



This brochure provides information about James Steven Welch dba Steven Welch, CPA's ("Advisor" or "Steven Welch") qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at (541) 474-6616 or by email at steve@stevenwelchcpa.com. 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.

Additional information about Steven Welch, CPA is also available at the SEC's website www.adviserinfo.sec.gov (under "investment adviser firm" and type in our Firm name).

We are a Registered Investment Adviser (RIA) Firm. Our registration as an RIA does not imply any level of skill or training. The oral and written communications we provide to you, including this brochure, are for you to evaluate us. Please use this information as factors in your decision to hire us or to continue our business relationship.

OCTOBER 20, 2011

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ITEM 2 – MATERIAL CHANGES

This brochure, dated October 20, 2011, has been prepared by Steven Welch, CPA to meet new SEC requirements. As a new document, it is different structurally and substantively from our previous brochure. In future filings, this section will only address material changes that have been incorporated since this brochure was released.

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ITEM 4 – ADVISORY BUSINESS

4a: Firm Description

Steven Welch, CPA was established in March 1996 by James Steven Welch, CPA® as a sole proprietorship. The firm's main office is located in Grants Pass, Oregon.

4a1: Principal Member

- J. Steven Welch, CPA®: Mr. Welch may be contacted by email at steve@stevenwelchcpa.com or by telephone at (541) 474-6616.

4b: Types of Advisory Services

Steven Welch, CPA offers a wide range of investment advisory services to its clients. Advice and services are tailored to the goals of our client..

Client services include:

- Investment Planning
- Investment Policy Statements
- Retirement Planning
- Income Tax Planning
- Capital Needs Analysis (Goal Funding)
- Estate Planning
- Education Planning

4c: Client Tailored Relationships and Restrictions

As a fiduciary, Steven Welch, CPA always acts solely in the client's best interests. Each client's portfolio is customized based on the client's investment objectives. Clients may make requests or suggestions regarding the investments made in their portfolio. Restrictions on trading which, in the Advisor's expert opinion, are not in the client's best interest cannot be honored.

4d: Wrap Fee Program

The Advisor does not sponsor a wrap fee program.

4e: Assets under Management (AUM)

Steven Welch, CPA, as of December 31, 2011, has \$64,620,127.00 of discretionary assets and \$649,715.00 of non-discretionary assets under management.

ITEM 5 – FEES AND COMPENSATION

5a: Tiered Fee Schedule

| Assets Under Management | Annual Fee (%) |
|--------------------------------|-----------------------|
| Up to and including \$200,000 | 1.00% |
| \$200,001 to \$1,000,000 | 0.80% |
| \$1,000,001 and above | 0.60% |

The above fees may be negotiable in special circumstances.

Compensation to Advisor for its services will be calculated in accordance with "Schedule A" of the Investment Advisory Agreement, which may be amended from time to time by Advisor upon 30 days prior written notice to client.

For California Residents: Subsection (j) of Rule 260.238, California Code of Regulations requires that all investment Advisors disclose to their clients that lower fees for comparable services may be available from other sources. Pursuant to California Rule 260.235.2, if a conflict exists between the interests of the Advisor or its associated persons and the interest of the client; the client is under no obligation to act upon this Advisor's or associated person's recommendations. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the Advisor or its associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

5b: Selection of Other Advisors' Fees

Steven Welch, CPA does not select other advisors.

5c: Financial Planning Fees

Steven Welch, CPA provides financial planning services for its clients. Fees for planning services are based on an hourly rate of \$200.00 per hour, due at time of service.

Steven Welch, CPA will prepare a written financial plan for all financial planning clients. The plan includes gathering all information necessary to provide client with appropriate and agreed upon services, which may include one or more of the following: budgeting and cash flow planning, disability planning and income protection, debt management, estate planning, business succession planning, retirement planning and investment planning. The plan considers all client assets, liabilities, goals and objectives.

The fee also includes the time and activities necessary to work with client's attorney and/or accountant in reaching agreement on solutions, as well as assisting those advisors in implementation of all appropriate documents. The Advisor is not responsible for attorney or account fees charged to client as a result of the above activities.

Clients are encouraged to review their plans on a regular basis, based on individual circumstances

For California Residents: Financial Planning includes, in all or part, but is not limited to, the preparation of a financial plan by an Investment Advisor or an associated person of an Investment Advisor for an investment advisory client which may include a state or tax planning recommendation, an annual or periodic review of a financial plan, the management and/or monitoring of a client's investments under a financial plan, a provision of information and/or advice to a client regarding the purchase and/or sale of securities, real estate, insurance contracts, annuities contracts, or any types of real or personal property under a financial plan.

5d: Fee Payment Options

Investment Management and Financial Planning Fees

Fees may be paid directly to Steven Welch, CPA from your account by the custodian upon submission of an invoice to custodian showing the amount of fees, the value of the client's assets on which the fees are based, and the specific manner in which the fees are calculated. Payment of fees may result in the liquidation of client's securities if there is insufficient cash in the account. Copies of the fee invoices will be mailed to client as required. Client may be required to pay, in addition to Steven Welch, CPA's fee, a proportionate share of any mutual fund's fees and charges.

In consideration for Steven Welch, CPA's services, the client will pay a fee quarterly in arrears, with payment due within 10 days from the date of the invoice. The fee will be equal to the agreed upon rate per annum, times the market value of the account, divided by the number of days in the agreed upon year and multiplied by the number of days in the quarter. The market value will be construed to equal the sum of the values of all assets in the account, reduced by any margin debit.

5.d.1: Termination

Either Steven Welch, CPA or our clients can terminate the agreement upon receipt of written notice to the other party. When an agreement is terminated, we will only bill for those days of the quarter we provided services for.

When an agreement is terminated, all assets may need to be transferred from the current custodian. You will be responsible for paying all fees including full quarterly custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. Custodian may assess additional fees for transfer of illiquid investments. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees. Prior to termination of an agreement, we can provide a good-faith estimate of these fees.

5e: Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees charged by Steven Welch, CPA. All charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to Steven Welch, CPA. The client bears responsibility for verifying the accuracy of fee calculations.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge an additional advisory fee based on the performance of funds or securities in a client's account.

ITEM 7 – TYPES OF CLIENTS

We generally provide asset management and financial planning services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Pension and Profit Sharing Plans
- Charities
- Corporations

Minimum Account Size

There is no account minimum. However, the Advisor may decline to accept clients with smaller portfolios.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

8a: Analysis

Steven Welch, CPA uses multiple sources of information to obtain analysis and strategies. They include sources such as financial newspapers, financial magazines, research prepared by others, prospectuses, annual reports and filings with the SEC.

8b: Investment Strategies

Steven Welch, CPA utilizes multiple investment strategies to meet our clients' investment objectives. These methodologies are formulated based on a comprehensive review and assessment of the client's expectations, investment time horizon, risk tolerance level, present investment allocation, and current and projected financial requirements.

Ultimately, each strategy must maximize return within reasonable and prudent levels of risk. Also, the approach taken must provide exposure to a wide range of investment opportunities in various markets while limiting risk exposure through prudent diversification. Finally, the costs of actually administering and managing the investments cannot be excessive.

8c: Risk of Loss

All investments include a risk of loss. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We use our best efforts and expertise to manage your assets. However, we cannot guarantee any level of performance or that you will not experience financial loss.

ITEM 9 – DISCIPLINARY INFORMATION

Steven Welch, CPA does not have any legal, financial or other “disciplinary” items to report to you. We are obligated to disclose any disciplinary event that would be material to you when evaluating our Firm and its employees.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

10a: Broker Dealers and Registered Representatives

Steven Welch, CPA is not registered as a broker-dealer and our employees are not registered representatives of any broker-dealer.

10b: Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither the Steven Welch, CPA nor its employees hold any of the above registrations.

10c: Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

The principal business of Steven Welch, CPA is that of a registered investment advisor and provider of financial planning services.

10d: Selection of Other Advisors and How this Advisor is Compensated for those Selections

Steven Welch, CPA does not select other advisors.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

11a: Code of Ethics Description

Steven Welch, CPA has adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you and to stress the importance of a culture of compliance within our firm.

An additional benefit of our Code of Ethics is to detect and prevent violations of securities laws, including our obligations we owe to you.

Steven Welch, CPA's Code of Ethics is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code of Ethics with annual training and on-going monitoring of employee activity. A complete copy of our Code of Ethics will be supplied to you, free of charge, if you request it.

Steven Welch, CPA's Code of Ethics includes the following:

- Requirements related to the confidentiality of your personal, business and financial information
- Prohibitions on insider trading (if we are in possession of material, non-public information)
- Reporting of gifts and business entertainment
- Pre-clearance of employee and firm transactions
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call "reportable securities" as mandated by regulation)
- On an annual basis, we require all employees to re-certify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (they "own" the account or have "authority" over the account), securities held in certificate form and all securities they own at that time

11b, c & d: Participation or Interest in client Transactions

Steven Welch, CPA or its employees may buy and sell some of the same securities for its own account that Advisor buys and sells for its clients or non-clients. In all instances, where appropriate Steven Welch, CPA will purchase a security for all of its existing accounts for which the investment is appropriate before purchasing any of the securities for its own account and, likewise, when it determines that securities should be sold, where appropriate will cause these securities to be sold from all of its advisory accounts prior to permitting the selling of the securities from its accounts. In some cases Steven Welch, CPA may buy or sell securities for its own account for reasons not related to the strategies adopted by the our clients.

Steven Welch, CPA has a fiduciary duty to disclose all material information in order not to mislead clients, so that the client can make informed decisions about entering into or continuing the advisory relationship. Any perceived conflicts will be analyzed by the Steven Welch, CPA from the point of view of the client. Examples of analysis would include whether the disclosure or lack of disclosure would unfairly influence the client's decision related to their investments or work with the Steven Welch, CPA, would disclosure or lack of disclosure mislead the client or take unfair advantage of the client. If the above analysis demonstrates an element of unfairness the client will immediately be informed of the relevant material information.

ITEM 12 – BROKERAGE PRACTICES

12a: Selecting Brokerage Firms

Steven Welch, CPA may recommend a broker-dealer. The client is not obligated to effect transactions through any broker-dealer recommended by us. In recommending broker-dealers, Steven Welch, CPA will generally seek “best execution.” In recommending a broker-dealer the Advisor will comply with its fiduciary duty to obtain best execution by taking into account such relevant factors as (a) price, (b) the broker-dealer’s facilities, reliability and financial responsibility, (c) the ability of the broker-dealer to effect transactions, particularly with regard to such aspects as timing, order size and execution of order, (d) the research and related brokerage services provided by such broker or dealer to the Advisor, notwithstanding that the account may not be the direct or exclusive beneficiary of such services and (e) any other factors the Advisor considers to be relevant.

Recommending a broker-dealer may create a conflict of interest. Accordingly Advisor has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A director, officer, associated person, or employee of Advisor shall not buy or sell securities for her/his personal portfolio where her/his decision is substantially derived, in whole or in part, by reason of her/his employment unless the information is also available to the investing public or reasonable inquiry. No person of Advisor shall prefer her/his or her own interest to that of the advisory client.
2. Advisor maintains a list of all securities holdings for itself and anyone associated with its advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer of Advisor.
3. Steven Welch, CPA will never receive separate compensation for effecting transactions on the client's behalf
4. Advisor recognizes the unrestricted right of the client to select and choose their own broker or dealer
5. Advisor requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

ITEM 13 – REVIEW OF ACCOUNTS

13a: Periodic Reviews

Accounts are reviewed by J. Steven Welch or qualified staff members. All reviews are either conducted or supervised by J. Steven Welch. The frequency of reviews is determined based on the client's investment objectives, but no less than annually.

Financial planning clients receive their financial plans and recommendations at time service is completed. Depending on the type of financial planning service requested, Advisor will meet on a regular basis with clients to discuss any potential changes to their financial plan.

13b: Review Triggers

More frequent reviews are triggered by a change in client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in economic climate.

13c: Regular Reports

All investment advisory clients receive quarterly reports on representative investments recommended specifically by the Advisor. Investment advisory clients also receive standard account statements from the custodian of their accounts on a monthly basis.

Financial planning clients do not normally receive investment reports.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

14a: Economic Benefits Provided by Third Parties for Advice Rendered to clients

Steven Welch, CPA may purchase software, tools, training programs or seminar services from its broker-dealer or custodian. Additionally, there may be provided services, tools or other non-financial benefits to Steven Welch, CPA as a benefit for using the services. As part of its fiduciary duties to clients, Steven Welch, CPA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of the types of benefits discussed above can create a potential conflict of interest by influencing the Steven Welch, CPA's choice.

14b: Compensation to Non-Advisory Personnel for client Referrals

Steven Welch, CPA does not directly or indirectly compensate any person for client referrals.

ITEM 15 – CUSTODY

Client's accounts are held by a qualified custodian. Except to withdraw fees, Steven Welch, CPA does not have custody of the assets in the account and shall have no liability to the client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer.

ITEM 16 – INVESTMENT DISCRETION

Steven Welch, CPA generally want our clients to give us discretionary authority to execute transactions without our client's prior approval. These transactions may include the purchase and selling of securities, arranging for payments or generally acting on behalf of our clients in most matters necessary to the handling of the account.

In certain circumstances, we will request non-discretionary authority over our clients' accounts. Non-discretionary authority requires us to obtain your prior approval of each specific transaction prior to executing investment recommendations.

ITEM 17 – VOTING CLIENT SECURITIES (I.E., PROXY VOTING)

Unless specifically directed otherwise in writing by the client, Steven Welch, CPA is not authorized to receive and vote proxies on issues held in the accounts. Nor is Advisor authorized to receive annual reports.

ITEM 18 – FINANCIAL INFORMATION

18a: Financial Condition

The Firm has no financial issues that could impair our ability to carry out our fiduciary duty to our clients. Advisor has not been the subject of a bankruptcy petition in the last ten (10) years.

ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Steven Welch, CPA is an SEC registered firm and only notice files to state regulators.