

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

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This brochure provides information about the qualifications and business practices of Soteira Capital, LLC. If you have any questions about the contents of this brochure, please contact us at 949 265 5989 and/or jean@soteiracapital.net. 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 Soteira Capital, LLC also available on the SEC's website at www.adviserinfo.sec.gov.

Soteira Capital, LLC is registered with the SEC. Such registration does not imply a certain level of skill or training.

Item 2 Material Changes

There are no material changes to this brochure from the last annual update.

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Item 4 Advisory Business

Soteira Capital was formed July 2010 as a Delaware Limited Liability Company with its main office in Newport Beach, California. Soteira Capital is wholly owned by Soteira Investors, LLC and is not publicly held. Soteira Capital has no intermediate subsidiaries.

Soteira Capital employs a highly experienced investment management team with each member of management having at least 20 years of investment, option trading, and/or financial experience. Soteira Capital was founded by Derek Clark. Derek Clark has extensive experience managing option strategies. Prior to Soteira, Mr. Clark was the CEO of Themis Asset Management, which managed option related yield strategies for more than \$2B of client assets. While studying the behavior of the 2008 and 2009 markets, Mr. Clark recognized that returns could be improved through employing volatility instruments as an additional hedge which could potentially enhance total returns yet manage risk in a high volatility environment. Soteira Capital was formed and is based on recognizing such opportunity in the marketplace to finance catastrophic insurance through the use of volatility instruments to minimize risk while also providing potential enhanced returns.

Soteira Capital implements a portfolio of option combinations consisting of long and short major index puts combined with long volatility instruments. Combinations result in cash inflow with short options generating income and long options seeking to manage risk. Strikes are dynamically selected using probabilistic modeling for pricing and evaluating risk upon entrance and exit of positions. Option portfolio is actively management to mitigate market sensitivity. The combined options strategy seeks to produce absolute returns. Listed index options (e.g., S&P500 and others) with European expirations are used for liquidity and transparency.

Each managed portfolio is unique hence Soteira Capital's investment management decisions are tailored based upon the perceived risk/reward characteristics of the Client participating in the investment strategy as well as perceived or actual factors affecting the underlying collateral held in the client's account.

Soteira Capital has discretion over the implementation of the Investment Strategy in Client accounts but has no discretion with respect to other actions over a Client's account.

Soteira Capital does not participate in a wrap fee program. Fees and compensation are discussed in Item 5 following.

As of March 2011, Soteira Capital has discretionary management over \$200M+ of client assets. Soteira Capital does not manage any client assets on a non-discretionary basis.

Item 5 Fees and Compensation

Clients will pay to Soteira Capital a monthly account fee on assets invested in the Program equal to the sum of (i) a monthly fee of 0.125% of the assets in the Program for that trading cycle (representing 1.5% per annum) (“Management Fee”) plus (ii) a monthly performance fee as of the last day of each trading cycle equal to 20% of the monthly realized gain in the client’s account, limited to new profits after adjustments for additions to and withdrawals from the client’s account (“Incentive Fee” or “Monthly Performance Fee”). Such fees are not negotiable.

Soteira Capital monthly account fees are due as of the last business day of each trading cycle (the third Friday of each calendar month), payable within three days of the close of each applicable trading cycle. The fees are automatically deducted before remittance of the monthly net earnings to the Client.

Soteira Capital, nor any supervised person(s) of Soteira Capital, does not offer nor accept any compensation other than what is set forth. Soteira Capital does not offer advice nor investment products other than the Investment Strategy on a fee or non-compensated basis.

In addition to the fees set for above paid to Soteira Capital, clients will also incur transaction costs with respect to the puts and calls purchased and sold. Such fees do not benefit Soteira Capital. Such fees are set by the clearing house and Soteira has no control over such fees. Such fees are assessed and paid at the time the options are purchased/sold.

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

As described in Item 5, in addition to the monthly Management fee, Clients will pay to Soteira Capital a monthly performance fee as of the last day of each trading cycle equal to 20% of the monthly realized gain in the client's account, limited to new profits after adjustments for additions to and withdrawals from the client's account ("Incentive Fee" or "Monthly Performance Fee"). Such fees are the same for all Clients and hence there is no conflict of interest based on fees with respect to management of the various client accounts.

Item 7 Types of *Clients*

Soteira Capital offers its Investment Strategy to high net wealth individuals, investment companies, pooled investment vehicles, pension and profit sharing plans, charitable organizations and private foundations, and trusts and estates.

The minimum amount for participation in the Investment Strategy is \$500,000. Additional participation in the Program will be in increments of \$250,000. Clients may wholly or partially withdraw from participation in the Investment Strategy upon 90 days written notice.

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

The Investment Strategy implemented by Soteira Capital entails 1) purchase and sell put options and/or put spreads on broad based equity market indices including, but not limited to, the S&P 500 Index (“SPX”), S&P 100 Index Options (European-style exercise) (“XEO”) and the Nasdaq-100 Index (“NDX”) (the “Investment Strategy”, the “Investment Program”, or the “Program”) and (2) the purchase of volatility instruments to offset the put spreads. In addition to the previously mentioned indices, Soteira Capital may, in its sole discretion, determine to purchase and sell put options and/or put spreads on additional indices. Soteira Capital will generally effect broad equity market index options around a benchmark percentage below the index value at the time of the transaction. The benchmark percentage will vary over time and will generally range from 10-20% based on up to 60 calendar days to option expiration. The benchmark percentage below the index value may differ for each option cycle for each Client as determined by Soteira Capital’s assessment of risk/reward factors as applied to each Client.

Investment transactions will be made in accordance with an ongoing fundamental, top down analysis of the overall market and technical analyses and monitoring of price and momentum trends, carefully delineated support and resistance levels, and relative strength considerations.

The strikes are dynamically selected using probabilistic modeling. The option portfolio is actively management to mitigate market sensitivity. In implementing the Investment Strategy, strike prices may be created on the Chicago Board Options Exchange (“CBOE”) to accommodate the Investment Strategy. The strike price of each “out of the money” put option will be based on numerous factors including, without limitation, the time to expiration (the “time value”) of each put, the risk free interest rate and the current index price. The purchased volatility instrument(s) is based on numerous factors including, without limitation, the time to expiration and the extent of the put option spread(s).

Soteira Capital may, in its sole discretion, based on its view of the current environment, terminate, close and effect a new option transaction at a different strike price during a given option cycle, execute a new investment transaction that extends the duration, or close certain investment transactions prior to their specified termination in order to increase the yield received in connection with such investment transaction or to protect capital.

In implementing the Investment Strategy, Soteira Capital will seek, to the extent possible, to balance every put option written by Soteira Capital on any index with a corresponding purchase of a put option having a different strike price. Soteira Capital may effect investment transactions on different indices for the Investment Strategy during the same option cycle. Since most or all put options outstanding at any time will be balanced with a corresponding purchase of a put option having a different strike price, exposure to pricing changes on each option position will generally be limited. Simultaneously, Soteira Capital will also purchase a volatility instrument to counter the effect on the put spreads should there be a spike in volatility.

Although Soteira Capital will use its reasonable best efforts to balance every put option position with a corresponding purchase of a put having a different strike price and the purchase of a volatility instrument, there is a risk that Soteira Capital will not have the ability to purchase a corresponding put on one or more put option positions, due to market conditions or other factors. Therefore it is possible that not every put option position written by Soteira Capital will have a corresponding purchase of a put option having a different strike price.

In certain instances, when placing trade for the same security for various Client accounts, Soteira Capital may aggregate the trades into one order (“aggregate trade”). Such aggregate trades are intended to be allocated (together with related expenses and costs) on a pro rata basis to participating Clients.

Due to the risk of potential loss, the Program is not suitable as a client’s sole or primary investment. Therefore, clients in the Program should ensure that (i) the assets in the client’s account represent only a portion of the client’s total investment assets and (ii) the client can withstand the risk of potential loss.

Item 9 Disciplinary Information

Neither Soteira Capital nor any of its management has had any criminal, administrative nor self-regulatory organization proceedings in the past, pending or threatened.

With respect to civil proceedings pending or threatened, there have been none against Soteira Capital, David Rane, Jean Ho nor Arthur Nowell. Derek Clark has been named as co-defendant in a suit pending arbitration with respect to a prior investment company. Mr. Clark's defense is being provided by his insurance carrier and the matter is expected to be resolved by late 2011. In addition, on September 27, 2001, Mr. Clark (then employed by J.P. Morgan), was named as part of a class action civil lawsuit seeking damages of \$100M. Upon arbitration, the suit was settled for \$1.65M paid by JP Morgan (Mr. Clark did not and was not required to participate in the payment of the settlement). Also in September 2001, Mr. Clark was named in a complaint where client alleged losses of \$180,079 ("9/11" losses). Mr. Clark did not manage the funds from which the alleged losses arose. The complaint was settled by JP Morgan (Mr. Clark's then employer) for \$75,000 and agreement that the complaint be expunged.

The items noted above are in no way related to the option investment strategy employed by Soteira Capital.

Item 10 Other Financial Industry Activities and Affiliations

Neither Soteira Capital nor any of its management are or plan to register as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operating, commodity trading advisor, nor associated person of the foregoing.

Neither Soteira Capital nor any of its management have a relationship which may cause a conflict of interest for clients with any broker-dealer, municipal securities dealer, or government securities dealer or broker; investment company or other pooled investment vehicle; other investment advisor or financial planner, futures commissions merchant, commodity pool operator, or commodity trading advisor; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of limited partnerships.

Soteira Capital does not select or recommend other investment advisors to clients.

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

Soteira Capital has adopted a Code of Ethics pursuant to SEC Rule 204A-1 setting forth the standard of professional and ethical requirements expected of the Firm's directors, officers and employees. The Firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

The Investment Strategy employed by Soteira Capital is based upon broad based indices and hence are no conflicts of interest respect recommendation of securities to which Soteira Capital or a related person of Soteira Capital may have an interest (direct or indirectly).

Soteira Capital management and/or any employee may invest his/her personal funds employing the same strategy as is implemented and recommended to clients in the management member/employee's own separately managed account. However, such management member or employee would be entitled to the worst (versus best or average as in the case of clients) execution of the day.

Item 12 Brokerage Practices

Soteira Capital prefers that all client funds under management be deposited with JP Morgan and/or Morgan Stanley Smith Barney. Soteira Capital does not benefit from the use of any particular broker-dealer for execution of the Investment Strategy in a client account. Preference is based on transaction costs assessed and history of executing the Investment Strategy with those firms.

However, Soteira Capital is capable of administering the Investment Strategy through the Client's existing custodial accounts and through such Client's existing money manager(s). Soteira Capital and the Clients acknowledge that clients may pay higher execution costs than those obtainable from other broker-dealers.

Item 13 Review of Accounts

The firm employs investment decisions upon review by its investment committee which is comprised of Derek Clark and Jean Ho. Each member of the committee is well versed and has over 18 years of experience and was chosen based upon his/her expertise in the various aspects to be considered in implementing the strategy; investments, options, returns, accounting and risk.

Client performance in the Investment Strategy is reviewed on a daily basis.

Soteira Capital will provide clients with a monthly statement which recaps the implementation of the Investment Strategy in the client's account. Such statement shall be provided upon the close of each investment cycle.

Item 14 *Client* Referrals and Other Compensation

Soteira Capital may enter into agreements with independent investment advisors, securities brokers and other persons to act as solicitors for the Clients in the Program, under which such persons will receive fees for referral of clients to Soteira Capital. Soteira Capital will endeavor to the following requirements of Rule 206(4)-3 under the Investment Advisors Act of 1940, including taking steps to require that the Clients and investors received written disclosure statement of any referral fees paid with respect to any solicitor or other person in connection with their investment in the Investment Strategy. Clients will not pay more in fees as a result of Soteira Capital's payment of any referral fees in connection with client's opening an account in the Investment Strategy.

Item 15 *Custody*

Soteira Capital does not have custody of client funds or securities. However, Soteira Capital will provide clients a recap of the implementation of the Investment Strategy for their behalf upon the close of each investment cycle. In addition, the custodian where the client assets are held will also send statements directly to the clients with respect to their own separately managed account account(s) through which the Investment Strategy is implemented. Clients are urged to carefully compare the statements received from Soteira Capital with that received from the custodian.

Item 16 Investment Discretion

Clients will grant Soteira Capital the discretionary authority over their separately managed account to effectuate the Investment Strategy; i.e., purchase and sell put options and/or volatility instruments. Such discretion is granted through the custodian of the client assets.

Item 17 Voting *Client* Securities

Soteira Capital will not have authority to vote client securities.

Item 18 Financial Information

Soteira Capital does not solicit prepayment of client's fees, nor is it granted discretionary authority over distribution of client funds or security, nor has custody of client funds or securities.

Neither Soteira Capital nor any of its management has been the subject of a bankruptcy petition at any time.

Item 19 Requirements for State-Registered Advisers

Soteira Capital has four principals: Arthur Nowell, Derek Clark, Jean Ho and David Rane.

Dr. Nowell is Dean Emeritus at the University of Washington where he served as Dean for 14 years. His activities focused on organizational accountability and values-derived performance. As the responsible officer for personnel, compliance, finance and academic affairs, he oversaw 800 staff and an operating budget of \$100M per year. Previously, he served as President and CEO of a 17 nation consortium for ocean drilling and served on the board for 19 years. He has chaired and directed nationally established performance and compliance studies of 15 organizations and as well as federally requested studies of government management and operations in federal-state and private partnerships. He presently Chairs an assessment of a \$3B retirement plan and is developing a financial plan for a major (7M books, 8M download research articles) academic library. He is an international consultant on maritime prediction, marine security and privacy. He holds masters degrees from the University of Cambridge, England and UBC, Canada as well as a doctoral degree in fluvial dynamics. He serves on the boards of three non-profits.

Mr. Clark has extensive experience in managing option strategies. Prior Soteira Capital, Mr. Clark was the CEO of Themis Asset Management which managed option related yield strategies for more than \$2 billion of client assets. He was also the CIO of Cogent Offshore Fund, a vehicle managing a similar strategy for foreign investors. Mr. Clark created and was the chief investment officer for an insurance dedicated offshore fund for American International Group and Sun America Financial Group. He was previously a global managing director at Deutsche Bank where he oversaw one of the firm's largest client practices, and has a total of 18 years in the securities industry. He was born in 1965 and studied economics and business at Whitworth College.

Jean Ho is an attorney-CPA with an LL.M. in taxation with over 20 years of experience in financial services. Her experience ranges from being a service provider with KPMG, to CFO of a family office, to CFO of domestic and international hedge funds. Ms. Ho is also currently an adjunct professor for C.S.U.F. Graduate School of Accounting. She was born in 1968 and is a graduate of U.C.L.A., California Western School of Law, and University of San Diego Law School.

David Rane has many years of public and private company experience as an officer and director. He is the former CFO and executive vice president of Callaway Golf. Prior to that, he worked at PriceWaterhouseCoopers over a span of 14 years, serving in several different capacities at the San Diego, Brussels and National Offices. He is a graduate of Brigham Young University.

The principals are not otherwise engaged in any businesses which create a conflict of interest with Soteira Capital or its clients nor requires a significant amount of time.

The principals are compensated based upon overall performance of the firm and not with respect to performance in any one Client's account.

None of the principals nor any other member of management has been involved in an award or found liable for investment or an investment-related business activity; fraud false statements or omissions; theft, embezzlement or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair or unethical practices.