

**Part 2A of Form ADV: Firm *Brochure***

Item 1 Cover Page

3/31/2012

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Charles Mcl. Webster  
Managing Partner

This brochure provides information about the qualifications and business practices of Webster Partners. If you have any questions about the contents of this brochure, please contact us at 612-339-3430. 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 Webster Partners also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Item 2 Material Changes

There have been no material changes since our last annual update.

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Item 4 Advisory Business

A. Webster Partners is a private Minnesota corporation in continuous operation since 1994 owned entirely by Charles Mcl. Webster.

B. Webster Partners generally provides investment supervisory services of publicly traded equity and debt securities for individuals, trusts and estates.

C. Upon request and mutual agreement, Webster Partners may customize it's investment advisory services for each client. The Client may furnish Advisor a written statement of investment policy or restrictions.

D. Webster Partners does not participate in any wrap fee programs

E. As of 12/31/2011 Webster Partners had \$139,580,000 in assets under management. \$67,238,000 of that was managed on a discretionary basis and \$72,342,000 was managed on a non-discretionary basis.

Item 5 Fees and Compensation

A. Webster Partners charges a management fee based on the value of the assets in the client's account. The standard fee schedule, which is negotiable, is as follows:

<u>Portfolio Assets</u>	<u>Annual Fee</u>
First \$3 million	70 basis points
Next \$2 million	50 basis points
Over \$5 million	30 basis points

The minimum annual fee, regardless of account size, is \$7,000 for discretionary accounts and \$10,000 for non-discretionary accounts.

B. Fees, which are paid quarterly, may be deducted directly from the client's account or the client may be billed directly to the client.

C. In addition to the fees which Webster Partners charges, clients may incur additional expenses not charged or collected by Webster Partners such as custodial fees, mutual fund and money market fund fees, brokerage costs (commissions), transactions costs and wire fees. Please see Item 12 for a discussion of Webster Partners brokerage practices.

D. Fees are paid in advance. If the advisory contract is terminated before the end of a quarter, the pre-paid fees will be refunded on a per day, pro rata basis.

E. Webster Partners does not accept compensation for the sale or purchase of securities or other investment products

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

Webster Partners does not engage in arrangements for performance based fees.

Item 7      Types of *Clients*

Webster Partners generally provides investment supervisory services for individuals, trusts and estates.

There is no minimum account size, but the minimum fee of \$7000 for discretionary accounts and \$10,000 for non-discretionary accounts may cause accounts under \$1,000,000 to be charged substantially higher fees than are available elsewhere.

Webster Partners utilizes primarily publicly traded equity securities and some government issued debt securities in its investment strategies depending on the needs of the client. Webster Partners primarily seeks out common stocks with a proven track record of growth and/or at undervalued prices with opportunities for growth. Depending on the clients' need for principal preservation and individual tax situation, the equity portion may be balanced with positions in Federal, State, and local government debt securities. Occasionally, Webster Partners may take positions in especially attractive issues of corporate debt securities.

Equity securities represent ownership positions in companies. These securities may include common stocks, preferred stocks and securities with equity conversion or purchase rights. The prices of equity securities fluctuate based on changes in the financial condition of their issuers and on market and economic conditions. There is no guarantee whatsoever of repayment of principal investment in an equity security. Events that have a negative impact on a business generally will be reflected in a decline in the price of its equity securities. Furthermore, when the total value of the stock market declines, most equity securities, even those issued by strong companies, will likely decline in value. There is also the inherent risk that the financial interests of holders of common stock generally are subordinated to creditors and holders of preferred stock for payments in the event of bankruptcy.

Debt Securities represent in effect a lending relationship with the issuer who is borrowing from the client. Like all borrowing relationships, there is an element of risk that the borrower may be unable to repay either or both the interest and principal at the contracted date(s) in part or in full. Debt securities are also subject to interest rate risk. If a security pays a fixed interest rate, and market rates increase, the value of the fixed-rate security will decline. Further, If a rating agency gives a fixed income security a low rating, the value of the security will decline because investors will demand a higher rate of return. Ratings may be changed at any time without notice. Some debt securities have variable income rates. When prevailing interest rates or interest rate indexes are lower, the income of these securities will be lower. Certain debt securities are also subject to early redemption at the discretion of the issuer. This can result in large unexpected cash flows and forced reinvestment at lower rates than anticipated. Alternatively, some debt instruments can be subject to longer than anticipated returns of principal due to changes not controlled by the investor.



Item 9      Disciplinary Information

Webster Partners is not subject to any disciplinary actions or events.

Item 10 Other Financial Industry Activities and Affiliations

Webster Partners management persons have no other financial industry activities or affiliations.

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

All Webster Partners personnel with regular access to trading information are subject to a variety of restrictions on their personal security transactions. Personnel may, subject to certain restrictions, invest in securities that are recommended to or purchased for clients. Personal trading creates conflicts of interest, including the possibility of “front-running,” trading ahead of clients to obtain better prices. Webster Partners has adopted written policies designed to prevent and detect possible conflicts of interest with its clients.

Webster Partners' employees may not purchase or sell any security if Webster Partners is actively considering its purchase or sale for a client. This prohibition shall continue until that time Webster Partners decides not to purchase or sell such security or until 24 hours after Webster Partners has completed such purchase or sale.

A copy of Webster Partners' current Code of Ethics is available upon request to any client or prospective client.

Webster Partners may exercise discretion in the selection of broker/dealers for the execution of trades. In placing brokerage, Webster Partners will consider the full range and quality of a broker's services including the value of research provided as well as execution capability, commission rate, financial responsibility, and responsiveness to Webster Partners. While Webster Partners seeks competitive spreads and commissions, clients may not pay the lowest commission or spread on any particular transaction.

Webster Partners may pay minimum fixed dollar commissions for occasional odd or small lot trades to cover the broker's cost. This may result in advisory clients paying a per share commission expense that is significantly higher than the rate that clients are typically charged on round lot transactions.

Certain broker/dealers who provide best execution services in the purchase and sale of securities may also furnish investment research such as analyses and reports concerning issuers, industries, and the economy to Webster Partners for use in managing client accounts. Webster Partners may use these brokers to effect securities trades in part in return for investment research. Investment research furnished by brokers through whom Webster Partners effects securities transactions may be used in servicing all accounts and may not necessarily be used in connection with the accounts that paid commissions to the broker providing such research. Webster Partners periodically reviews the rate of commissions paid and the value of such research to be certain it is obtaining the best overall value for its clients.

Webster Partners does not permit the designation of a broker by the client.

Certain client accounts may be subject to a fee for trading away from the custodial broker/dealer.

When Webster Partners determines that a particular security is an appropriate investment for more than one client, a single order may be placed for the total number of securities to be purchased. Each client that participates in an aggregated order will participate at the average share price for all transactions in that security on a given business day, with transaction costs shared pro rata based on each client's participation in the transaction. Before entering the aggregated order, Webster Partners prepares a written allocation statement specifying the participating client accounts and how it intends to allocate the order among those clients. If the order is partially filled, it will be allocated pro rata based on the allocation statement. If all client accounts receive fair and equitable treatment, an aggregated order may be allocated on a basis different from that specified in the allocation statement. Webster Partners will receive no additional compensation of any kind as a result of order aggregation and individual client investment advice and treatment will still be accorded to each advisory client. Clients whose orders are not aggregated may be subject to higher commission costs and transaction fees.

Item 13      Review of Accounts

Charles Mcl. Webster, Managing Partner reviews all accounts at least once a month. Each account is formally reviewed with the client every quarter. Individual securities are reviewed daily. More frequent account reviews may be triggered by changes in sector weighting, new buys/sells, capital market or macroeconomic movements.

Item 14      *Client Referrals and Other Compensation*

Webster Partners does not compensate any outside persons for client referrals, nor does it receive any such compensation for providing referrals to anyone else.

Webster Partners does not maintain custody of client assets.

Clients receive a monthly statement from their custodian. Clients are encouraged to carefully review these statements.

Clients also receive quarterly statements from Webster Partners. Clients are encouraged to carefully review these statements and compare them to their custodial statements.

Item 16 Investment Discretion

Webster Partners generally manages client account with discretionary authority. Webster Partners has investment discretion when it is authorized to make purchase and sale decisions for client accounts.

Clients may impose investment limitations and restrictions on specific securities, industry sectors, etc. Webster Partners generally requires a written investment advisory agreement with clients, which will include a clause granting investment discretion. Clients may grant discretionary authority through contractual language that is a part of the advisory agreement or via a separate power of attorney form.

Clients may also enter into a non-discretionary advisory relationship with Webster Partners. The exact nature of this relationship will be defined in the investment management contract. Generally it involves the client pre-approving trading activity for its account by Webster Partners.



Item 17      Voting *Client* Securities

Webster Partners does not vote proxies on behalf of clients. The custodian will transmit proxy statements and other shareholder communications directly to the client.

Item 18 Financial Information

Webster Partners is not required to disclose its financial information.

Item 19      Requirements for State-Registered Advisers

Webster Partners is an SEC registered adviser.









