

Lasair Capital LLC

Part 2A of Form ADV

The Brochure

400 Madison Avenue
New York, NY 10017
(212) 883-6650 ph
(212) 883-6655 fax

www.lasaircap.com

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This brochure provides information about the qualifications and business practices of Lasair Capital LLC (“Lasair”). If you have any questions about the contents of this brochure, please contact us at 212-883-6650. 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 with the SEC should not be assumed to imply a certain level of skill or training.

Additional information about Lasair is also available on the SEC’s website at:
www.adviserinfo.sec.gov.

Item 2. Material Changes

No Material Changes.

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Item 4. Advisory Business

Lasair was founded in 2008 and is primarily owned by Carrie A. McCabe in a strategic relationship with a Fortune 10 pension trust. Lasair provides investment advisory services primarily focusing on asset allocation and the placement of capital to a select group of non-traditional portfolio managers (“Managers”) that manage U.S. and non-U.S. corporations, investment partnerships, limited liability companies, managed funds, separately managed accounts, joint ventures or other investment vehicles. Lasair principally performs these advisory services for privately offered (i.e., unregistered) pooled investment vehicles and separate accounts.

Lasair provides advice to client accounts based on specific investment objectives and strategies. Under certain circumstances, Lasair may agree to tailor advisory services to the individual needs of certain clients. Currently, Lasair tailors its advisory services by selecting a portfolio of Managers that meet the risk reward profile of its clients. Certain clients may impose restrictions on investing in certain securities or certain types of securities.

Lasair currently manages (i) a separate account established as a Delaware limited partnership, (ii) an offshore fund organized as a Cayman Islands exempted company open primarily to non-US investors and US tax-exempt investors (the “Offshore Fund”) and (iii) a domestic fund organized as a Delaware limited partnership open to Lasair's employees (“Employee Fund”) (each referred to herein individually as a “Fund” and collectively as the “Funds” unless otherwise specified). As of December 31, 2010, Lasair managed approximately \$227 million on a discretionary basis.

Item 5. Fees and Compensation

Lasair charges its Funds an investment management asset based fee as outlined in the following schedule:

<u>Assets Under Management</u>	<u>Annual Management Fee</u>
Fund investor with less than \$100 million invested:	1.00%
Fund investor with at least \$100 million but less than \$250 million invested:	0.95%
Fund investor with at least \$250 million but less than \$500 million invested:	0.85%
Fund investor with at least \$500 million invested:	0.75%

Lasair collects its asset management fee monthly in advance based on the net asset value at the end of the prior month, adjusted for any additions or withdrawals. Lasair deducts the asset management fee from the Funds by instructing the Funds administrator to transfer the fees from the Funds to Lasair at the beginning of each month. Lasair may reduce, waive or calculate differently, the management fee with respect to certain investors or clients that are members, principals, employees or affiliates of Lasair, relatives of such persons and certain large or strategic clients. Lasair does not collect an asset management fee from the Employee Fund.

Lasair's Funds are also subject to a variety of other operating and administrative costs that are indirectly borne by individual investors. These costs include (i) management and incentive fees charged by the Managers of the underlying Fund investments as well as the expenses of such underlying Fund investments (including brokerage and other transaction costs), and (ii) Fund administration, legal counsel, audit, and accounting expenses. Expenses borne by the Funds are set forth in each respective Fund's offering and / or governing documents.

The Funds are required to pay Lasair's fees in advance. Investors in the Funds may obtain a refund of a pre-paid fee if the advisory contract is terminated or a withdrawal is made from the account before the end of a month, where such termination or withdrawal is permitted. Lasair generally determines the amount of the relevant refund on a pro rata basis, based upon the portion of the relevant period during which it provided services.

Item 6. Performance Based Fees and Side-by-Side Management

Effective January 1, 2011, Lasair does not charge any performance based fees to its current Funds. Lasair manages multiple client accounts and has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities including those with scarce capacity. Lasair reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably.

Item 7. Types of Clients

Lasair serves as investment adviser to separate accounts and privately offered pooled investment vehicles formed as partnerships or offshore corporations. The Funds are not made available to the general public and are not registered investment companies. Lasair offers the Offshore Fund to corporate and public pension plans, Fortune 50 corporations, foundations and endowments, global financial institutions and private families.

With respect to the Funds, Lasair's minimum account size and any initial and additional subscription minimums are disclosed in the applicable offering and / or governing documents for such Fund. Lasair's minimum account size may be waived by Lasair in its sole discretion

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

Lasair's investment team is led by Carrie A. McCabe as the Chief Investment Officer. The investment team generally meets monthly to discuss the prior month and current month market conditions, review the portfolio, may make any adjustments to the Managers in the portfolio, and vet any new Managers under consideration for investment in order to seek to diversify the Funds' portfolios and to maintain their risk-adjusted performance target. Lasair's investment team works together on its investment approach which is based on the following process:

Fund of Funds Manager Selection: Lasair focuses on investments with underlying Managers rather than individual securities. Lasair seeks to identify top tier non-traditional managers whose strategies support the investment objectives and risk profiles of Lasair's Funds. Lasair endeavours to analyze a Manager's strategy, philosophy and decision making process,

proprietary models, research and portfolio management systems, the quality of its investment professionals, and its organizational structure.

Asset Allocation: Lasair seeks to combine its top-down asset allocation decisions with its bottom-up Manager selection process to blend managers and styles. The strategy consists of Managers with broad skill sets, the ability to perform well during different market cycles and stress events, and a longer term track record of stable risk-adjusted results defined as “Core Managers.” Managers who are generally more narrowly focused and demonstrate complementary risk-adjusted performance with differentiated and idiosyncratic return streams and risk factors are defined as “Satellite Managers.” Core Managers generally receive a larger allocation of capital while Satellite Managers generally receive a lesser allocation of capital.

Risk Management: Lasair seeks to objectively profile risk to understand the factors driving performance and volatility of both the underlying Managers, the investment vehicles managed by such Managers (the “Investment Vehicles”) and the overall portfolio of the Funds. Lasair believes that risk management is an integral part of the portfolio management and construction processes. Although Lasair will seek to select only Managers which will invest the Fund's assets with the highest level of integrity, Lasair will have no control over the day to day operations of any of the selected Managers. As a result, there can be no assurance that the conduct of every Manager will conform to these standards. Furthermore, the Funds will be highly dependent upon the expertise and abilities of the Managers who will have investment discretion over the Funds’ assets and, therefore, the death, incapacity or retirement of any Manager may adversely affect investment results. Furthermore, all investments involve risk including the complete loss of principal.

Due Diligence/Limits on Information: Lasair’s investment management and operations teams seek to perform extensive ongoing due diligence and risk monitoring of the underlying Managers and its portfolios utilize such information in making investment decisions. Lasair will request detailed information from each Manager regarding the Manager's historical performance and investment strategy. However, Lasair may not always be provided with detailed information regarding all the investments made by the Managers because certain of this information may be considered proprietary information by Managers.

Diversification. Although Lasair will seek to obtain diversification by investing with a number of different Managers with different strategies or styles, it is possible that several Managers may take substantial positions in the same security or group of securities at the same time without the Lasair’s knowledge.

Multiple Managers. Because Lasair invests with Managers who make their trading decisions independently, it is theoretically possible that one or more of such Managers may, at any time, take positions that may be opposite of positions taken by other Managers. It is also possible that the Managers retained by Lasair may on occasion be competing with each other for similar positions at the same time. Also, a particular Manager may take positions for its other clients that may be opposite to positions taken for the Funds.

Non-U.S. Securities. The Managers may invest in securities of non-U.S. governments and companies which are generally denominated in non-U.S. currencies, and the utilization of currency forward contracts and options on currencies involve certain considerations comprising both risks and opportunities not typically associated with investing in securities of United States issuers. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of non-U.S. taxes, less liquid markets and less available information than are generally the case in the United States,

higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

Emerging Markets. The Managers may invest in emerging market debt or equity which involves certain risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include (i) the risk of nationalization or expropriation of assets or confiscatory taxation; (ii) social, economic and political uncertainty including war; (iii) dependence on exports and the corresponding importance of international trade; (iv) price fluctuations, less liquidity and smaller capitalization of securities markets; (v) currency exchange rate fluctuations; (vi) rates of inflation (including hyperinflation); (vii) controls on foreign investment and limitations on repatriation of invested capital and on an Investment Vehicle's ability to exchange local currencies for U.S. dollars; (viii) governmental involvement in and control over the economies; (ix) governmental decisions to discontinue support of economic reform programs generally and to impose centrally planned economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the securities markets; (xii) longer settlement periods for securities transactions; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (xiv) certain considerations regarding the maintenance of Fund portfolio securities and cash with non-U.S. sub-custodians and securities depositories.

Currency Risks. Investments in securities or other instruments that are denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more other currencies.

Short Sales. The Managers may short securities. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on an Investment Vehicle. There is the risk that the securities borrowed by the fund in connection with a short sale must be returned to the securities lender on short notice. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a "short squeeze" can occur, and the Fund or the Investment Vehicles may be compelled to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

Options. The Managers may purchase or write options on securities. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Leverage. The Managers and / or the Funds may also employ leverage. The concept of leverage involves the use of debt to finance purchases of securities and manifests itself in different ways within the Funds and /or the Investment Vehicles. The Managers have the ability to borrow funds "on margin" from brokers for the purchase of equity securities. These are transactions that involve an initial cash requirement representing a given percentage of the underlying security's value with respect to transactions in U.S. markets and varying (typically lower) percentages with respect to transactions in non-U.S. markets. The Investment Vehicles face risks due to leverage in the event that their equity instruments decline in value. In this event, the Investment Vehicles could be subject to a "margin call" or "collateral call," pursuant to which the Investment Vehicles must either deposit additional funds with the lender, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value.

To the extent that options, futures, options on futures, swaps, swaptions and other "synthetic" or derivative financial instruments are used, it should be noted that they inherently contain much greater leverage than a non-margined purchase of the underlying security, commodity or instrument. This is due to the fact that generally only a very small portion (and in some cases none) of the value of the underlying security, commodity or instrument is required to be paid in order to make such investments. In addition, many of these products are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions.

In an unsettled credit environment, the Managers may find it difficult or impossible to obtain leverage. Since leveraging its assets may be part of the investment strategies of the Investment Vehicles, in such event the Investment Vehicles could find it difficult to implement their strategies. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the Managers being forced to unwind positions quickly and at prices below what they deem to be fair value for the positions.

Interest Rate Risk. Because Managers may invest in debt securities, the Funds are subject to interest rate risk. Generally, the value of debt securities will change inversely with changes in interest rates. As interest rates rise, the market value of debt securities tends to decrease. Conversely, as interest rates fall, the market value of debt securities tends to increase. This risk will be greater for long-term securities than for short-term securities.

Liquidity/Valuation. An investment in the Funds is a relatively illiquid investment and involves a high degree of risk. Further, Managers may, at any given time, invest in securities and other financial instruments or obligations which are thinly-traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. Such Managers may implement a side pocket mechanism for such investments. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to value accurately any such investments. In addition, certain securities in which the Managers may invest may not have a readily ascertainable market price and will be valued by the Managers. In this regard, a Manager may face a conflict of interest in valuing the securities, as their value will affect the Manager's compensation. Furthermore, because of overall size or concentration in particular markets of positions held by a Manager, the value at which investments can be liquidated may differ, sometimes significantly from interim valuations.

Commodity and Futures Contracts. The Managers may invest in commodity and futures contracts. Commodity futures markets (including financial futures) are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs and policies, national and international political and economic events and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage is typical of a commodity futures trading account. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to the trader. Commodity futures trading may also be illiquid. Certain commodity exchanges do not permit trading in particular futures contracts at prices that represent a fluctuation in price during a single day's trading beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits -- which conditions have in the past sometimes lasted for several days in certain contracts -- the Managers could be prevented from promptly liquidating unfavorable positions and thus be subject, and consequently subject the Funds, to substantial losses.

Counterparty Risk. To the extent that Managers invest in swaps, swaptions, derivatives, "synthetic" equivalents, repurchase agreements, certain types of options or other customized financial instruments or, in certain circumstances, non-U.S. securities, the Funds may indirectly

take a credit risk with regard to parties with whom the Managers trade and may also indirectly bear the risk of settlement default. This risk may include credit risk of the counterparty and the risk of settlement default.

Expenses. The expenses of a fund of funds strategy (including the payment of fees to Managers and the pro rata share of expenses of any Investment Vehicles in which the Funds invest) may be a higher percentage of net assets than would be found in other investment entities. Strategies utilized by certain Managers may require frequent trading and, as a result, portfolio turnover and brokerage commission expenses may significantly exceed those of other investment entities of comparable size.

Investments in the Funds should be considered speculative and involve substantial risk. The preceding does not intend to list all possible risks of such an investment in the Funds. Relevant risks are discussed in greater detail in each of the Fund's offering and / or governing documents. No person should invest in a Fund unless he or she has no need for immediate liquidity with respect to such investment, is fully able to bear the financial risk of such investment for an indefinite period of time, and is fully able to sustain the possible loss of the entire amount invested.

Item 9. Disciplinary Information

Lasair and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Item 10. Other Financial Industry Activities and Affiliations

This Item is not applicable.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Lasair has adopted a written code of ethics that is applicable to all employees. Among other things, the code of ethics requires Lasair and its employees to act in its clients' best interests, abide by all applicable laws and regulations, avoid even the appearance of impropriety and / or insider trading, and pre-clear and report on personal securities transactions. Lasair's restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household. Lasair Employees are permitted to maintain brokerage accounts; however, Employees must adhere to a strict personal trading policy which includes the following elements:

- Employees are required to disclose all of their brokerage accounts, personal securities holdings and hedge fund investments within 10 days of commencing employment and annually thereafter;
- Employees are prohibited from purchasing shares of an initial public offering;

- Employees are required to pre-clear all trades in equities, options and private placements (including hedge fund investments);
- Employees must report all personal securities transactions (with the exception of transactions in U.S. Treasury securities, mutual funds and certain other limited instruments) on a quarterly basis;
- Employees must report the opening of any new securities accounts on a quarterly basis;
- Employees must direct their brokers to send duplicate copies of trade confirmation and monthly statements to the Lasair's Compliance Officer; and
- Employees must sign initial and quarterly attestations to certify that they have and will comply with the Code of Ethics, which includes Lasair's personal trading policies.

The Chief Compliance Officer does not grant preclearance where it would appear that an employee's investment could disadvantage Lasair's Funds. In addition, the Chief Compliance Officer monitors employee trading to ensure that employees do not engage in improper transactions.

Lasair will provide a copy of its Code of Ethics to investors upon request.

Item 12. Brokerage Practices

Lasair generally does not execute trades directly with any broker/dealers or custodians. The Managers, with whom Lasair invests, however, do execute trades with broker dealers and Lasair reviews best execution practices as part of Lasair's due diligence process.

Soft Dollar Benefits

Lasair generally does not execute trades directly with any broker/dealers or custodians and does not directly receive any soft dollar services or benefits.

Client Referrals

Lasair does not compensate any broker/dealer or custodian for referring client accounts.

Item 13. Review of Accounts

Lasair's Funds are monitored and reviewed on a monthly basis by Carrie A. McCabe and the Chief Compliance Officer. The Funds' investors receive reports from the Fund pursuant to the terms of each Fund's offering and / or governing documents including an annual audited financial statement within 180 days of the Fund's fiscal year end.

Item 14. Client Referrals and Other Compensation

This Item is not applicable.

Item 15. Custody

This Item is not applicable.

Item 16. Investment Discretion

The Funds are managed by Lasair in its sole discretion based upon the authority granted in the governing documents for each Fund, and subject only to the restrictions (if any) described in the offering and / or governing documents relating to each Fund.

Item 17. Voting Client Securities

Lasair provides investment advisory services through asset allocation and the placement of capital to a select group of Managers. As such, Lasair does not usually vote client securities. If the occasion were to present itself whereby Lasair was required to vote client securities, Lasair would act in accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act.

Upon request, Lasair will provide investors with a copy of its proxy voting policies and procedures

Item 18. Financial Information

This Item is not applicable.