

Firm Brochure
(Part 2A of Form ADV)

TORTUGA ADVISERS LLC
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This brochure provides information about the qualifications and business practices of TORTUGA ADVISERS LLC. If you have any questions about the contents of this brochure, please contact us at: 626-683-2200, or by email at: mfs@tortugaadvisers.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.

Additional information about TORTUGA ADVISERS LLC is available on the SEC's website at www.adviserinfo.sec.gov

03/31/2011

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (626) 683-2200 or by email at: mfs@tortugaadvisers.com.

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Advisory Business

Firm Description

TORTUGA ADVISERS LLC, was founded in 2005.

TORTUGA ADVISERS LLC provides personalized and confidential investment management to individuals, trusts, estates, charitable organizations and pension and profit sharing plans of small businesses. Advice is provided through personal consultation with the client. The primary focus of such consultation is investment management but typically includes other subjects such as updating financial objectives, constraints, and determination of cash flow requirements. These conversations often include discussions of education funding, estate planning and tax considerations.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest would be disclosed to the client in the unlikely event they should occur.

TORTUGA ADVISERS LLC is committed to providing unbiased and independent advice.

TORTUGA ADVISERS LLC is strictly a fee-only investment management firm. The firm does not receive commissions for purchasing or selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or any other product. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted or paid.

Investment advice is provided, with the client making the final decision on investment selection in most cases. However, TORTUGA ADVISERS LLC also manages a very small number of discretionary accounts. Such accounts may benefit because it is possible that investment ideas will be acted upon sooner in those accounts. In practice, we have not observed any consistent benefit from such a timing advantage.

TORTUGA ADVISERS LLC does not act as a custodian of client assets. The client always maintains asset control. TORTUGA ADVISERS LLC places trades for clients under a limited power of attorney.

An evaluation of each client's individual situation is provided to the client, often in the form of personal discussions and an investment policy is agreed upon. Periodic reviews are also communicated to discuss specific changes that seem to be advantageous to the client.. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

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Principal Owners

Michael F Schaible owns all of the stock of TORTUGA ADVISERS LLC.

Types of Advisory Services

TORTUGA ADVISERS LLC provides advice about investments. Because most clients make the final decision on securities purchases the firm puts great emphasis explaining financial choices through individual consultation, which is also essential part of developing a personal understanding of each clients objectives and constraints.

On more than an occasional basis, TORTUGA ADVISERS LLC furnishes background advice to clients on matters not involving securities, such as, insurance, estate planning and taxation. The firm seeks to coordinate with the client and the relevant professionals in those various fields. Such advice is provided as a matter of course, no additional fees are billed.

As of December 31, 2010 TORTUGA ADVISERS LLC manages approximately \$320 million in assets for approximately 75 clients. Approximately \$7 million is managed on a discretionary basis, and \$313 Million is managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are reached in our early discussions. Furthermore, asset allocation is a frequent discussion in client meetings to ensure that we continue to manage the client's investment assets in accordance with their individual objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Advisory Service Agreement

Most clients choose to have TORTUGA ADVISERS LLC manage their assets in order to obtain ongoing in-depth advice. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship.

The annual Advisory Service Agreement fee is based on the complexity of the assignment. In general, annual fees are set a 0.75% of assets under management. In addition to complexity, the amount of assets to be managed influences the fee. Client relationships may exist where the fees are higher or lower than the fee schedule above. Fees are negotiable.

Although the Advisory Service Agreement is an ongoing agreement it can be terminated by either party without cause by providing written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Asset Management

Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. TORTUGA ADVISERS LLC does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through TORTUGA ADVISERS LLC.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying TORTUGA ADVISERS LLC in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, TORTUGA ADVISERS LLC will refund any unearned portion of the advance payment.

TORTUGA ADVISERS LLC may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, TORTUGA ADVISERS LLC will refund any unearned portion of the advance payment.

Fees and Compensation

Description

TORTUGA ADVISERS LLC bases its fees on a percentage of assets under management but that calculation is importantly influenced by the complexity of the assignment. Fees are negotiable.

Fee Billing

Investment management fees are billed quarterly in advance, meaning that we invoice you before the billing period has begun. Payment in full is expected upon invoice presentation. Fees are *usually* deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Other Fees

Custodians 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. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

TORTUGA ADVISERS LLC, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

New Advisory Service Agreement fees are calculated on a formula basis and adjusted for complexity of individual situations.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to TORTUGA ADVISERS LLC. For this and other reasons we prefer to limit our client's investments in mutual funds. International funds and certain fixed income funds are examples of mutual funds that we do use.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

TORTUGA ADVISERS LLC does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

TORTUGA ADVISERS LLC generally provides investment advice to individuals, trusts, estates, charitable organizations and pension and profit sharing plans of small businesses.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is \$1,000,000 of assets under management, which equates to an annual fee of \$7,500.

TORTUGA ADVISERS LLC has the discretion to waive the account minimum. Such waivers are typically made for relatives or other referrals from current clients. We consider it important to work with nice people who want and need our help and are willing to consider waiving minimum fees under those circumstances.

Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

We are interested in identifying companies with a sustainable competitive advantage. (In many cases such an advantage is evident in a consistently high return on equity.) In addition, we prefer to invest in companies that generate cash flow significantly greater than their reinvestment needs.

To this end we read annual reports, do statistical studies, and read research reports.

Other sources of information that TORTUGA ADVISERS LLC may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Charles Schwab & Company's "SchwabLink" service, Advisor Intelligence, Value Line and the World Wide Web.

Investment Strategies

We are interested in long-term investment. We do not attempt to time the market. In the ideal circumstance, we will invest in a company that increases its competitive advantage over time so that we will never have to sell. We try to act as if we own the entire company and are focused on building long-term earning power. We accept that short-term results will periodically disappoint. We tend to sell only when we believe a company's competitive advantage is threatened.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. We attempt to limit this risk by focusing on companies with sustainable competitive advantages and strong financial profiles.
- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline. We tend to use relatively short-term bonds ladder maturities to attempt to reduce interest rate risk.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. The accurate forecasting of such events is impossible for us. This fact predisposes us to keep a portion of every portfolio in short-term bonds and cash. Such a choice improves stability and liquidity at the price of potential performance.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. We invest in liquid securities, however liquidity is different than price stability.

- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

TORTUGA ADVISERS LLC's president is a member of the Institute of Chartered Financial Analysts and is a past-president of the Los Angeles Society of Financial Analysts.

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

Code of Ethics

The employees of TORTUGA ADVISERS LLC have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

TORTUGA ADVISERS LLC 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 comply with the provisions of the TORTUGA ADVISERS LLC *Compliance Manual*.

Personal Trading

The Chief Compliance Officer of TORTUGA ADVISERS LLC is Michael Schaible. He reviews all employee trades as they are made. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small amounts of highly liquid securities it is clear that the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

TORTUGA ADVISERS LLC works with a wide variety of brokerage firms. This reflects our policy of working with any broker a client prefers so long as we are confident in that firm's integrity and financial responsibility.

However, if the client does not have a preference we will suggest that they work with Charles Schwab & Co. Schwab's Institutional Service Group provides us with good back office support, competitive commissions, competitive bond prices and useful tools for gauging execution efficacy.

It is very likely that clients could get lower commissions if that were the only criteria. However, we are inactive traders and commissions are not a major expense for clients, even when they choose to use full service firms such as Merrill Lynch or Morgan Stanley Smith Barney.

TORTUGA ADVISERS LLC does not receive remuneration of any sort from any of the brokerage firms or custodians employed by its clients.

Best Execution

TORTUGA ADVISERS LLC reviews the execution of trades at each custodian each quarter. The review is documented in the TORTUGA ADVISERS LLC *Compliance Manual*. Trading fees charged by the custodians is also reviewed on a quarterly basis. TORTUGA ADVISERS LLC does not receive any portion of the trading fees.

Soft Dollars

Tortuga Advisers has no soft dollar arrangements. (Soft dollar arrangements refer to payments or services provided to advisers by brokerage firms as an inducement to do business.)

Order Aggregation

Because of the personalized nature of our work we do not typically aggregate trades.

Review of Accounts

Periodic Reviews

Account reviews are performed at least quarterly by Michael Schaible, the firm's president. Account reviews are performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are new investment information, changes in a client's own situation, and changes in the tax laws,

Regular Reports

Clients receive periodic communications on at least an annual basis. Clients receive quarterly updates and regular personal communication.

Client Referrals and Other Compensation

Incoming Referrals

TORTUGA ADVISERS LLC has been fortunate to receive many client referrals over the years. The referrals came almost entirely from current clients. However, estates planning attorneys, accountants, and employees have been sources of referrals. The firm does not compensate referring parties for these referrals.

Referrals Out

TORTUGA ADVISERS LLC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

(None)

Custody

SEC "Custody"

From time to time, TORTUGA ADVISERS LLC may be considered to have custody of certain types of accounts, such as when an employee acts as a trustee of an unrelated trust and the firm acts as the investment adviser to that trust. When the firm has such custody, an annual surprise audit of those custodied accounts is performed by an independent CPA firm in compliance with SEC requirements.

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record monthly. We believe that it is important that clients review the essential points of those statements.

Investment Discretion

Discretionary Authority for Trading

TORTUGA ADVISERS LLC accepts discretionary authority to manage securities accounts on behalf of clients. TORTUGA ADVISERS LLC has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, TORTUGA ADVISERS LLC consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. TORTUGA ADVISERS LLC does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

Voting Client Securities

Proxy Votes

TORTUGA ADVISERS LLC does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, TORTUGA ADVISERS LLC will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

TORTUGA ADVISERS LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because TORTUGA ADVISERS LLC does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

Business Continuity Plan

General

TORTUGA ADVISERS LLC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as earthquakes. The Plan covers man-made disasters such as loss of electrical power, Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Information Security Program

Information Security

TORTUGA ADVISERS LLC maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

TORTUGA ADVISERS LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

****Please note: Delete the following two paragraphs after making your Brochure Supplement decision.*

The Brochure Supplement (Part 2B of Form ADV) contains the biographies of the advisors in the firm. The Brochure Supplement may be provided separately, or as part of the Part 2A Brochure (recommended solution). Distributing the Firm Brochure is simplified if Part 2A and Part 2B are combined into one document.

Larger firms with many advisors may wish to separate Part 2A and Part 2B from each other. If this option is chosen, then Part 2B must have its own cover page and no Material Changes section. See the separate Word document "Part 2B Standalone.doc."

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

TORTUGA ADVISERS LLC requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include a CFA or an MBA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

- Michael Schaible, CFA CERTIFICATIONS

Educational Background:

- Date of birth: 08/02/1951
- Institutions: Georgetown University 1973
University of Denver 1977

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Business Experience:

- Wedbush Noble Cooke, Manager Research Department 1977-1984
- Philip V Swan Associates, Director of Research, Counselor 1984-2004
- Tortuga Advisers LLC 2005 to Present

Disciplinary Information: (Not applicable)

Other Business Activities: None

Additional Compensation: None