

Form ADV Part 2A  
Investment Advisor Brochure  
William B. Walkup & Associates, Inc.

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This Form ADV Part 2A (Investment Advisor Brochure) gives information about the investment advisor and its business for the use of clients and prospective clients. If you have any questions about the contents of this brochure, please contact us using one of the methods listed above. 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. Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of skill or training.

Additional information about our firm is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ***Material Changes***

Material changes to the ADV Brochure will be provided to clients who have received previous versions of brochure.

There are no material changes for 2012.

## *Table of Contents*

<b>Cover Page .....</b>	<b>1</b>
<b>Material Changes .....</b>	<b>2</b>
<b>Table of Contents .....</b>	<b>3</b>
<b>Advisory Business .....</b>	<b>4</b>
<b>Fees and Compensation .....</b>	<b>6</b>
<b>Performance-Based Fees And Side-By-Side Management .....</b>	<b>7</b>
<b>Types of Clients and Account Minimums .....</b>	<b>7</b>
<b>Methods of Analysis, Investment Strategies, and Risk of Loss .....</b>	<b>8</b>
<b>Disciplinary Information .....</b>	<b>8</b>
<b>Other Financial Industry Activities and Affiliations .....</b>	<b>8</b>
<b>Code of Ethics, Participation or Interest In Client Transactions, and Personal Trading.....</b>	<b>9</b>
<b>Brokerage Practices .....</b>	<b>10</b>
<b>Review of Accounts and Reports on Accounts.....</b>	<b>11</b>
<b>Client Referrals &amp; Other Compensation .....</b>	<b>11</b>
<b>Custody.....</b>	<b>11</b>
<b>Investment Discretion .....</b>	<b>12</b>
<b>Voting Client Securities .....</b>	<b>12</b>
<b>Financial Information .....</b>	<b>12</b>

## ***Advisory Business***

### **Advisory Firm**

William B. Walkup & Associates, Inc. has been providing investment advisory services since 1992. William B. Walkup is the founder and President and has been in the financial services industry since 1980.

### **Investment Advisor Representatives**

IA Representatives have education and experience requirements are as follows: Individual must have prior investment experience which is acceptable to William B. Walkup, CEO, or have completed a degree in math, business, finance, accounting or a related field. The following are the IA representatives:

#### **William B. Walkup (born in 1940)**

Education and Achievements:

Bachelor of Science in Mechanical Engineering, University of SC, 1961

Graduate engineering training course in Heating Ventilating and Air Conditioning Engineering, 1964 and 1965.

Passed the Uniform Investment Advisor Law Examination (Series 65 Exam, NASD), 1992

Experience:

From 1980 to present:

Investor, investment advisor, and managing partner of investment partnerships

From 1992 to present:

CEO of William B. Walkup & Associates, Inc

#### **Christopher J. Walkup (born in 1972)**

Education and Achievements:

Bachelor of Science in Biochemistry, Clemson University, 1994

Master of International Business, University of South Carolina, 1996

Passed the Uniform Investment Advisor Law Examination (Series 65 Exam, NASD), 1998

Awarded the Chartered Financial Analyst Designation in 2000

Experience:

From 1996 to present:

Investment Analyst for William B. Walkup & Associates, Inc.

## **Richard B. Newsome (Born 1963)**

### Education and Achievements:

Bachelor of Science in Mathematics, Vanderbilt University, 1985

Master of Divinity, Columbia Theological Seminary, 1990

Doctor of Divinity, Columbia Theological Seminary, 1994

Passed the Uniform Investment Advisor Law Examination (Series 65 Exam, NASD), 2006

Certified Financial Planner, 2008

### Experience:

Investment Consultant at W. B. Walkup & Associates, Inc. from August 1, 2004 to Present

### Advisory Services

❶ William B. Walkup & Associates, Inc. provides investment supervisory services. Services are based on the individual needs of the client. An initial interview and data gathering questionnaire is undertaken to determine the client's financial situation and investment objectives, and to give the client the opportunity to impose reasonable restrictions on the management of the account. Clients have the ability to leave standing instructions with the IA Representative to refrain from investing in particular securities or types of securities, or invest in limited amounts of securities. Annually, the IA Representative notifies the client in writing to contact the IA Representative if there have been any changes in the client's financial situation or investment objectives, or to impose or modify account restrictions. It is the client's responsibility to notify the IA Rep at any time there are changes. Clients may call in at any time during normal business hours to discuss directly with the IA Rep about the client's account, financial situation, or investment needs. Clients will receive from the custodian/brokerage firm timely confirmations and at least quarterly statements containing a description of all transactions and all account activity. The client will retain rights of ownership of all securities and funds in the account to the same extent as if the client held the securities and funds outside the program.

As of January 1, 2012, William B. Walkup & Associates, Inc. has \$52,050,126 of assets under supervision on a discretionary basis.

William B. Walkup & Associates, Inc. provides several categories of investment supervisory services as described below:

#### **Supervisory Services for Individual Portfolios**

William B. Walkup & Associates, Inc. provides investment supervisory and management services to individual portfolios. These services include portfolio selection, oversight, maintenance and regular portfolio review to ensure compliance with the investment guidelines and objectives of the portfolio.

### **Supervisory Services for Stock Investment Partnerships**

Supervisory services are provided to stock investment partnerships in which William B. Walkup & Associates, Inc. and/or William B. Walkup and/or Christopher J. Walkup and/or Richard B. Newsome have pooled funds with family and friends for investment activity toward common goals.

William B. Walkup & Associates, Inc. provides all accounting, tax reporting, banking and investment selection, and regular portfolio review to ensure compliance with the investment guidelines and objectives of the portfolio.

### **Supervisory Services for Cash Management Partnerships**

Supervisory services are provided to cash management partnerships in which William B. Walkup & Associates, Inc. and/or William B. Walkup and/or Christopher J. Walkup and/or Richard B. Newsome have pooled funds with family and friends for investment activity toward common goals.

William B. Walkup & Associates, Inc. provides tax reporting, banking and investment selection, and regular portfolio review to ensure compliance with the investment guidelines and objectives of the portfolio.

② William B. Walkup & Associates, Inc. provides financial plans consistent with the individual client's financial and tax status and risk/reward objectives. Planning may be comprehensive, or segmented and focus on investments, insurance, taxes, and/or estate plans.

## ***Fees and Compensation***

### **Investment Consultation**

William B. Walkup & Associates, Inc. provides investment consultation and financial planning.

William B. Walkup & Associates, Inc. charges \$175.00/hour for this service. This fee is negotiable. Compensation is payable only after service is rendered.

### **Supervisory Fees for Individual Portfolios**

At the beginning of each annual period, a basic fee of 1.0% of the assets under management is calculated for the upcoming year. Half of this fee is invoiced after approximately two weeks in order to allow confirmation of the value of the assets with the broker. This half pays for the first six months of service. The second half of the fee is invoiced in the middle of the seventh month. This half pays for the second six months of service. The fee is negotiable. The client fees are paid by having the fees deducted from the managed account. However, the client has the right to pay management fees with funds outside of the managed account. The custodian will provide periodic account statements to the client. Such statements will reflect all fee withdrawals by William B. Walkup & Associates, Inc. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

If the total basic fee for an annual period is less than \$500.00, the entire fee will be invoiced and due in the first month.

The investment advisory agreement can be canceled. Any pre-payments will be refunded pro-rata., with the exception of the fee for the first six months of service, which is non-refundable.

### **Supervisory Fees for Stock Investment Partnerships**

At the beginning of each annual period, a basic fee of 0.9% of the assets under management is calculated for the upcoming year. Half of this fee is invoiced after approximately two weeks in order to allow confirmation of the value of the assets with the broker. This half pays for the first six months of service. The second half of the fee is invoiced in the middle of the seventh month. This half pays for the second six months of service. The fee is negotiable. The client fees are paid by having the fees deducted from the managed account.

A partnership may cancel the Investment Advisory Agreement. Any pre-payments will be refunded pro-rata.

### **Supervisory Fees for Cash Management Partnerships**

A fee will be calculated and paid to William B. Walkup & Associates, Inc. at the end of each two month period. An estimate of the fee will be advanced at the beginning of each period. For balances at the end of the period of less than \$75,000, the fee will be at an annualized rate of 1%. For balances at the end of the period of \$75,000 or more, the fee will be at an annualized rate of 0.9%. Fees are subject to change upon 60 days advance notice to the partners by the Managing Partner. The fee is negotiable. The client fees are paid by having the fees deducted from the managed account.

A partnership may cancel the Investment Advisory Agreement. Any pre-payments will be refunded pro-rata.

These fees are for advisory services only and do not include any transaction fees or commissions, which may be charged separately by the broker/dealer custodial firm. See the section heading Brokerage Practices for more information.

In addition to fees paid for advisory services with respect to clients' investments in mutual funds, clients pay additional fees on the mutual fund investment because the mutual funds also pay advisory and/or management fees to an investment advisor.

### ***Performance-Based Fees And Side-By-Side Management***

William B. Walkup & Associates, Inc. does not charge performance-based fees, which is based on capital gains in the client account.

### ***Types of Clients and Account Minimums***

William B. Walkup & Associates, Inc. provides advisory services to individuals, trusts, estates, and business entities.

A \$10,000.00 minimum investment is required to open an account to be managed by William B. Walkup & Associates, Inc. The minimum investment amount may be waived at the discretion of William B. Walkup & Associates, Inc. There is no investment required for general financial consultation. A requirement of all clients is that they be friends whom William B. Walkup or Christopher J. Walkup or Richard B. Newsome know and trust and about whom William B. Walkup or Christopher J. Walkup or Richard B. Newsome have obtained extensive knowledge of their financial status, goals, and financial needs as well as their risk tolerance and the appropriateness of asset allocations in their portfolio.

## ***Methods of Analysis, Investment Strategies, and Risk of Loss***

Analysis utilized includes fundamental and technical analysis. William B. Walkup & Associates, Inc. uses asset allocation strategies for portfolio management.

While there is risk in all investments, some carry a greater degree of risk or higher costs. There is no guarantee that the investment strategy selected for the client will result in the client's goals being met, nor is there any guarantee of profit or protection from loss. For those investments sold by prospectus, clients should read the prospectus in full.

During initial consultation with a client, William B. Walkup & Associates, Inc. discloses the risks and opportunities for our investment strategy or for particular types of securities used. For instance,

- Debt securities are subject to interest rate risk.
- Equity values are subject to market and economic conditions beyond the control of the advisor.
- High yield securities are corporate debt securities rated below investment grade.
- There are tax consequences for short-term trading wherein capital gains are taxed as ordinary income.
- Our investment strategies at times include a non-diversified approach.
- Margin transactions are subject to a wider price fluctuation than non-leveraged transactions.
- William B. Walkup and Associates, Inc. offers advice to partnerships which invest in promissory notes and other partnerships. These carry certain risks due to illiquidity.

## ***Disciplinary Information***

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of its management personnel. William B. Walkup and Associates, Inc. has no items to disclose.

## ***Other Financial Industry Activities and Affiliations***

Affiliates of William B. Walkup & Associates, Inc. provides a variety of services for clients including preparation of Federal and State income tax returns, serving as executor of estates, budget planning and review, general accounting functions, analysis of insurance needs and costs, retirement planning, working with clients and attorneys in development of estate plans.

For the benefit of Columbia Cash Reserves Investment Partnership, William B. Walkup & Associates, Inc. has engaged Walkup Management Inc. to market and make loans, to secure these loans with mortgages and notes and other security, to collect payments and service these loans, and to do all accounting for these loans. Walkup Management Inc. will be paid a maximum of 0.15 percent of the beginning balances of these loans for each two month accounting period. Walkup Management Inc. is owned by William B. Walkup and Christopher J. Walkup and employs Gary W. Ballowe, CPA.



Walkup Management, Inc., an affiliate of William B. Walkup & Associates, Inc., also provides accounting and business management services to other entities in which some clients have made investments in past years. William B. Walkup & Associates Inc. or an affiliate occasionally creates entities for which it is the managing partner/member and in which some clients invest. These entities include:

Century Capital Group, LLC - Owns and operates retail real estate.

Outdoor Unlimited, LLC. - Owns an outdoor billboard sign business.

Crown Point Properties, Inc. - Owns and leases a building.

Crown Point Development, LLC. - Owns land.

Renaissance Management Group, LLC. - Owns an apartment complex.

Equity Real Estate Partnership - Invests in real estate, promissory notes, and other partnerships.

William B. Walkup & Associates, Inc. or William B. Walkup or Christopher J. Walkup or Richard B. Newsome is a general partner in every investment partnership managed by William B. Walkup & Associates, Inc. or William B. Walkup. Some of our clients have been solicited to invest in these partnerships, but none of these partnerships are currently accepting new partners.

Our partnerships invest in stocks, bonds, real estate, mortgages, treasuries, CD's, notes, and other partnerships. We also invest in options on rare occasions. These partnerships are described below:

PARTNERSHIP	MANAGING PARTNER	Percent of Clients
Capital Growth Investment Club	William B. Walkup	3
Growth Funds 81 Investment Club	William B. Walkup	0
Growth Funds 82 Investment Club	William B. Walkup	0
Equity 83 Investment Club	William B. Walkup	3
Equity 84 Investment Club	William B. Walkup	3
Equity 85 Investment Partnership	William B. Walkup	6
Equity 86 Investment Partnership	William B. Walkup	2
Equity 87 Investment Partnership	William B. Walkup	3
Equity 89 Investment Partnership	William B. Walkup	0
Equity 91 Investment Partnership	William B. Walkup	2
Equity 93 Investment Partnership	William B. Walkup & Associates, Inc.	2
Equity 94 Investment Partnership	William B. Walkup & Associates, Inc.	2
Equity 95 Investment Partnership	William B. Walkup & Associates, Inc.	8
Equity 96 Investment Partnership	William B. Walkup & Associates, Inc.	14
Equity 97 Investment Partnership	William B. Walkup & Associates, Inc.	12
Equity 98 Investment Partnership	William B. Walkup & Associates, Inc.	6
Equity 99 Investment Partnership	William B. Walkup & Associates, Inc.	24
Columbia Cash Reserves Inv. Ptr.	William B. Walkup & Associates, Inc.	36

### ***Code of Ethics, Participation or Interest In Client Transactions, and Personal Trading***

William B. Walkup & Associates, Inc. or William Walkup or Christopher Walkup or Richard Newsome ("They") own and buy securities for their own accounts that are also bought for partnership and client accounts. However, they never sell the same security for a client at the same time they buy the security for their own accounts or the account of any related person. They disclose to clients that they own for their own account stocks that they purchase for client accounts. Also, they recommend investments in partnerships in which William B. Walkup & Associates, Inc. is paid as the investment manager. In all partnerships managed, they have invested their own funds to a very substantial degree and therefore have common goals with those of other partners. At times they buy partnership interest from departing partners

and disclose they are acting as principals or sell their interest in a partnership. They rarely sell their direct interest.

For principal transactions between William B. Walkup & Associates, Inc. or William Walkup or Christopher Walkup or Richard Newsome and clients, they disclose to the clients prior to the transaction the capacity in which they are acting, the current market price, the original price and the suggested sales price. The client's consent to the transaction is obtained prior to consummation of the transaction.

In addition, William B. Walkup & Associates, Inc. has adopted a Code of Ethics in compliance with Rule 204 A-1 under the Investment Advisors Act of 1940. The Code of Ethics is designed to provide ethical guidance and provide rules for personal securities transactions by the employees of William B. Walkup & Associates, Inc.

The general principles of the Code of Ethics are:

The duty at all times to place the interest of the clients first;

The requirement that all personal securities transactions be conducted in a manner consistent with the Code of Ethics and in such manner as to avoid any actual or potential conflict of interest or any abuse of any individual's position of trust and responsibility; and

The fundamental standard that such employees, officers, and directors should not take inappropriate advantage of their positions, or of their relationship with clients.

William B. Walkup & Associates, Inc. will provide a statement of the Code of Ethics to the client upon request.

### ***Brokerage Practices***

William B. Walkup & Associates, Inc. is given authority by the Investment Advisory Agreement to decide what securities are to be bought and sold, how much of each to buy and sell, and which broker to use. Brokers selected are discount brokers in order to provide the lowest commission cost possible in conjunction with efficient trades and low margin interest rates. The full range and quality of a broker's services are considered, including, among other things, execution capability, trading expertise, accuracy of execution, commission rates, reputation and integrity, fairness in resolving disputes, financial responsibility and responsiveness. Also, clients may specifically direct the choice of broker. In such cases, the client may not receive the best price or execution.

Also note that there are absolutely no fee or referral arrangements with any brokerage firm, or any firm or individual, nor have there ever been.

We receive minor research benefits that are available to all clients of our broker (E\*Trade).

These benefits have no influence on the selection of the broker.

The value of any research provided by the broker is not considered when selecting a broker.

## ***Review of Accounts and Reports on Accounts***

### **Reviews**

Client files are reviewed at minimum quarterly. Individual securities are monitored on a daily/weekly basis. Since investments are made on a medium-to-long-term basis, a low volume of trading activity occurs.

Primary review is conducted by an IA Representative. Any assistance rendered by others is monitored and supervised very closely.

Reviews consist of analyzing investment performance and insuring that the total portfolio of the client complies with the client's investment objectives and guidelines.

The Chief Compliance Officer and other designated compliance staff monitor the portfolios and financial plans for investment objectives and other supervisory review.

For financial planning services, the financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on an annual basis to update the financial plan.

### **Reports**

Written reports of client accounts are sent out at minimum quarterly.

## ***Client Referrals & Other Compensation***

### **Referral Fees**

William B. Walkup & Associates, Inc. does not compensate for client referrals.

### **Referral Fees Received**

William B. Walkup & Associates, Inc. does not receive compensation for client referrals.

## ***Custody***

### **Custody for Individual Portfolios**

Although client assets are held at a third-party independent custodian, William B. Walkup & Associates, Inc. is deemed to have custody of client funds solely because of the fee deduction authority granted by the client in the investment advisory agreement. Except for this fee deduction, we do not have authority to withdraw funds out of client accounts.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Client is urged to compare custodial account statements against statements prepared by William B. Walkup & Associates, Inc. for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

### **Custody for Stock Investment Partnerships**

William B. Walkup & Associates, Inc. has custody of a portion of the client funds and securities. Clients will receive account statements at least quarterly. Additionally, the investors annually will receive audited financial statements prepared by an independent PCAOB-registered and inspected accountant.

### ***Custody for Cash Management Partnerships***

William B. Walkup & Associates, Inc. has custody of a portion of the client funds and securities. Clients will receive account statements at least quarterly. Additionally, the investors annually will receive audited financial statements prepared by an independent PCAOB-registered and inspected accountant.

### ***Investment Discretion***

William B. Walkup & Associates, Inc. maintains full discretion under a limited power of attorney as to the securities and amount of securities.

William B. Walkup & Associates, Inc. does not have the ability to discount brokerage commissions.

The client can designate the broker/dealer to be used for trading and custodial services. Additionally, the client may place limitations on types of investments and certain securities.

### ***Voting Client Securities***

William B. Walkup & Associates, Inc. has the authority to vote proxies, unless the client otherwise specifically directs. Clients may contact us direct at the phone number or address listed on the first page of this document to obtain information on how William B. Walkup & Associates, Inc. voted on behalf of the client. William B. Walkup & Associates, Inc. votes proxies in the best economic interest of the client, and not in the interest of our firm. While it is unlikely that we will have a material conflict when voting client proxies, a conflict could arise from time to time. We can resolve such conflicts to include but not limited to: Documenting that votes were cast in the interest of the client; Informing the client to obtain objective third party advice; Obtaining client's informed consent to vote a proxy in a specific manner. When seeking a client's consent, we will provide the client with sufficient information regarding the matter and the nature of the conflict to enable the client to make an informed decision. There may be times when refraining from voting a proxy is in the client's best interest, such as when the cost of voting exceeds the expected benefit to the client. A copy of William B. Walkup & Associates, Inc.'s proxy voting policy and procedures is available to Client at no charge. Client agrees to instruct custodian to forward all proxy voting materials and related shareholder communications to William B. Walkup & Associates, Inc.'s proxy voting service provider as requested by William B. Walkup & Associates, Inc. will not be liable with regard to voting proxies if the proxy materials are not received in a timely manner. If the Account is subject to ERISA, proxy voting decisions will be made by William B. Walkup & Associates, Inc. unless specifically reserved to the trustee or named fiduciary of the Plan by reservation that expressly precludes William B. Walkup & Associates, Inc. from voting proxies, or unless the Plan contains such an express preclusion.

### ***Financial Information***

An investment advisor must provide financial information if a threshold of fee prepayments is met; there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy within the past ten years. William B. Walkup & Associates, Inc. does not have any disclosure items in this section.