

Item 1 – Cover Page

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This “Brochure” provides information about the qualifications and business practices of Tsai Capital Corporation [“Tsai”]. If you have any questions about the contents of this Brochure, please contact us at 212-521-4251. 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.

Tsai Capital Corporation is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Tsai Capital Corporation also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to Clients as required by SEC Rules. This brochure dated as noted in Item 1 is a new document prepared according to the SEC’s new requirements and rules. As such, this brochure is materially different in structure than the Form ADV Part II (the “Old Part II”) previously delivered to Clients and requires different information than our Old Part II provided. In the future, this Item 2 will detail only specific material changes that are made to this brochure and provide Clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

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Item 4 – Advisory Business

Tsai Capital Corporation has been providing investment management services in which a wide variety of equity and debt securities are traded directly in clients' accounts since 1997. The sole person determining the investment advice provided by Tsai Capital Corporation is Christopher Tsai. Born in 1974, Mr. Tsai received a bachelor's degree from Middlebury College in 1997. In 1997, Mr. Tsai worked in Equity Research with Bear, Stearns & Co., Inc. Since 1997, Mr. Tsai has been President & Chief Investment Officer of Tsai Capital Corporation.

Tsai Capital Corporation manages some accounts with full discretionary authority and some accounts with limitations placed upon discretionary authority. As of 12/31/2010 Tsai Capital Corporation is managing \$ 34,522,328.00 in assets on a discretionary basis.

Item 5 – Fees and Compensation

Tsai Capital Corporation charges an annual 2% for the first \$5,000,000 in net assets under management, 1.75% for the second incremental \$5,000,000 in net assets under management, and 1.5% for the third incremental \$5,000,000 in net assets under management. Fees for assets under management exceeding \$15,000,000 are negotiable. Accounts are billed quarterly in arrears, based on the net assets of the client's account at the end of each quarter, including accrued dividends. Fees are negotiable.

Clients will also incur brokerage and other transaction costs in connection with their investment accounts.

Item 6 – Performance-Based Fees and Side-By-Side Management

Tsai Capital Corporation does not charge performance-based fees.

Item 7 – Types of Clients

Tsai Capital Corporation manages separate account portfolios for a range of clients - corporations, estates, high-net-worth individuals, partnerships, profit sharing plans and trusts. Each account is managed individually to a target model portfolio. Our managed portfolios can also be tailored to meet the specific needs and objectives of a client. The minimum account size is \$250,000, though this minimum may be waived in certain instances.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

We invest for the long-term and view each investment as a minority ownership interest in a business. While many investment managers buy and sell investments on a regular basis, we tend to hold our investments for a number of years. The benefits of compounding capital over a long period of time and in a tax-deferred manner can be substantial.

If we are unable to find what we believe to be high-quality businesses at value prices, we will temporarily hold cash (money market securities) and/or U.S. Government obligations.

We recognize that the fundamentals behind a company's success can change and that business values are inherently dynamic. Disciplined selling is therefore critical. We sell an investment when a security becomes clearly overvalued, the business fundamentals deteriorate or are expected to deteriorate, the sale and reinvestment of sale proceeds are estimated to result in a substantially greater future value or we find our analysis was flawed.

We use a five-step, bottom-up methodology to identify companies in which to invest and monitor. Through a broad screening process, a company is identified as a potential investment. Companies considered for inclusion in the portfolios must have strong fundamentals and a long history of rising dividends and earnings. Our research and analysis includes careful assessment of the company and industry, complete examination and analysis of financial and technical documents and an analysis of competitors, customers and suppliers

Using information obtained from our research and analysis, we estimate the company's intrinsic value, or what we think its assets and cash flows are worth. A comparison is then made between our estimate of intrinsic value and the company's current market value.

Margin of safety, or a discount to intrinsic value, is of paramount importance to us. If it does not exist, we will not invest, no matter how compelling a company's fundamentals may appear.

A final decision is made. Any potential investment must be expected, in our view, to deliver an above average rate of return over time.

If we decide to invest, an asset allocation policy is developed. Our asset allocation policy is shaped by two primary factors:

- risk (potential for permanent capital loss)
- estimated rate of return on the investment

If we would like to make an investment at a lower price, we exercise patience by setting a target entry level and waiting for the opportunity to make a timely, yet thoroughly researched and carefully considered investment decision.

We routinely monitor the various fundamental factors that affect the value of both existing and potential investments. This enables us to remain informed about any material developments and to make the immediate, yet well-educated decisions required.

Principal Risks

The risks associated with Tsai Capital Corporation's investment strategies include, but are not necessarily limited to, the following:

- the risk that you could lose all or portion of your initial investment;
- the risk that certain stocks selected for your portfolio may decline in value more than the overall stock market;

- the risk that investment strategies employed by Tsai Capital Corporation may not result in an increase in the value of your investment or in overall performance equal to other investments;
- the risk that asset allocation to a particular strategy does not reflect actual market movement or the effect of economic conditions;
- the risk of investing in small- to mid-capitalization companies whose performance can be more volatile and who face greater risk of business failure, which could increase the volatility of a client's portfolio;
- the risk that Tsai Capital Corporation may have difficulty selling small- to mid-capitalization securities during a down market due to lower liquidity;
- potentially other risks.

Item 9 – Disciplinary Information

Tsai Capital Corporation and Christopher Tsai have no legal or disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Tsai Capital Corporation has no other financial industry activities or affiliations.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions

To avoid any potential conflicts, client transactions always receive priority over any transactions on behalf of Tsai Capital Corporation or its officers and employees.

Tsai Capital manages a proprietary account that may, from time to time, purchase, sell or hold positions in securities that may also be held or have been or will be purchased or sold for the accounts of Tsai Capital's clients. The proprietary account may also trade any particular security at or about the same time that the security is traded for client accounts. Where feasible, the Tsai Capital proprietary account may receive the average share price received by other client accounts on a particular transaction. This creates a potential conflict of interest in that, should client accounts receive only a partial fill on a particular trade, the Tsai proprietary account may receive a pro-rata share of that partial fill. However, under no circumstances will the proprietary account receive preferential treatment over client accounts.

It is important to note that Tsai Capital Corporation may manage the accounts of certain family members of Christopher Tsai, including immediate family members (not living in the same household). Where Tsai Capital Corporation serves as an investment adviser to family member accounts, such accounts will be treated in a manner similar to any other accounts, and under no circumstances will family member accounts be provided preferential treatment over other accounts managed by Tsai Capital Corporation, with the exception that Tsai Capital Corporation may charge different and/or reduced advisory fees to such family members of Christopher Tsai.

Tsai Capital Corporation has adopted a Code of Ethics to effectuate the purposes and objectives of Sections 204A and 206 of the Investment Advisers Act of 1940 and Rule 204-2 under the Act. The Code

of Ethics sets forth Tsai's standard of business conduct as a fiduciary and requires that all employees comply with the federal securities laws.

From time to time, Tsai personnel may purchase or sell securities of their personal accounts that are also recommended to advisory clients. To avoid any potential conflicts, client transactions always receive priority over any transactions on behalf of Tsai or any of its related persons. In addition, Tsai personnel may not purchase and sell the same security as a client on the same day that the security is purchased or sold for the client. Additionally, restrictions apply to securities transactions executed by Tsai personnel within one day of either side of the client trade. Restrictions pertaining to trades on one day of either side of a client trade are subject to certain de minimus provisions and may be waived upon consent of Tsai's Chief Compliance Officer based on individual circumstances.

If you would like a copy of the Tsai Capital Corporation Code of Ethics, please send a request to Tsai Capital Corporation, 590 Madison Avenue, 21st Floor, New York, NY 10022, or send an email to invest@tsaicapital.com.

Item 12 – Brokerage Practices

As a matter of policy, and unless otherwise directed by the client, Tsai normally places trades for each client account with the broker that maintains custody of the account. If an account is held at a custodian that is not a broker-dealer, Tsai will generally execute transactions with Merrill Lynch, unless otherwise directed by the client. Within these parameters, Tsai makes reasonable efforts to negotiate the cost of trades. It should be noted, however, that Tsai deems these arrangements to be "client directed brokerage" and is limited in its ability to negotiate best price and best execution for each transaction.

Tsai does not engage in the use of third-party soft dollar research services. Tsai may, however, be provided with proprietary research, client and trade reporting functionalities, articles and other data regarding economic and other information and other research items and data capabilities from brokers to whom clients direct their trading activities.

Brokerage and other transaction costs will occur and will be the paid solely by the Client, separately from their advisory fee.

Item 13 – Review of Accounts

The performance of all accounts is reviewed and monitored no less frequently than weekly and often daily; there are no different levels or different triggering factors regarding the review and monitoring of accounts. Factors utilized for review and monitoring include: substantial prices/value changes; significant news regarding a particular investment; and changes in sector or market outlook. All accounts are reviewed by Christopher Tsai, President & Chief Investment Officer.

All accounts receive (1) monthly brokerage statements, (2) a quarterly letter that reviews recent performance, and (3) other information sent by Tsai Capital Corporation provided upon client request.

Item 14 – Client Referrals and Other Compensation

Tsai Capital Corporation may make cash payments to affiliated parties, or to unaffiliated third parties for recommending the use of its advisory services to such third party's client. Such cash payments are expected to be paid pursuant to a written agreement between Tsai Capital Corporation and the other party. The other party will provide each prospective client with a copy of Tsai Capital Corporation's Brochure and a disclosure document that sets forth the terms of the arrangement and the fees to be paid. Fees charged to the clients who are referred will not be higher than those charged to clients who are not.

Item 15 – Custody

Tsai Capital Corporation does not maintain custody of any client assets.

Item 16 – Investment Discretion

Tsai Capital Corporation will exercise its discretionary authority to buy and sell a wide variety of equity and debt securities. Tsai Capital Corporation will fully invest all of a client's money, however, it will not use margin accounts to increase the exposure (or leverage) of a client's account.

Item 17 – Voting Client Securities

As a general policy, Tsai Capital Corporation does not vote proxies on behalf of its clients. It is Tsai's policy to direct proxy voting requests to its clients. Tsai believes that its clients are best positioned to determine whether they wish to vote on particular matters and, if so, how the matters should be voted upon.

Item 18 – Financial Information

Tsai does not have any financial condition that is likely to impair its ability to their contractual commitments to their clients.

Item 19 – Requirements for State-Registered Advisers

Not applicable