

Form ADV Part 2

Item 1: Cover Page

Tatro Capital LLC
104 Richmond Ave
Nicholasville KY 40356

859-881-0777
www.tatrocapital.com

This brochure provides information about the qualifications and business of Tatro Capital LLC. If you have any questions about the contents of this brochure, please contact us at 859-881-0777 or info@tatrocapital.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 Tatro Capital LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Registration does not imply a certain level of skill or training.

January 27, 2015

Item 2: Material Changes since update dated 6/2/14

Item 4 Advisory Business

Revised assets under management to \$59,564,986 from \$48,346,920.

Item 5 Fees and Compensation

Added custodian information and billing schedule for accounts managed at Jefferson National and Betterment LLC

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

Added additional language to explain the risks in regards to the use of “forward-looking statements” which are often used in the financial planning process and in communications about possible future outcomes or returns with regard to investments.

Item 10 Other Financial Industry Activities and Affiliations

Removed information regarding operational support provided by Tatro Capital for Cambridge Financial which concluded during 4th quarter 2014.

Item 14 Client Referrals and Other Compensation

Added disclosure of Kipp Trummel who refers clients to Tatro Capital for compensation based on a percentage of the management fee charged by Tatro Capital on clients referred.

Item 3: Table of Contents

| | |
|---|----|
| Item 1: Cover Page | 1 |
| Item 2: Material Changes | 2 |
| Item 3: Table of Contents..... | 3 |
| Item 4 Advisory Business | 4 |
| Item 5 Fees and Compensations..... | 4 |
| Item 6 Performance-Based Fees & Side-By-Side Management | 6 |
| Item 7 Types of Clients | 8 |
| Item 8 Methods of Analysis, Investment Strategies and Risk of Loss..... | 8 |
| Item 9 Disciplinary Information..... | 10 |
| Item 10 Other Financial Industry Activities and Affiliations | 10 |
| Item 11 Code of Ethics, Participation or Interest in Client Transactions & Personal Trading . | 10 |
| Item 12 Brokerage Practices | 10 |
| Item 13 Review of Accounts..... | 10 |
| Item 14 Client Referrals and Other Compensation | 11 |
| Item 15 Custody | 11 |
| Item 16 Investment Discretion | 11 |
| Item 17 Voting Client Securities..... | 11 |
| Item 18 Financial Information..... | 12 |
| Item 19 Requirements for State-Registered Advisers..... | 12 |

Item 4 Advisory Business

Tatro Capital LLC is an independent fee-based investment advisory firm wholly owned by William “Quint” L. Tatro V with \$59,564,986 in assets under management as of December 31, 2014 all of which are managed on a discretionary basis.

We advise individual clients and small businesses through discretionary investment authority in accordance to the strategies listed in “Methods of Analysis, Investment Strategies, and Risk of Loss” below.

Financial planning services are offered by Tatro Capital upon request and at no fee through our “LIFE Plan” process. This planning process assesses a client’s assets, liabilities, expenses, and savings along with an estimated rate of return and rate of inflation to develop a financial picture for the client. This plan will be used to help determine the individual goals of the client and assist in determining a client’s risk tolerance. Financial plans may be updated at no fee annually or as needed, based on life changes, for clients who have assets under management at Tatro Capital.

In addition to our advisory services for individual clients and small businesses we are also the adviser for, an accredited investor only, private fund, the FlexWater Opportunity Fund (A Delaware Limited Liability Company) which launched February 2013. The FlexWater Opportunity Fund (“Fund”) is a private fund offered only to accredited investors. The Fund’s objective is to achieve appreciation of its assets through investing primarily in securities. Further, a portion of the Fund’s assets may be used to invest in real estate and bridge loans. However, the Fund may trade or invest in any other type of instrument that is now, or may hereafter be, offered for trading on U.S. or international exchanges or markets. More information on the Fund is available in the Fund’s confidential Private Placement Memorandum which is only offered to accredited and potential investors.

Tatro Capital tailors its advisory services to the individual needs of each client through the gathering of client information before the commencement of management as well as through a suitability form filled out by the client before investments are made. Each client is placed into a defined asset allocation portfolio based upon the suitability determined at the beginning of the advisory relationship and updated as applicable by the client. Clients may restrict the advisor from investing in certain securities or types of securities though Tatro Capital may, at times, request restricted assets be removed from accounts managed by Tatro Capital to avoid the client being assessed a management fee on the restricted assets.

Item 5 Fees and Compensations

Tatro Capital derives revenue through our advisory services by charging a non-negotiable 1% annual management fee billed quarterly in advance. The pro-rated amount for a client’s initial quarter under management will be calculated in arrears at the end of the client’s first partial quarter under management and added to the first full-quarter’s advance fee.

Example: A client transferring in during February will be billed on April 1 for a pro-rated partial quarter for February through March and a full advance quarter for April through June.

To calculate the quarter-end balance on which the fee is derived we use the ending balance published on the custodial statements produced by the clients' custodian and/or data provided by the custodian through its website or data download portals. The fees billed each quarter are deducted directly from the clients' account at the custodian, unless other arrangements have been made by the client. Should a client receive advisory services for less than a full quarter, the fee will be pro-rated accordingly and refunded to the client via check mailed to the address on record..

Clients of the FlexWater Opportunity Fund (an accredited investor only private fund) are assessed the same 1% annual management fee as well as a performance fee equal to 20% of the net realized and unrealized profits, determined and paid monthly in arrears, subject to a loss carry forward provision. All fees for the FlexWater Opportunity Fund (an accredited investor only private fund) are calculated by an outside, third-party administrator.

Clients of the FlexWater Opportunity Strategy (an accredited investor only strategy) hold accounts at Charles Schwab and are assessed the same 1% annual management fee as well as a performance fee equal to 20% of the net realized and unrealized profits, determined and paid monthly in arrears, subject to a loss carry forward provision. All fees for the FlexWater Opportunity Strategy are calculated by Tatro Capital LLC and deducted directly from the clients' account according to the client fee agreement.

Tatro Capital also offers clients with accounts held at TIAA-CREF the option of having their eligible "CREF" portion of the account managed by Tatro Capital. The fee for this service is 0.50% (half of one-percent) annually which is billed monthly, in arrears, based on the ending balance, of only the managed amount of assets, listed on custodian's month end statement.

Tatro Capital manages select accounts at Jefferson National for clients with an existing relationship with our firm. Accounts at Jefferson National are billed at our standard 1% annual fee calculated and distributed quarterly, in arrears, by Jefferson National based on the quarter ending balance.

Tatro Capital offers clients with an account held at Betterment LLC the option to have their accounts serviced by Tatro Capital. Accounts held at Betterment LLC will be invested in a portfolio selected by Betterment Securities, an SEC registered broker-dealer and member of FINRA/SIPC, as a sub-advisor based on a client's goals and risk tolerance. Accounts at Betterment that are serviced by Tatro Capital are assessed a total annual management fee of 1% of which Tatro Capital pays 0.25% annually to Betterment LLC for use of their platform and services.

All advisory fees paid to Tatro Capital for investment advisory services are separate and distinct from fees and expenses charged by funds (i.e. mutual funds, ETFs) to their shareholders. Also, clients may incur additional expenses by the custodian, not for the benefit of Tatro Capital, including commissions for trades and fees for special services such as wires and overnight checks. Detailed information on the custodian specific fees can be found at the individual custodians' website.

Item 6 Performance-Based Fees & Side-By-Side Management

Clients of Tatro Capital who own the FlexWater Opportunity Fund (an accredited investor only private fund) pay a performance-based fee of 20% of the net realized and unrealized profits, determined and paid monthly, subject to a loss carry forward provision.

Clients who participate in the FlexWater Opportunity Strategy (an accredited investor only strategy) pay a performance-based fee of 20% of net realized and unrealized profits, determined and paid monthly, subject to a loss carry forward provision.

It is important to note that performance-based compensation may create an incentive for the adviser to recommend an investment to a client which may carry a higher degree of risk to the client.

No performance based fees are charged to any clients outside of the FlexWater Opportunity Fund or the FlexWater Opportunity Strategy. Tatro Capital will not be compensated by performance fees for any client who is not considered an "accredited investor" as defined by Rule 501 of the Securities Act of 1933.

An accredited investor is defined as

1. *a bank, insurance company, registered investment company, business development company, or small business investment company;*
2. *an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;*
3. *a charitable organization, corporation, or partnership with assets exceeding \$5 million;*
4. *a director, executive officer, or general partner of the company selling the securities;*
5. *a business in which all the equity owners are accredited investors;*
6. *a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person;*
7. *a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or*
8. *a trust with assets in excess of \$5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes.*

Risks and disclosures specific to performance based fees

(FlexWater Opportunity Fund and FlexWater Opportunity Strategy clients only):

1. A performance based fee may create an incentive for the advisor to make investments that are riskier or more speculative than would be the case in the absence of a performance fee.
2. The advisor may receive increased compensation with regard to unrealized appreciation (gains) as well as realized gains in the client's account than would be received absent a performance based fee.
3. Since performance fees are billed monthly, when earned, the performance fee takes into account only whether the client's balance has reached a new high each month, subject to a loss carry forward provision. This means a client may incur performance fees during the year and not end the year at or near a new high.
4. When preparing a performance report for clients the advisor will reference the S&P 500 Index ("Index") which is a widely used measure of general market performance in the U.S. The advisor provides this as a reference only, as performance based fee portfolios invest in securities not included in the Index and the Index does not incur the same fees as the portfolio. While you may not invest directly in the Index the performance represents what a client may have gained or lost by investing similarly to the Index instead of the performance based fee portfolio, net of all fees.
5. At times the advisor's compensation may be based on the unrealized appreciation of securities for which market quotations are not readily available. When this occurs the advisor will utilize the most recent market price and current market conditions to calculate a reasonable market value for the security and disclose this valuation to the client.

For residents of the State of Virginia participating in a performance based fee portfolio, in addition to the above criteria the following must be true:

1. Client
 - a. The client must be a natural person or company (as defined below in section 2 of this subsection) who immediately after entering into the contract has at least \$750,000 under the management of the investment advisor; or
 - b. A person who the advisor (and any person acting on his behalf) entering into the contract reasonably believes, immediately prior to entering into the contract, is a natural person or a company whose net worth at the time of the contract is entered into exceeds \$1,500,000. (The net worth of a natural person may include assets held jointly with such person's spouse.)
2. The term "company" as used in section 1 of this subsection does not include:
 - a. A private investment company
 - b. An investment company registered under the Investment Company Act of 1940;or

- c. A business development company as defined in § 202(a)(22) of the Investment Advisers Act of 1940 (15 USC § 80b-2(a)(22)) unless each of the equity owners (other than the investment advisor entering into a contract under this section) of any such company indentified in this section is a natural person or company described in this subsection.

Item 7 Types of Clients

Tatro Capital primarily advises the accounts of individuals, trusts, high net worth individuals, and the FlexWater Opportunity Fund (an accredited investor only private fund). However up to 10% of our clients are also comprised of; pensions or profit-sharing plans and corporations or other business.

We require a minimum investment of \$250,000 in order to open and maintain an account.

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

Tatro Capital analyzes investment opportunities through charting, technical analysis, and fundamental analysis. To accomplish this we use a variety of information sources such as; financial publications, corporate news releases, rating agencies, company fillings, and market data services.

Charting involves the analysis of price charts for a specific security or index to assess the current price relative to historical prices. Tatro Capital uses charting to identify opportunities in investments due to changes in price or market conditions versus a security's historical price. The risks of this type of analysis include; using historical information to anticipate future results, reliance on only a security's price rather than underlying fundamental conditions, and the potential for inaccurate market data to influence decision making.

Technical analysis involves using the price charts of a security or index paired with other statistics such as volume and averages to indentify patterns in historical activity to make a decision about future price movement. Tatro Capital uses technical analysis to identify trends in prices, support and resistance in price levels, and to assist in setting exits for both profitable and unprofitable positions. The risks of this type of analysis include; using historical information to predict future price movement, relying on interpretive levels for trends, support, and resistance, and the potential for inaccurate market data influencing calculations and decision making.

Fundamental analysis involves using a company's financial and qualitative information to measure its intrinsic value. The goal of this type of analysis is to produce a calculated value to compare to current market price and determine whether a particular security is overprice or underpriced. Tatro Capital uses fundamental analysis to review securities in a client's portfolio or potential additions to their portfolio to determine if current price

levels may be supported by the market in the future or if the price may adjust higher or lower to compensate for the intrinsic value. The risks of this type of analysis include; using historical financial information to predict future value, relying on the accuracy of information produced by a company, and relying on an individual's calculations and determinations to assess the value of a company relative to its price.

The investment strategies employed by us are as follows; long-term purchases where securities are held at least a year, short-term purchases where securities are sold within a year, and trading where securities are sold within 30 days.

Investing in stocks carries with it the risk of loss. Furthermore, trading stocks involves attempting to time purchases and sales with a focus on profitability and best use of capital but carries with it the risk of holding positions that result in a loss or selling at a loss a position which could have been profitable at some later date. Short-term trading may also impact performance through increased brokerage and transaction costs as well as an increased tax liability within taxable accounts.

Tatro Capital utilizes a variety of mutual funds, ETFs, stocks, and fixed income securities to provide its clients with diversification and a balance of risk based on their suitability assessment conducted at the initiation of the advisory relationship and updated as appropriate by each client. When deemed appropriate by the advisor for market conditions, the advisor may invest in securities not directly related to the stock market. For example, commodity based mutual funds or ETFs, which are directly correlated to the price of the underlying commodity. The advisor may also use securities which possess an inverse relationship to the stock market. For example, a bearish mutual fund, which rises in value as the market declines and declines in value as the market rises. This means that clients' accounts may perform better or worse than the general market as measured by the Dow Jones Industrial Average or the S&P 500 over a period of days, weeks, or months.

All investments made by Tatro Capital, LLC on behalf of its clients involve some degree of risk due to changing market, economic, and other conditions. By obtaining information about our clients through suitability assessments, financial plans, and other communication we do our best to assemble a portfolio with appropriate risks given a client's income, savings, and time horizon along with other factors. Our goal is to grow the value of our clients' investment. However, all investments are susceptible to significant or total loss and therefore Tatro Capital, LLC makes no guarantee as to the performance or future value of any investment.

We may, at times, use "forward-looking statements" (statements related to future, not past, events) in discussing your financial plan, portfolio, or our analysis of investments, markets, and economies. In these contexts, forward-looking statements often address our expectations of the future and often contain words such as, but not limited to, "expect," "believe," "plan," "will," "think," "could," or "target." By their nature, forward-looking statements address matters that

are, to varying degrees, uncertain and unpredictable. We make any such statements based on all the facts and information available to us at that time. However, Tatro Capital does not assure or guarantee that such future events or results will come about as anticipated and it is possible that any of our expectations regarding the future may be wrong and could result in better or worse than expected outcomes or performance of investments, including losses.

Item 9 Disciplinary Information

Adviser has no record of disciplinary information material to the client.

Item 10 Other Financial Industry Activities and Affiliations

William “Quint” Tatro, Managing Member of Tatro Capital LLC periodically appears as a non-compensated guest on financial television network CNBC, and local radio 590 WVLK AM. It is estimated Mr. Tatro will spend approximately 5% of his time in these capacities.

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

Tatro Capital LLC has in place a code of ethics which requires all employees to place clients’ interests ahead of theirs or the company’s and to maintain full compliance with all Federal Securities Laws. A complete copy of our code of ethics is available upon request.

In regards to employee’s personal investing, Tatro Capital encourages all of its employees to participate in an advised account at Tatro Capital. However, if, for diversification purposes, employees wish to invest outside of our management we have adopted a policy for transactions to alleviate conflicts of interest in the buying and selling of personal investments by having a process for preclearance, monitoring employee accounts, and requiring certain holding periods.

Item 12 Brokerage Practices

Tatro Capital LLC selects brokers to use for trading client accounts by assessing comparable brokers and comparing between them their; quote accuracy, speed of execution, historic system reliability, etc. We do not participate in any soft dollar arrangements with any of our brokers.

Item 13 Review of Accounts

Generally, client accounts will be reviewed on a continuous basis by William “Quint” Tatro, Managing Member. Market conditions, pricing and overall performance are areas that are monitored. Market fluctuations, changes in the client’s financial circumstances, or changes in a company’s fundamentals, etc. may trigger a review.

Monthly or quarterly statements are provided by the custodian of the clients’ accounts and are the primary document used in reviewing accounts. Tatro Capital may also utilize both current Balance and Position (Holdings) reports generated from the custodian’s website to assess real-time information and review accounts with clients during the period between statements being produced.

Item 14 Client Referrals and Other Compensation

Tatro Capital LLC compensates Kipp Trummel for client referrals for a period of up to ten years after a client is initially referred based on the referral fee schedule below. These fees are paid by Tatro Capital, there is no additional fee for referred clients beyond our standard management fees disclosed in “Item 5 Fees and Compensation.”

Kipp Trummel referral compensation schedule:

Years 1-2: 0.25% annually on referred assets

Years 3-4: 0.20% annually on referred assets

Years 5-10: 0.15% annually on referred assets

Item 15 Custody

Tatro Capital LLC is deemed to have custody as it does not send a billing invoice to clients at the time of billing their accounts. All fees will appear on the clients’ custodial statements and any questions with regards to fee amounts or calculations may be directed to Tatro Capital.

Tatro Capital LLC utilizes Charles Schwab & Co., Betterment LLC, Jefferson National and TIAA-CREF as custodians for client accounts. Clients will receive monthly statements from the custodian of their account, which will include a listing of management fees charged by Tatro Capital LLC and deducted from the account. Clients should review these statements carefully upon receipt.

For clients of the FlexWater Opportunity Fund (an accredited investor only private fund), client funds are held at Chase Bank and TradeStation. All securities are held at TradeStation. Tatro Capital LLC is deemed to have custody of the funds of clients of the FlexWater Opportunity Fund. To fulfill its custody requirements Tatro Capital LLC will provide clients of FlexWater Opportunity Fund monthly statements produced by a third-party administrator and, within 120 days of fiscal year-end (December 31), an audited financial statement produced by an independent accountant.

Item 16 Investment Discretion

Tatro Capital LLC maintains full investment discretionary authority over its client accounts. On entering into a management agreement with us clients are asked to sign a power of attorney to give us the ability to manage their account. Clients are able to review the investment transactions we make on their accounts daily through their online account access or monthly via the statements they receive directly from the custodian.

Item 17 Voting Client Securities

Tatro Capital LLC accepts the authority to vote client securities and has adopted a proxy voting policy to guide all voting of the securities. On occasion a conflict of interest may exist between us and the funds, portfolios, and clients regarding the outcome of certain proxy votes. In such cases we are committed to resolving the conflict before we vote the proxy in question. If the

proxy proposal falls under our routine voting guidelines we will vote as stated in our voting policies and procedures. If the proxy proposal does not fall under our routine voting guidelines we will take any of the following actions to resolve the conflict.

1. Disclose the conflict to our funds, portfolios, and clients and obtain consent before voting
2. Suggest that our funds, portfolios, and clients engage another party to determine how the proxy should be voted. Or,
3. Vote according to the recommendation of an independent third party such as a: proxy consultant, research analyst, or compliance consultant.

Copies of our voting policies and procedure are available to clients upon request.

Item 18 Financial Information

Tatro Capital LLC currently has no financial conditions that would impair its ability to meet contractual commitments to clients.

Item 19 Requirements for State-Registered Advisers Brochure Supplements

William Tatro

Item 1: Cover Page

William L. “Quint” Tatro, V, Managing Member & President
CRD# 4324021

Additional information about William Tatro is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Educational Background and Business Experience

Year of Birth: 1977

Formal Education After High School:

- University of Kentucky, 2000, BS Business Economics

Business Background:

- May 2007 – Present: Tatro Capital, LLC, Managing Member
- May 2005 – May 2007: Shark Asset Management Inc., Vice President/CCO
- December 2004 – May 2005: Tatro Capital LLC, Managing Member
- August 2001 – December 2004: Eagle Steward Ltd., Vice President

Item 3: Disciplinary Information

No disciplinary information

Item 4: Other Business Activities

William “Quint” Tatro owns JAAVentures LLC and Top Tick Entertainment LLC, he partially owns YBventures LLC, and TCventures LLC, none of which are financial investment companies, and also writes for Minyanville.com and Forbes.com. Mr. Tatro spends less than 10% of his time in these capacities.

Item 5: Additional Compensation

No additional compensation arrangements

Item 6: Supervision

William “Quint” Tatro is monitored by the designated CCO of Tatro Capital LLC for adherence to the firm’s compliance manual, code of ethics, and all applicable securities laws.

Item 7: Requirements for State Registered Advisors

No additional reportable events

Daniel Czulno

Item 1: Cover Page

Daniel J. Czulno

CRD# 5898394

Additional information about Daniel Czulno is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Educational Background and Business Experience

Year of Birth: 1983

Formal Education After High School:

- Lincoln Christian University, 2014, BA Christian Ministry

Business Background:

- April 2009 – Present: Tatro Capital, LLC, CCO/COO
- March 2005 – March 2009: Central Christian Church, Director Business Administration

Item 3: Disciplinary Information

No disciplinary information

Item 4: Other Business Activities

Daniel Czulno is part-owner of TCventures LLC which is not a financial investment company. Mr. Czulno spends less than 5% of his time in this capacity

Item 5: Additional Compensation

No additional compensation arrangements

Item 6: Supervision

Daniel Czulno is monitored by the designated Managing Member (President) of Tatro Capital LLC for adherence to the firm's compliance manual, code of ethics, and all applicable securities laws.

Item 7: Requirements for State Registered Advisors

No additional reportable events

Mark Hendrix**Item 1: Cover Page**

Mark T. Hendrix

CRD# 3148927

Additional information about Mark Hendrix is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Educational Background and Business Experience

Year of Birth: 1962

Formal Education After High School:

- Central Bible College, 1986, BA Biblical Studies

Business Background:

- May 2014 – Present: Tatro Capital, LLC, Investment Advisor Representative.
- March 2006 – June 2014: EDC Financial Services, LLC, Owner.
- June 2004 – February 2006: Kovack Securities Inc. Ft Lauderdale, FL. Registered Representative
- June 2004 – February 2006: RK Advisors, Inc. Ft Lauderdale, FL. Investment Advisor Representative.
- August 1997 – June 2004: Ohio National Equity Sales Co. Cincinnati, OH. Registered Representative

Item 3: Disciplinary Information

No disciplinary information

Item 4: Other Business Activities

Mark Hendrix is also a licensed life and health agent with the State of Kentucky. He currently services a small book of group health insurance, group dental, and group disability benefits for existing small business clients. He does receive commission compensation for insurance related business. Mr. Hendrix does not actively seek to add to this book of business and spends less than 10% of his time servicing this business. Mr. Hendrix also has a special agreement with a client to prepare their tax returns for which he is compensated. Mr. Hendrix also advises a client regarding personal financial planning on an ongoing basis on a monthly retainer fee arrangement.

These are special arrangements and are not offered to other individual clients of Tatro Capital, LLC.

Item 5: Additional Compensation

No additional compensation arrangements

Item 6: Supervision

Mark Hendrix is monitored by the designated CCO of Tatro Capital LLC for adherence to the firm's compliance manual, code of ethics, and all applicable securities laws.

Item 7: Requirements for State Registered Advisors

No additional reportable events