services received and the advisers’ disclosure of its policies. Underscoring Section 28(e) is an adviser’s good faith belief that the amount of commissions paid is reasonable in view of the brokerage and research services received.

CCM is not required to use the broker-dealers who provide research to CCM for any specific level of brokerage. The research provided to CCM includes economic forecasts, investment strategy advice, fundamental advice on individual securities, valuation advice and market analysis. The research that CCM receives fall with the “safe harbor,”

Because of the services provided, CCM may pay a brokerage commission in excess of that which another broker may have charged for effecting the same transaction, if CCM determines in good faith that such amount is reasonable in relation to the terms of either the particular transaction of CCM’s overall responsibilities with respect to its clients’ accounts.

Additional Disclosures

- a. When CCM obtains brokerage and research acquired through client commissions, it is a benefit to CCM since it does not have to pay for these products and services.
- b. CCM has an incentive to use or recommend a broker-dealer with whom CCM has a soft dollar arrangement because of the brokerage and research received, rather than because of CCM’s duty to seek the most favorable available execution for its clients. However, when CCM uses or recommends a broker-dealer, whether or not there is a soft dollar arrangement, it is because of CCM’s good faith belief that the arrangement permits clients to receive the most favorable available execution taking into account all factors surrounding the transactions or recommendations.
- c. The commissions paid by client accounts when CCM uses a broker-dealer who provides research services may be higher than the commissions charged by other broker-dealers in specific instances. In these situations, it is CCM’s good faith judgment that the higher commissions are reasonable in light of the value and quality of the brokerage and research services received.
- d. When commissions are used to obtain research, the commissions are paid across client accounts (on a prorated basis). Brokerage and research that CCM obtains benefits all client accounts generally rather than a specific client account.
- e. As an investment adviser, CCM is a fiduciary to its clients. CCM has a duty to act in the best interest of its clients always. It is CCM’s good faith belief that it is acting in the best interest of its clients when using or recommending for client accounts a broker-dealer from which CCM receives research. In selecting broker-dealers in the first instance, CCM has already taken into account a number of factors in deciding

that using the broker-dealer would permit CCM to provide the most favorable available execution to its clients. The brokerage and research received by CCM always benefits CCM's clients, even if the brokerage and research also benefits CCM in providing its advisory services to client accounts.

2. Brokerage for Client Referrals

CCM does not have a client referral arrangement with any broker-dealer used for client account transactions.

3. Directed Brokerage

Clients may direct CCM to use broker-dealers for custodial services and account transactions. When clients do so, they will not receive the benefits that CCM has arranged with Schwab (see description above). Clients will not participate in aggregate trades through which clients may receive a better price and transaction costs.

B. Aggregating Client Transactions

If CCM believes that the purchase or sale of a security is in the best interest of more than one client, and it is consistent with CCM's duty to obtain the most favorable available execution for all clients, it may (but is not obligated to) aggregate the securities to be sold or purchased to obtain the most favorable available execution or lower brokerage commissions, to the extent permitted by applicable laws and regulations. Aggregation should, on average, reduce slightly the costs of execution and CCM will not aggregate a client's order, if, in a particular instance, it believes that aggregation would cause the client's cost of execution to be increased. Where trades are aggregated, the transactions, as well as the expenses incurred in the transactions, will be allocated by us according to a policy designed to ensure that such allocation is equitable (no advisory client will be favored over any other client) and consistent with our fiduciary duty to our clients (including our duty to obtain the most favorable available execution of client trades). Pursuant to this policy, each client that participates in an aggregated order will participate at the average share price for that aggregated order and with transaction costs shared pro rate based on each client's participation in the transaction.

ITEM 13: REVIEW OF ACCOUNTS

Account Reviews: All accounts are generally reviewed daily by CCM's Principal, West Whittaker. All accounts are generally reviewed for performance and suitability with specified client objectives.

Account Reports: All clients usually receive monthly and quarterly reports. Reports summarize performance, transactions, strategy and market updates.

Clients receive at least quarterly statements from the custodian(s) for the clients' account(s). Most custodians provide monthly reports. The custodian statements represent the official account statements.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

CCM has no arrangements in which it pays for client referrals. CCM does not receive other compensation associated with its clients account, in addition to its advisory fees.

ITEM 15: CUSTODY

CCM does not have custody of client assets. Client assets are held by qualified custodians.

ITEM 17: VOTING CLIENT SECURITIES

Generally, CCM votes proxies for all of its client accounts, unless proxy-voting rights are retained by the client. Each proxy is reviewed and voted in a manner that is consistent with the interests of CCM's clients.

Clients may request a copy of CCM's proxy voting policies as well as information concerning how a specific proxy was voted by contacting CCM in writing at the address shown on the cover sheet of this Form ADV Part 2A.

ITEM 18: FINANCIAL INFORMATION

- A. CCM does not require or solicit payment of more than \$1,200 in fees per client, six months or more in advance.
- B. CCM has no financial condition that is reasonably likely to impair CCM's ability to meet contractual commitments to its clients.
- C. CCM has not been subject to a bankruptcy petition.