

Westech Investment Advisors LLC

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This Brochure provides information about the qualifications and business practices of Westech Investment Advisors LLC. If you have any questions about the contents of this Brochure, please contact Martin Eng, Chief Financial Officer, at 408 (436-8577 X17) or Martine@westerntech.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.

Westech Investment Advisors LLC is a registered investment adviser and also does business as Western Technology Investment (“WTI”), which was founded in 1980. Registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Westech Investment Advisors LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Item summarizes material changes to Westech Investment Advisors LLC's ("WTI") Form ADV, Part 2A Brochure since its last filing on February 23, 2012. Please see the specific sections referenced herein for additional information regarding these revisions.

Item 4: Advisory Business

Westech Investment Advisors LLC has formed a new fund, Venture Lending & Leasing VII, LLC which owns 100% of Venture Lending & Leasing VII, Inc. Additionally, Patrick Lee was added as an additional Investment Partner, and Rudy Ruano was promoted from Venture Partner to Investment Partner.

Item 5: Fees and Compensation

A discussion of fees and compensation relating to Venture Lending and Leasing VII, LLC and Inc. has been included in the referenced section herein.

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Item 4 – Advisory Business

Westech Investment Advisors LLC (also referred to in this Brochure and “WTI” and the “firm”) serves as investment manager, on a fully discretionary basis, for nine companies, three of which are corporations which have elected to be treated as business development companies (“BDCs”) under the Investment Company Act of 1940, and the remaining seven of which are not BDCs. The three BDC companies are: Venture Lending & Leasing V, Inc. (“Fund V”); Venture Lending & Leasing VI, Inc. (“Fund VI”), and Venture Lending & Leasing VII, Inc. (“Fund VII”). The non-BDC companies are: Venture Lending & Leasing III, LLC (“Fund III”); Venture Lending & Leasing IV, LLC (“VLL4 LLC”), Venture Lending & Leasing V, LLC (“VLL5 LLC”), which owns 100% of the stock of Fund V; Venture Lending & Leasing VI, LLC (“VLL6 LLC”), which owns 100% of the stock of Fund VI, and Venture Lending & Leasing VII, LLC (“VLL7 LLC”), which owns 100% of the stock of Fund VII. These nine companies, for which WTI serves as investment manager, are referred to in this Brochure collectively as the “Funds.” The firm also serves as managing member of VLL4 LLC, VLL5, LLC, VLL6, LLC, VLL7, LLC and VLLI Capital, LLC (the managing member of Fund III).

The principal owner of the firm is Westech Investment Management, Inc., a California corporation. The sole shareholders of Westech Investment Management, Inc. are Ronald W. Swenson and Salvador O. Gutierrez.

The firm manages \$972,718,277 client assets on a discretionary basis and \$0 client assets on a non-discretionary basis (both calculated as of December 31, 2012).

Item 5 – Fees and Compensation

Management fees for each fund are calculated on a quarterly basis. The fees are paid shortly after the end of each quarter. Any underpayments or overpayments are adjusted and paid with the following quarter’s payment.

Fund III currently pays, to the firm and an unaffiliated investment adviser (the “Other Adviser”) an advisory fee of 2.5% of total assets, paid quarterly in arrears. Additionally, Fund III pays to the firm and the Other Adviser, as incentive compensation, 20% of profits in excess of a preferred return of 8% on unreturned capital. While this incentive amount is not an expense of the Fund III, it could be deemed compensation received by the firm and the Other Adviser. The firm retains the majority of the compensation paid.

Currently VLL4 LLC pays the firm a fee of 2.5% of total assets under management. Additionally, once the hurdle rate of 8% has been reached, the firm is entitled to receive all of the profits until cumulative profits are allocated 80% to members in accordance with their ownership percentages and 20% to the firm. Beyond such allocation, VLL4 LLC pays to the firm, as incentive compensation, 20% of profits in excess of a preferred return of 8% on unreturned capital. While these incentive amounts are not an expense of the Fund IV, they could be deemed compensation received by the firm. Fund V and VLL5 LLC pay the manager a combined fee of the greater of 2.5% of total assets under management and 1.5% of committed capital to VLL5 LLC as long as consolidated assets are in excess of \$25 million. If assets are less than \$25 million, the combined management fee will be 2.5% of consolidated assets. Because VLL5 LLC is the sole shareholder of Fund V, the management fee that VLL5 LLC pays to the firm is based on total assets less the investment in Fund V, in order to not double count assets. Additionally, once the hurdle rate of 8% has been reached, the firm is entitled to receive all of the profits until cumulative profits are allocated 80% to members in accordance with their ownership percentages and 20% to the firm. Beyond such incentive amounts, VLL5 LLC pays to the firm, as incentive compensation, 20% of profits in excess of a preferred return of 8% on unreturned capital. While these incentive amounts are not an expense of the Fund V, they could be deemed compensation received by the firm.

Fund VI and VLL6 LLC pay the firm a combined fee of the greater of 2.5% of total assets under management and 1.5% of committed capital to VLL6 LLC as long as consolidated assets are in excess of \$25 million. If assets are less than \$25 million, the combined management fee will be 2.5% of consolidated assets. Because VLL6 LLC is the sole shareholder of Fund VI, the management fee that VLL6 LLC pays to the firm is based on total assets less the investment in Fund VI, in order to not double count assets. Additionally, once the hurdle rate of 8% has been reached, the firm is entitled to receive all of the profits until cumulative profits are allocated 80% to Members in accordance with their ownership percentages and 20% to the firm. Beyond such allocation, VLL6 LLC pays to the firm, as incentive compensation, 20% of profits in excess of a preferred return of 8% on unreturned capital. While these incentive amounts are not an expense of Fund VI, they could be deemed compensation received by the firm.

Fund VII pays the firm a management fee of 2.5% of the committed capital to VLL7 LLC. No fee is charged to VLL7 LLC for the first two (2) years of Fund VII's operations. After the second anniversary is reached, Fund VII and VLL7 LLC will pay a combined fee the greater of 2.5% of total assets under management and 1.5% of committed capital to VLL7 LLC, as long as consolidated assets are in excess of \$25 million. If assets are less than \$25 million, the combined management fee will be 2.5% of consolidated assets. Because VLL7 LLC is the sole shareholder of Fund VII, the management fee that VLL7 LLC pays to the firm is

based on total assets less the investment in Fund VII, in order to not double count assets. Additionally, once the hurdle rate of 8% has been reached, the firm is entitled to receive all of the profits until cumulative profits are allocated 80% to Members in accordance with their ownership percentages and 20% to the firm. Beyond such incentive compensation, VLL7 LLC pays to the manager, as incentive compensation, 20% of profits in excess of a preferred return of 8% on unreturned capital. While these incentive amounts are not an expense of the Fund, they could be deemed compensation received by the firm.

The specific manner in which fees are charged by WTI is established in a client's investment management agreement with the firm. WTI will generally calculate its fees on a quarterly basis, in arrears. Management fees are deducted directly from a client's account. Each quarter, the previous quarter's calculation of management fees is reviewed in case there has been a change (i.e., the asset value upon which the management fee calculation was made has changed, etc.) and, if necessary, a "true-up" adjustment is made to the current quarter calculation. Management fees are based on information as of the last day of the quarter and are not prorated for capital contributions and withdrawals made during the applicable calendar quarter. Other than potential over-payments, which are discussed above, there are no prepaid or unearned fees, as management fees are paid in arrears. Investment management fees, which are calculated as a percentage of committed capital, are charged as if the capital had been committed as of the first closing of capital.

The firm's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to WTI's fee, and the firm does not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that the firm considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Fees for advisory services are not negotiable.

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

The firm does not charge any performance-based fees, however as stated above in Item 5, the firm does receive allocations of income after certain hurdle rates have been met. While these are not classified as “Fees”, they can be construed as additional compensation. Furthermore, for Funds that are charged management fees based on assets under management, the compensation structure may provide the firm with an incentive to increase assets as compensation increases with size of the asset base. These fee arrangements may create incentives for the firm to recommend investments which may have a higher degree of risk or are more speculative than those that would be recommended under a different fee arrangement, and may create an incentive to favor higher fee paying accounts, over other accounts, in the allocation of investment opportunities. In the past, the Boards of Directors of Funds making active investments have each adopted a policy that, for so long as they are each making active investments, they will generally invest in the same portfolio companies, with the amount of the investment allocated among them pro rata in accordance with their capital commitments. This policy, which is codified in the firm’s code of ethics, helps ensure that firm clients are treated fairly and equally, and to prevent the potential conflict described above from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients

WTI provides portfolio management services to private investment funds as well as BDCs.

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

The firm follows the investment strategy of each of the Funds, which is to provide debt financing to carefully selected companies, primarily in the form of secured loans to Venture-backed companies. This investment strategy involves a high degree of risk, including: the illiquidity of portfolio investments; risks of default by borrowers, many of whom have no or little operating profit or cash flow as of the commencement of a financing transaction; interest rate risk; litigation risks; the effect of leveraging a Fund’s portfolio; the speculative nature of investments in warrants for stock or directly in stock; and the risks involved in investing in privately-held and emerging companies. **Investing in securities involves risk of loss that clients should be prepared to bear.**

The firm evaluates potential investments on a case by case basis, using both a credit and "venture capital" approach. The initial phase includes the collection of relevant materials such as business plans, financials and pro-forma projections, capitalization tables, management bios, and corporate documents. Additionally, the WTI investment committee visits and meets with the CEO and management team of the prospective investments. Reference checks may be performed by contacting venture capitalists, customers, and competitors. A credit file is built to serve as the foundation to monitor progress of the company against milestones.

The firm typically uses a buy and hold strategy; where investments are held until maturity. All securities are evaluated on a continual basis. On an exception basis, some investments are restructured instead of being held to maturity. The firm typically does not purchase public securities; however, some public securities are acquired through warrant exercises, mergers, acquisitions, and IPOs of the investments that are made. Additionally, in some cases, public securities are issued in conjunction with loans made to public companies. Public securities are monitored on an on-going basis and a variety of factors (trend in stock price, potential for market, etc.) are used to determine when to sell these securities.

The investments made by the Funds are primarily in venture-backed companies. Most of the companies with which the Funds enter into financing transactions will not have achieved profitability. These investments involve a higher degree of risk because of the short operating history, emerging company risks, reliance on key employees, potential for global economic problems, etc. The Funds will often utilize leverage. The use of leverage could lower returns if the cost of leverage exceeds the benefits derived from such use. Since the management fee paid to WTI is typically based on assets under management (inclusive of amounts derived from borrowing), management fees will often be higher because of the use of leverage.

Item 9 – Disciplinary Information

Neither WTI, nor any management person, has legal or disciplinary events (i.e., criminal or civil action in domestic, foreign or military court, administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or self-regulatory organization) that are material to evaluating the firm's advisory business or its integrity.

Item 10 – Other Financial Industry Activities and Affiliations

The firm's only clients are the Funds. The firm provides statements of account for all investors on a quarterly basis. The firm provides full financial and investment information about the Funds, including financial statements and loan and warrant portfolio and other information, to the Boards of Directors of the Funds (or in case of the Funds which are limited liability companies, to their Advisory Boards), at their quarterly board meetings. Fund III, Fund V, Fund VI Fund VII, VLL4, LLC, VLL5, LLC, VLL6, LLC, and VLL7, LLC report financial statements, loan portfolio and other information quarterly to their shareholders, including annual audited financial statements.

As described in Item 5 above, a portion of the management fees paid by Fund III are paid to the firm and the Other Adviser.

Item 11 – Code of Ethics

The firm has adopted a written "Firm Code of Ethics", which applies to every employee of the firm. The Code of Ethics includes provisions relating to avoiding conflicts of interest with the Funds and the firm, protecting the confidential information of the Funds and the firm, and prohibitions on insider trading on material nonpublic information. The Code of Ethics requires employees to report any violations of the Code of Ethics promptly to the firm's Chief Compliance Officer. Employees are provided with a written copy of the Code of Ethics and any amendments, and sign written acknowledgements of their receipt of the Code of Ethics and any such amendments. Clients or prospective clients of the firm may request a copy of the Firm Code of Ethics by contacting Martin Eng at (650) 234-4300 or Martine@Westerntech.com.

The Firm Code of Ethics also contains personal securities trading procedures which apply to "access persons" (generally, persons in a control relationship to a Fund or with access to security trading information of a Fund). Access persons are required to disclose to the Chief Compliance Officer the existence of any interest they have in a company in which a Fund is considering making an investment. The Chief Compliance Officer then reports any such interest to the Board of Directors of the relevant Fund. The Firm Code of Ethics further requires that access persons provide the Chief Compliance Officer with an initial report of their securities holdings, which initial report is required to be updated by quarterly and annual reports. Pre-approval from the Chief Compliance Officer is required before an access person may buy or sell securities in an initial public offering or a private

placement, or any security listed on a “restricted list” maintained by the firm. The Chief Compliance Officer provides periodic reports to the Boards of Directors of the Funds on compliance with the securities trading procedures.

Item 12 – Brokerage Practices

Brokers and dealers generally are selected based on their ability to handle transactions involving restricted securities, commission rates or spreads, and breadth of market in particular securities. No soft dollar arrangements are made.

Item 13 – Review of Accounts

On a weekly basis, the entire staff of the firm meets and reviews several documents. A staff person presents a "Low Cash List" at which time portfolio companies with low cash balances are discussed in detail as well as their prospects for additional financing. A staff person provides a delinquency report that shows portfolio companies that have not made their current payment. This list is reconciled to the general ledger by the controller. One of the investment associates presents a schedule documenting the collections of non-performing accounts. One of the loan processors presents a listing of potential fundings for evaluation and discussion as well as a list of new commitments made during the quarter. The financial records are kept by the firm's controller. On a monthly basis the controller reconciles all bank accounts (10 - 15 accounts), which are reviewed on a periodic basis by the firm's Chief Financial Officer ("CFO"). Financial statements are prepared by the firm's accounting manager and reviewed by the controller on a quarterly basis. These statements are reviewed by the CFO, Chief Executive Officer and the Board of Directors of the Funds. During the review by the CFO, variances that appear to be out of the ordinary are explained. The financial statements of Fund V, Fund VI, and Fund VII are reviewed by the independent auditor on a quarterly basis. On an annual basis, the auditors perform an audit of Fund V, Fund VI, Fund VII, VLL4, LLC, VLL5, LLC, VLL6, LLC, VLL7, LLC and Fund III.

The firm's only clients are the Funds. The firm provides statements of account to all of the Funds' investors on a quarterly basis. The firm provides full financial and investment information about the Funds, including financial statements, loan and warrant portfolios and other information, to the directors (or in case of LLC's, the advisory boards) of the Funds at their quarterly board meetings. VLL3 LLC, Fund V, Fund VI, Fund VII, VLL4, LLC, VLL5, LLC, VLL6, LLC, and VLL7, LLC report financial statements, loan portfolio and other information quarterly to their shareholders or members, including annual audited financial statements.

Item 14 – Client Referrals and Other Compensation

The firm does not pay or receive any economic benefit from a non-client in connection with giving advice to clients, and does not compensate any person for client referrals.

Item 15 – Custody

WTI is not a custodian and its practice is not to have physical custody of client assets. Notwithstanding the foregoing, the firm recognizes that it may be deemed to have custody under certain circumstances. In circumstances where WTI may be deemed to have custody, it will comply with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940, which requires, among other things, that a qualified custodian (for example, a bank or broker-dealer) maintain all client funds and securities. For example, WTI also serves as managing member for the Funds:

- In circumstances where a Fund is not subject to annual audit, the firm will use its reasonable best efforts to ensure that qualified custodians send account statements to all clients, including each member of a limited liability company, at least quarterly. WTI urges clients to compare the reports from the firm with the statements received from qualified custodians. WTI's account statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. All cash and securities are swept into or held in custodial accounts.
- In circumstances where a Fund is subject to annual audit, WTI will ensure that audited financial statements are prepared in accordance with generally accepted accounting principles (by an independent public accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board) and distributed to all members within 120 days of such Fund's fiscal year-end. Clients and members should carefully review all account statements received from qualified custodians.

Item 16 – Investment Discretion

WTI usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, the firm observes the investment policies, limitations and restrictions of the clients for which it advises. For business development companies, the firm's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Item 17 – Voting Client Securities

The firm has adopted Proxy Voting Policies with respect to the proxies it votes on securities owned by the Funds (the "Proxy Policies"), which set forth the firm's policies for voting equity securities acquired by the Funds through the exercise of warrants ("Warrant Equities") and equity securities purchased directly from the issuer ("Direct Equities"). With regard to Warrant Equities, the firm will (i) refrain from voting Warrant Equities unless the amount of such securities exceeds 0.50% of all securities of the issuer entitled to vote at that meeting, and (ii) if such threshold is exceeded, vote the Warrant Equities and report its vote, together with its rationale, to the Board of Directors of the relevant Fund. With regard to Direct Equities, (i) if the Direct Equities are in a private company, the Proxy Policies contain guidelines for the firm to consider when voting such equities, and (ii) if the Direct Equities are in a public company, the firm will follow the same guidelines as it follows for Warrant Equities. The foregoing summary of the Proxy Policies is qualified in its entirety by reference to the Proxy Policies, a copy of which will be provided to any client upon written request without charge.

Item 18 – Financial Information

The firm does not have any financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.