
Form ADV Part 2A

Brochure Cover Page

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This ADV reflects the transition of Walstad Investment Counsel to a State Registered Investment Adviser under the Dodd-Frank Act

April 27, 2012

This brochure provides information about the qualifications and business practices of Walstad Investment Counsel, Inc. . If you have any questions about the contents of this brochure, please contact us april@walstadinvest.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 Walstad Investment Counsel, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Form ADV - Material Changes for Part 2A

Walstad Investment Counsel, Inc.

Transition from SEC Registered Adviser to State-Registered Adviser

Under the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Walstad Investment Counsel is transitioning to a State-Registered Investment Adviser. Therefore, references in ADV Part 2A and 2B have been made to reflect that change.

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Walstad Investment Counsel, Inc.

Item 4 Advisory Business

Walstad Investment Counsel (hereafter referred to as WIC) offers individually managed equity and balanced portfolio management to taxable and non taxable accounts. This is our primary product. Walstad Investment Counsel, a California corporation, is 100% owned by April N. Walstad, the President. Walstad Investment Counsel has been in business since December 1994.

The types of investments that WIC offers advice on include: equity securities, exchange-listed, over-the-counter, and foreign issues; municipal securities; United States government securities; certificates of deposit; corporate debt securities; commercial paper; and mutual fund shares. Investment advice is limited to these types of securities, in combination with asset allocation of these securities, to reach our clients objectives.

Portfolios are managed in a similar manner with regard to the composition of equities held in the account, although the percentage in individual securities may differ with regard to the needs or special situations of the individual client. With regard to individual portfolios, clients may have certain preferences which are noted and honored in the managing of the portfolios, which may include imposing restrictions on investing in certain securities and types of securities. In general, we tailor the individual portfolio to the clients needs and risk preferences with asset allocation between equities, fixed income, and cash reserves, in order to meet income requirements, appreciation potential, or asset type preferences of the client's portfolio.

Accounts may have a combination of equities, bonds and cash reserves. Cash reserves are usually held in Treasury Bills (for liquidity and safety), Certificates of Deposit, bank deposits, and/or money market funds. Bank deposits and money market funds are utilized when available to earn interest on cash and for liquidity. Most custodians use bank deposits or money market funds with an automatic sweep program for cash in the accounts.

The CFA Institute recommends that dividends be posted to the portfolio on an ex-date basis. As such, the dividends are posted on "ex-date" into a "dividend accrual account" (dividends earned but not yet paid) for each portfolio, until pay-date. This dividend accrual account is included in the net asset value of the account, and therefore these funds are included in the net asset value for fee calculations.

The contract may be terminated by either WIC or the client upon written notice. Fees are prorated to the date of cancellation, and refunds, if due, will be calculated to that date.

As of December 31, 2011, Walstad Investment Counsel had \$39.7 million under management, all of which is in discretionary accounts.

Item 5 Fees and Compensation

WIC offers investment advisory services in exchange for a percentage of the assets under management. WIC's annual fee is 1.0% on the first \$3 million of net asset value of the total account, and 0.5% on the remaining net asset value over \$3 million. Clients receive continuous review, management and supervision of the assets of their account. The minimum required asset size of accounts is \$1,000,000. In certain situations, however, this minimum may be waived if WIC has an existing relationship with the potential client or related clients.

All fees are payable quarterly, in advance or in arrears, depending on the client contract. Fees are deducted directly from the client account with the written approval of the client which is given to the qualified custodian, with the copy of fee statement sent to the client showing the amount of the fee, the value of the client's assets upon which the fee is based, and the specific manner in which the fee is calculated. On the fee statement, it is disclosed that it is the client's responsibility to verify the accuracy of the fee calculation since the custodian does not do that. A client may pay the fee directly to WIC upon receiving a bill from us if they prefer. Under certain circumstances fees may be negotiated. Such circumstances could include a substantially larger than average account, a family group of accounts, or a portfolio with a large concentration in one security.

We monitor the accounts to make sure that short-term cash equivalents funds or securities are utilized to invest the un-invested cash where possible. Our monthly custodian reconciliation includes posting the monthly interest earned, and monitoring the rates of interest paid. WIC includes these cash equivalent funds or securities in the total market value calculation of our management fees. In addition to our investment management fee, clients may pay management fees indirectly to the money market mutual fund managers for the management of the money market funds held in their portfolios, or for any mutual funds that may be held in the portfolio. In addition, depending on the custodian, a custodian fee may be paid by the client, as well as transactional fees collected by the custodian. Client accounts also incur brokerage commission fees for trades executed in the client's account.

For accounts with fees paid in arrears, if a client is terminating their advisory relationship with WIC, fees are calculated to the date of cancellation, and a bill is sent to the custodian of the account prior to the final closing of the account. For accounts with fees paid in advance, fees are prorated to the date of cancellation, and refunds, if due, will be calculated to that date and refunded to the client account of the terminating client.

Walstad Investment Counsel only receives compensation from clients and not from any outside sources, sales, referrals, or commission arrangements. As a result, we believe that we have no conflict of interest in the work we do for our clients.

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Given the investment advisory services we provide, the experience of Walstad Investment Counsel and its Investment Adviser Representative, we believe the advisory fees are reasonable, even though lower fees for comparable services might be available from other sources.

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

WIC does not receive performance based fees, nor does it offer cash for referrals. All compensation is limited to quarterly fees based on the net asset value of each individual account.

Item 7 Types of Clients

WIC offers account management services to and/or is available to offer services to individuals, pension and profit sharing plans, IRA's, trusts, estates, charitable organizations, corporations or business entities other than those listed above.

To the types of clients stated above, our firm offers advice on and supervision of: equity securities, municipal securities, corporate debt securities, commercial paper, certificates of deposit, mutual funds and US government securities depending on the client and the needs of the client.

Walstad Investment Counsel has a stated minimum account size of \$1 million. In some cases, the minimum size may be waived due to existing relationships. There is no stated minimum account size regarding maintaining an account.

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

WIC employs a fundamental security analysis method. Our main sources of information are financial newspapers and magazines and internet based information; annual reports, prospectuses, and filings with the SEC; company press releases, as well as conferences and conference calls; research materials prepared by others; reviews of corporate activities and corporate rating services.

With this information in mind, WIC implements investment advice for clients through an investment strategy that is primarily long-term, focusing on securities held at least one year. There are times when purchases and sales may be made on a short term basis, especially in management of short

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term fixed income securities, or in equities, when we believe the stock has achieved its price potential, or when our assessment of the company has changed. The overall asset allocation of the account is based on the needs of the client, taking into consideration income needs and the capital needs of the client.

Our primary focus is on buying companies through shares of stock in the company. We believe that the results of companies drive the price of their stocks in the long run.

Since our focus is long term, the risk in our strategy, to the extent that a company's results do not meet our expectations and the results are poorer than our expectations, is that the price of the stock would reflect disappointing results by declining. In such an instance, there could be a loss of capital for our clients should this be a permanent change and we decide to sell the stock.

Item 9 Disciplinary Information

There have been no instances in which WIC has been involved in regulatory wrongdoing.

Item 10 Other Financial Industry Activities and Affiliations

Walstad Investment Counsel and its investment adviser representative April N. Walstad do not have any other financial industry activities or affiliations, including broker-dealers, that would conflict with our investment advisory business.

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

Walstad Investment Counsel adheres to the CFA Code of Ethics. Employees are given a statement to sign acknowledging receipt of the form and agreeing to read and follow these standards as an employee. We will provide a copy of our code of ethics to any client or prospective client upon request.

WIC and related persons may purchase for their own account securities recommended by the applicant for the purchase and/or sale in client accounts. Any purchase and/or sale by WIC and related persons, however, must take place after the recommended purchase or sale of said security for clients. Records of security transactions by the applicant and related persons will be maintained and are available for inspection.

Item 12 Brokerage Practices

The client and Walstad Investment Counsel agree at the onset of the relationship as to the investment objectives of the portfolio. To the extent that an issue would fall outside of the objective of the fund or would entail undue risk, WIC would avoid such issues.

The research services that are received as a result of broker-dealer commission relationships are: publications for investment professionals dealing generally with information relating to selected specific companies and securities, market information, and asset allocation, including online access to broker-dealer web sites containing informational data.

Our brokerage arrangements fall into two categories: 1) Non-directed accounts , and 2) Directed brokerage accounts.

For the non-directed accounts, where we may trade with the broker of our choosing and aggregate the purchase and sale of securities, we currently deal with a brokerage firm that offers good execution, workability of an order, access to traders and trade information, access to research, and favorable trading costs for our clients given our institutional status, all of which should benefit the value of the account. We aggregate trades to the extent possible.

In order for an account to be non-directed, it must be held at a bank custodian, which gives us free access to trade where we would like to trade. This allows the advantage of aggregating the purchase or sale of securities for these non-directed accounts by executing large orders all at once or working the order and average pricing the trade. We prefer this arrangement as it allows us to more efficiently execute the trades.

In the last year, WIC has received research material, online access, as well as access to traders with market information that is a benefit to the firm as a result of our relationship with our chosen non-directed broker. Our firm has not given and has no agreement to give compensation to brokers in response to client referrals.

For Directed Accounts, the accounts are directed by the client to be held in the custody of a particular brokerage firm. In some cases, based on the set-up at the broker-dealer, trades are executed individually for securities in the directed accounts, and therefore, are not aggregated. For those directed accounts which are held at our primary broker, orders are aggregated whenever possible.

Trades are not entered simultaneously at the various directed brokerage firms in order to avoid putting pressure on the stock price. The order of trading with each subsequent brokerage firm will depend on how responsive the broker is and the liquidity of the stock. As a result of this order process, clients who have their accounts held in custody at a brokerage firm may have the securities

transactions executed at a different price than the non-directed accounts. Because the "directed accounts" are executed after the "non-directed accounts", due to the typically smaller size of trade, it is possible that the cost of the purchase or proceeds of the sale per share may be different than the results of the bulk of our accounts which are non-directed and able to be aggregated in trading.

For all accounts, the portfolio manager determines the number of shares of a particular stock to be bought or sold, often expressed in percentage terms (of total account assets), in order to be consistent among the accounts. This percentage allocation may be affected by the cash availability or the special needs of the client. A buy or sell ticket is created to generate the number of shares to be purchased or sold for each account. The tickets are made up for each brokerage firm where we will trade.

If the entire trade is not able to be completed, the first preference is to allocate the trades based on a percentage of the trade completed per client. There could be special reasons, due to the liquidity of the stock, the percentage allocation, rounding of the shares, ticket costs, etc., that could alter an even allocation. The final allocation is to be determined at the discretion of the portfolio manager based on the priority of needs for our client base.

We monitor the costs of trading by using resources available to us, such as the executing broker's online access as well as the internet, in order to assure the execution prices are near market prices, often using limit orders to ensure this. We monitor the commission rate for each account (both directed and non-directed) and take this into consideration to minimize the costs of trading in relation to the services received by our clients.

Consistent with its discretionary authority to select particular brokers, the applicant directs sufficient client transactions to particular brokers furnishing such research services as are required to maintain for such services.

In selecting our primary broker, we take into consideration the best commission rate available, given the level of commission activity and our low turnover rate, combined with good execution and responsive service, along with access to analysts and research material that is helpful in our decision making process for managing securities held in the accounts.

It is possible in some instances that clients could obtain brokerage commission rates at a cheaper rate that they receive through our chosen broker, or through the broker-dealer firms whom some of our clients chose to use in lieu of paying significant custodian fees. To the extent that the rates may be higher where we chose the broker, it is likely that the selected brokerage firm may be a benefit to Walstad Investment Counsel in managing our accounts.

Our goal in our discussion with clients is to look at the overall picture of the relationship with the broker selected by us or chosen by our clients, and to analyze the benefit of the relationship examining the factors in the foregoing paragraphs, including the overall cost to the client, noting the advantage of aggregating trades (as discussed in the above paragraphs) in non-directed accounts,

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as well as the advantage of paying significantly less in custody fees in a directed account at a brokerage firm versus a bank custodian.

Item 13 Review of Accounts

Portfolios receive continuous review based on the securities held. Securities are purchased when their long-term potential is attractive. When said potential is attained or if changes occur in regard to price or the issuer's business, securities are reviewed again to reassess their long-term potential.

April N. Walstad serves as President, Secretary and Chief Financial Officer for WIC. She also performs the role of Senior Portfolio Manager and Research Analyst within WIC on behalf of our clients. April Walstad is the Investment Adviser Representative of Walstad Investment Counsel.

Each WIC client receives a quarterly review letter and portfolio statement. The review letter reports recent investment activity, performance of the portfolio, as well as selected investment commentary and analysis based on current thoughts on the economic environment, as well as the securities markets.

The portfolio statement includes a summary showing the percentage breakdown of the portfolio into stock, bonds, and cash, as well as further classifying stocks into economic sectors and bonds into type, while the portfolio appraisal lists the market value, cost, income, number of shares or par value, and name of each holding in the portfolio.

Item 14 Client Referrals and Other Compensation

Walstad Investment Counsel does not have any arrangement for referrals from third parties outside our firm. No compensation, hard dollar or economic, is received by outside referral parties.

Item 15 Custody

Walstad Investment Counsel does not retain custody of their clients assets. All clients maintain qualified custodians or broker-dealers for the custody of their assets. Walstad Investment Counsel sends quarterly statements to their clients which are reconciled to the client assets of the respective qualified custodian or broker-dealer. We urge our clients to compare the account statements they receive from the qualified custodian with those they receive from Walstad Investment Counsel.

Item 16 Investment Discretion

For the clients that have discretionary accounts with us, we have a discretionary account contract which allows the WIC to purchase and sell securities within the parameters set forth in our contract (typically bonds, stocks, and short-term securities). We determine the specific securities to be bought and sold as well as the number of shares and dollar amount.

We also specify the broker unless a client requests a particular broker to be used for their respective account. In addition, we have discretionary powers to negotiate commissions for our clients. In circumstances where the client's accounts are held at a broker/dealer in a custodian form, however, we apprise the client of the commissions charge, which may be higher due to the services included in the custodian arrangement.

Item 17 Voting Client Securities

WIC will accept authority to vote client securities, based on our beliefs and understanding of how the proposed issues will benefit the shares of the company owned, and in turn shareholders who are our clients. We vote all the proxies in the same manner for the respective issues at hand for each individual company for whom we receive proxies to vote.

If a client wishes to direct the voting of the proxy for the shares they own, we will take direction from our clients if done so in a timely fashion. Most of our proxies are voted online.

In voting proxies, if we were to perceive a conflict of interest in voting shares for our clients, the clients interest prevails over the interest of WIC by our code of ethics. If clients wish to obtain information from WIC about how we voted their securities, that information will be supplied upon request. In addition, clients may obtain a copy of our proxy voting policies and procedures upon request.

In some cases, WIC does not have authority to vote client securities. In these cases, the clients may receive their proxies or other solicitations directly from their custodian or a transfer agent. WIC is available to discuss by phone with clients on questions regarding proxy issues.

Item 18 Financial Information

N/A

Item 19 Requirements for State-Registered Advisers

Walstad Investment Counsel is a mid-sized Investment Adviser. Information for Walstad Investment Counsel as a State-Registered Adviser is put forth in this ADV Part 2A (Firm Brochure) and ADV Part 2B (Supplemental Brochure).

Walstad Investment Counsel, Inc.

Form ADV Part 2B
Brochure Supplement

April N. Walstad, President
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This brochure supplement provides information about April N. Walstad, President
Walstad Investment Counsel, Inc.
CRD #107112 that supplements the Walstad Investment Counsel, Inc. brochure. You should have
received a copy of that brochure. Please contact April N. Walstad if you did not receive Walstad
Investment Counsel, Inc. 's brochure or if you have any questions about the contents of this
supplement.

Additional information about April N. Walstad, President
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Walstad Investment Counsel, Inc.

Educational Background and Business Experience

April N. Walstad, President, was born on January 1, 1948. Ms. Walstad received her B.S. from the University of Kansas with distinction, received her M.B.A. from Georgia State University, and earned the Chartered Financial Analyst designation in 1978. (The CFA designation requires a minimum Bachelor's Degree or the equivalent, and the successful passing of three annual examinations related to the professional CFA program.) From 1991 to November 1994, Ms. Walstad served as Senior Vice President of Crawford Investment Counsel, Inc. in Atlanta, Georgia. From 1988 to 1991, Ms. Walstad served as a Vice President with GeoCapital Corporation in New York, New York. From 1982 to 1991, she served as a portfolio manager and analyst at Rothschild Asset Management, a division of Rothschild, Inc., in New York, New York, where she held various titles, including Managing Director. Since December 1, 1994, she has been President of Walstad Investment Counsel in Santa Barbara, CA.

Disciplinary Information

N/A

Other Business Activities

N/A

Additional Compensation

N/A

Supervision

April N. Walstad is the sole Investment Adviser Representative of Walstad Investment Counsel. She serves as the the President and the Compliance Officer of Walstad Investment Counsel. She abides by the CFA Institute's Code of Ethics and rules and regulations that pertain to employees and representatives of Walstad Investment Counsel.

Requirements for State-Registered Advisers

N/A

