

# **Welshire Capital LLC**

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**This brochure provides information about the qualifications and business practices of Welshire Capital LLC. If you have any questions about the contents of this brochure, please contact us at 608-783-0003 or [www.welshirecapital.com](http://www.welshirecapital.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 Welshire Capital LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

### **Summary of Material Changes**

The following material changes have been made since the Form ADV Part 2 and 2b dated May 6, 2011 and filed on the IARD system on May 11, 2011:

- 1) October 1, 2011, the fee schedule has been amended and the Wrap Fee Program has been terminated. As a result of these changes, the fee schedule now indicates that the client pays the trading costs and the Wrap Program Brochure will no longer be used.
- 2) December 14, 2011, the fee schedule has been amended and the Model names have been changed.

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#### **ITEM 4 Advisory Business**

Welshire Capital, LLC ("Adviser") has been operating as an investment adviser since 2008. The Adviser owner is Brent Welch and he has been active in the industry since 1984.

Welshire Capital, LLC ("Adviser") has a transparent, proactive service that is client-focused. The Advisor's Wealth planning system is designed to help clients get their financial house in order and keep it that way. Advisor's Private Wealth Management process may help clients to advance and protect their wealth. The four-step investment process is to: research, respond, grow, and protect clients' wealth. The Advisor also can bring this transparent, proactive service to groups of clients at specific companies who allow the Advisor to have a limited power of attorney to apply their four-step Advance and Protect process to 401(k) and other defined contribution plan assets.

The Advance and Protect process is a global, tactical, total return strategy that seeks to secure gains in advancing markets and protect capital in sideways to negative markets.

The Advisor applies a Family Wealth Planning approach to help clients discover their true wealth. As Roy Disney, Walt's brother says, "When your values are clear, your decisions are easy." Understanding what's really important to a client about money may help them to create a more inspiring plan. The Advisor tailors advisory services to the individual needs of clients. For example, some clients prefer that the Advisor screen individual stock decisions through special Socially Responsible Investing (SRI) screens. If certain stocks show up on a SRI list that recommends a temporary boycott on that stock, it may be sold and a substitute stock with similar qualities may be purchased.

Most clients of Advisor are engaged through a fee agreement. This arrangement helps align the wealth Advisor's incentive with the client's best interest. Usually, planning services are offered at Advisor's expense for the first Discover meeting and possibly the Planning and Implementation meetings as well.

Advisor may provide financial, retirement and estate planning for a fee generally determined upon the size and complexity of the estate being planned. This fee is often measured at approximately 1/10 of 1% of the clients' estate size. Hourly rates may be charged if agreed to by Advisor and are \$400 per hour for Mr. Welch's services and \$150 per hour for Advisor associates. Half of the fee is payable in advance and the balance is due at the time the wealth plan is presented.

Flat fees are charged for the Advisor's Retirement Coaching program. This program is designed as a monthly e-mail service that guides clients to make reallocations that are most appropriate for their respective risk tolerance and available retirement plan investment options. This fee is \$480 per year for the first year and then \$360 per year for subsequent years per account being allocated. This fee is billed in advance each month.

#### **Types of Investments**

Advisor primarily advises on exchange-listed, over-the-counter, foreign issuer equity securities, corporate debt securities, certificates of deposit, municipal securities, variable life insurance, variable annuities and mutual fund shares, United States government securities, and securities and commodities options contracts.

#### **General Information**

All investment management services may be provided on a discretionary or non-discretionary basis by the Advisor. Discretion means the trading activity within the Client's account(s) may be entered by the Advisor without receiving prior authorization for each trade. This discretion is authorized by the Client in writing (upon signing the Investment Advisory Agreement) and may be revoked at any time by submitting a written request to the Advisor. In most cases, discretion will be utilized. As of December 31, 2011, the Advisor's clients managed on a discretionary basis are \$76,961,837 and the clients managed on a non-discretionary basis are \$12,221,908 for a total of \$89,183,745. The Client will receive confirmations and statements showing all trading activity in the account(s).

#### **ITEM 5 Fees and Compensation**

Fees for investment advisory services offered by Welshire are according to the following schedule: Investment advisory fees are typically 1.75% for mutual fund portfolios up to \$1,000,000.

**Weekly Stock Review, Monthly  
ETF and Mutual Fund Review, and  
Potential Reallocation**

**(for all accounts actively managed or not)**

<b>Tier Level Annual Percentage</b>	<b><u>Annual Percentage</u></b>	<b>Flat Fee Annual Percentage</b>	<b><u>Annual Percentage</u></b>
First \$1,000,000	1.75%	\$ 1,000,000 - \$ 5,000,000	0.79%
Next \$1,000,000	1.50%	\$ 5,000,001 - \$ 10,000,000	0.69%
		\$ 10,000,001 - \$ 35,000,000	0.59%
		\$ 35,000,001 +	0.49%
<b>Flat Fee</b>			
\$ 2,000,000 - \$ 5,000,000	1.50%		
\$ 5,000,001 - \$10,000,000	1.40%		
\$10,000,001 - \$15,000,000	1.30%		
\$15,000,001 - \$20,000,000	1.20%		
\$20,000,001 - \$35,000,000	1.10%		
\$35,000,001 - \$50,000,000	1.00%		
\$50,000,001 +	0.90%		

This fee does not include trading costs, IRA fees, or the nominal Section 31 fee (commonly known as an "SEC Fee") for equity sell transactions. The Private Wealth Management fee is billed in advance based upon the previous month's ending balance, with the exception of the first billing cycle. The first month's fee will be billed in arrears, prorated based on the number of days the account was under management during the month. The fee computed for the month will be shown on the Client's monthly statement from the Custodian. The initial fee for the Institutional Wealth Management fee will be the amount, prorated for the number of days remaining in the initial Fee Period from the Effective Date of this Agreement, based upon the market value of the Plan assets on the first business day of the initial Fee Period and will be due on the first business day following the initial Fee Period. Thereafter, the fee will be based upon the market value of the Plan assets on the last business day of the previous Fee Period (without adjustment for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distributions of assets) and will be due the following business day. If this Agreement is terminated prior to the end of a Fee Period, Adviser shall be entitled to a fee, prorated for the number of days in the Fee Period prior to the effective date of termination. See Appendix B for fee schedule and disclosures. Private Wealth Accounts can also be established with Welshire that are not actively managed by Welshire for buy-and-hold strategy. The fee for this service is 0.25% and meets a Client's desire for investment and performance reporting. The fee for non-managed accounts (buy-and-hold strategy) may be deducted from the client's managed account if sufficient cash is not available in the non-managed account to cover the fee. Welshire reserves the right to negotiate its fees. Welshire cannot be compensated on the basis of a share of capital gains or capital appreciation in Client's account. Exceptions to the minimum account size and fee may be made in the discretion of the Advisor.

If, for any reason, a client decides to terminate their agreement with the Advisor, a client may do so by written notice to the Advisor and a refund of the prepaid fee, prorated to the date of termination, is returned to the client if written notice is received prior to transfer of funds. The Advisor can also terminate the agreement by written notice to the client. Such notices of termination become effective upon receipt.

The investment decision-making process includes weekly target portfolio review, monthly reallocations, if necessary, and quarterly reassessments. During times of dramatic changes in the economy or the markets, the investment committee may decide during their weekly meetings to make a monthly reallocation earlier than anticipated. Monthly reallocations typically happen, if necessary, on the first Monday of the month. The actions taken during the monthly meeting may include making no changes, rebalancing or reallocating the Models among asset classes, styles and sectors.

All managed Accounts in a household will be combined for the purpose of assessing the investment advisory fee. Client understands that Account assets invested in shares of mutual funds or other investment companies ("funds") will be subject to additional fees and expenses, as set forth in the prospectuses of those funds, paid by the funds but ultimately borne by Client.

There are no termination fees for Welshire advisory accounts. Welshire will make a refund of the prepaid advisory fees, prorated from the date of the termination, to Client, when possible. Welshire may not always have access to the appropriate information to process a refund. Welshire is able to process the fee refund if Client terminates with at least a five (5) business days notice sent to Welshire Capital, LLC. The Advisor provides financial planning services such as retirement and estate planning for a fee. The minimum account

size for portfolios is \$10,000. Portfolios over \$1,000,000 may have ETFs and stocks in addition to mutual funds. Exceptions to the minimum account size and fee may be made in the discretion of the Advisor.

#### **ITEM 6 Performance-Based Fees and Side-By-Side Management**

No Advisor employee receives Performance-Based fees. Advice offered may involve investments in mutual funds. Clients are hereby advised that all fees paid for asset management services are separate and distinct from the fees and expenses charged by mutual funds (described in each mutual fund's prospectus) to their shareholders. Clients whose assets are invested in the shares of mutual funds pay with a direct management fee to the investment adviser and an indirect management fee through the mutual fund.

Some accounts that are older and have a lower fee are set up to have the client pay the brokerage fees themselves. These fees will not be marked up by the Advisor but passed on to the client in the same dollar amount that the Advisor pays at a wholesale level. Typically, no additional fees will be charged for the costs of the IRA custodian or for trading stocks, bonds and ETFs. No commissions are paid to the Advisor for investments made in the Models. No load, no ticket charge, and no short-term trading fee mutual funds will typically be selected for the mutual fund investments. The Advisor does not receive any 12b-1 fees in connection with its purchase of mutual funds for its clients.

The Advisor cannot be compensated on the basis of a share of capital gains or capital appreciation in Client's account. Exceptions to the minimum account size and fee may be made in the discretion of the Advisor.

#### **ITEM 7 Types of Clients**

Advisor manages individuals, trusts, estates, charitable organizations, and corporations. The minimum account size for portfolios is \$10,000. Portfolios over \$1,000,000 may have ETFs and stocks in addition to mutual funds. Exceptions to the minimum account size and fee may be made in the discretion of the Advisor.

The Advisor cannot be compensated on the basis of a share of capital gains or capital appreciation in Client's account. Exceptions to the minimum account size and fee may be made in the discretion of the Advisor.

#### **ITEM 8 Methods of Analysis, Investment Strategies, and Risk of Loss**

Advisor typically uses fundamental and technical analysis to assist with investment decisions. The main sources are financial newspapers and magazines, research material prepared by others, corporate rating services, investment research, company press releases and annual reports, prospectuses, and SEC filings. The investment strategies used to implement advice include long and short-term purchases and short-term trading.

Advisor does not have custody of any client funds or securities, as the services of a qualified and independent custodian will be utilized for these asset management services.

#### **The Five Target Models:**

##### **AGGRESSIVE (Welshire 100)**

This strategy is more aggressive in that client assets are held in stocks that may be more volatile, bonds with higher yields or alternative strategies with additional risk. Volatility may be experienced because of a less frequent "Protect" strategy. This strategy may invest in smaller or mid-sized growth stocks to potentially experience additional momentum. The "Advance" strategy may be used more frequently than other clients may experience in the Moderate Aggressive, Moderate, Moderate Conservative, and Conservative portfolios. The overall goal of this strategy is maximum total return through global investment options. Usually, this strategy appeals to the younger, more aggressive investor.

##### **MODERATE AGGRESSIVE (Welshire 80)**

This strategy is for investors who want to participate in the market advances but also want to protect against market losses more than Aggressive Model investors. This strategy usually has more money invested into stocks than bonds or alternative investments. Retired clients who have a higher risk tolerance may appreciate this strategy. This strategy is a global total return strategy designed to help investor grow assets during bear market rallies or bull markets. The aim is to protect wealth during sideways or downward markets.

##### **MODERATE (Welshire 60)**

This strategy is a middle of the road option for clients who are transitioning from capital appreciation to capital preservation. These investors like to make a little money during market rallies, but they also want a safety valve that is designed to reduce their portfolio risk at the right time. Keeping an investors' money in

the right place at the right time is the desired outcome of this Model. This Model may have a more equal allocation between stocks, bond and cash. Alternative investment strategies such as real estate, currencies, emerging markets, and commodities (including gold and silver) may be used.

#### **MODERATE CONSERVATIVE (Welshire 40)**

This strategy is designed to be just a notch above the Conservative Model. Moderate Conservative investors are concerned about loss of principal but still need to keep pace with inflation. This global, total return strategy will usually overweight the bond, cash and alternative investments relative to the stock investments. The four-step advance and protect strategy will be used with this strategy to research, respond, grow, and protect these investors. The stocks that are used may be less volatile than the choices for the Moderate, Moderate Aggressive, or Aggressive investors. A combination of less stock exposure and less aggressive investment choices is the desired allocation of this moderate strategy.

#### **CONSERVATIVE (Welshire 20)**

This Model has a larger ongoing exposure to bonds, cash, and alternative investments. Usually, this strategy will have a very limited upside exposure to stocks. If a specific limitation is desired, it can be listed in the investment paperwork. Investors seeking capital preservation and only slight capital growth should choose this option. As Will Rodgers said, "I am more concerned about the return of my principal than the return on my principal." Does this approach ring a bell with you? If it does, then maybe you should consider this strategy for your money. This global, total return strategy is designed for the conservative investor who wishes to pursue income, capital preservation, and minimal volatility.

#### **Non-qualified Investments:**

#### **HEDGE TAX EFFICIENT (HTE) MODEL**

The HTE strategy is a global, total return strategy designed as a longer-term, tax efficient strategy designed to purchase stocks that may be held for a longer period of time, bonds (that may include a laddered portfolio of individual, tax-free municipal bonds), and alternative strategies when needed. The hedge part of the HTE name may be implemented through alternative investment, inverse funds, or even options. Hedging may be used to create a collar around certain stock holdings, to potentially offset downwards or sideways pressure on the stock market or to attempt to gain some growth when all other asset classes are not performing.

HTE Model may be invested as growth, balanced, or conservative portfolios. Growth investors would seek capital growth of principal. Balanced investors are seeking both growth and income. Conservative investors would desire income and principal protection first. The Conservative HTE strategy would seek minimal capital growth as an inflation hedge.

The HTE Model is most appropriate for non-IRA investments held as JTWR0S, individual or trust accounts. HTE Models may be appropriate for non-qualified money when tax efficiency is desired. Will taxes go up in the future? If there will be higher taxes in the future, the HTE strategy may grow in popularity.

The investment committee will reassess portfolio managers to see if they are still performing up to expectations. If not, the manager may be replaced by another manager who is perceived to be able to add some type of value for clients. Both fundamental and technical indicators are used by the Advisor in its decision process. The nature of technical indicators is to determine trends and patterns in a stock, ETF, mutual fund, index, asset class or sector. There is, of course, no guarantee that this process will help move the client away from excessive risk at the right time or into the market when growth is to be made. There are no guarantees that the client will make money in the future since past performance is no guarantee of future success. Fundamental research includes reviewing the economy's leading indicators and the people, price, profitability and position of an investment being considered. Finally, it is the Advisor's belief that time in the market is the way to make money in stocks. Investments into equities are a long-term commitment that may experience dramatic losses and gains. Patience is often needed to make it through tough times.

Stock and bond investments face systemic risks like stock and bond market volatility, interest rate and inflation risks, economic upheaval, political unrest and behavioral economics. Stocks and bonds also face unsystematic risks such as business risks and industry risks. Fear and greed may force stocks to be very volatile even though all data points towards growth. Be aware that investments carry inherent risks that may cause loss of principal. Past performance is no guarantee of future results. Advisor is not in the business of rendering tax or legal advice. Please consult your attorney and/or CPA to obtain legal and tax advice.

Care should be taken in selecting your stock versus bond allocation, your risk tolerance and how you are feeling about the investment Model that you are invested in. Communication is key if you want to have any hope of having your Advisor meet your expectations. Let's talk about your expectation of us. We'd also enjoy a conversation about what we would expect from you assuming you become a client.

**ITEM 9 Disciplinary Information**

There are no legal or disciplinary events that are related to the Advisor's business or the integrity of Advisor's management.

**ITEM 10 Other Financial Industry Activities and Affiliations**

The Advisor may also receive compensation from the following sources which do not involve the management of a client portfolio: (1) Financial Education Seminars and Workshops, (2) Writing articles and books and other publications, and (3) Radio Programs.

The Advisor may provide complimentary consultations to certain local groups including: 1) Discovery, 2) Planning with Recommendations, 3) Implementation and 4) Review meetings. During the Final Recommendations meeting, the client is asked to execute an investment management agreement for implementation of the plan.

The Advisor may also offer a Financial Roadmap complimentary consultation. During this planning meeting, Advisor may ask the client to execute a financial planning agreement for creating a financial strategy. During the implementation meeting, Advisor asks the client to execute an investment management agreement for implementation of the plan.

Some of the Adviser's employees are also Registered Representatives of Comprehensive Asset Management and Servicing, Inc. (See Part 2b for each individual's specific disclosure) Some services provided by the Registered Representatives include selling mutual funds and brokerage accounts with stocks, bonds, UITs, ETFs and other registered investment products.

Through an affiliated company, Estate Planning, Inc., Mr. Welch also sells insurance products that include fixed annuities, disability, term life, universal and whole life and long-term care insurance. This part of Mr. Welch's business comprises about 2% of his time.

No Advisor employee has a pending application to register as a Registered Representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser. Advisor does not have a pending application to register as a broker-dealer, a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

If a client is introduced to Advisor by either an unaffiliated or an affiliate solicitor, Advisor may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referrals fee shall be paid solely from Advisor's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Advisor by an unaffiliated solicitor, the solicitor shall provide the client with a copy of Advisor's written disclosure statement which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of Advisor shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of Advisor's written disclosure statement at the time of the solicitation.

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

The associated persons of the Advisor may invest for their own accounts the same securities that it recommends to clients. The Advisor has adopted a Code of Ethics and Professional Standards (the "Code") to help avoid prohibited acts and to eliminate potential conflicts of interest. The Code works in conjunction with the Compliance Manual, and is designed to govern personal securities trading and detect/prevent insider trading. The Code, among other things, sets forth the Advisor's policy that clients' interests are always placed ahead of any personal interest. The Advisor's policy requires buying and selling after or with transactions completed for clients and includes procedures requiring all employees of the Advisor to report their personal securities transactions to the Advisor's designated supervisor on a quarterly basis. The Code also forbids any member or employee of the Advisor from trading, either personally or on behalf of others on material non-public information or communicating material non-public information to others in violation of the law (i.e., insider trading). The Advisor believes that the Code and Compliance Manual are designed to detect and prevent insider trading and to govern personal securities trading are appropriate to prevent or eliminate potential conflicts of interest situations between the Advisor, its employees and members and the Advisor's clients. However, clients should be aware that no set of rules can possibly anticipate or relieve all potential conflicts. Clients may contact the Advisor, 608-783-0003, to request a copy of its Code of Ethics.

**ITEM 12 Brokerage Practices**

The securities and amount to be purchased in a client's account are at the discretion of the Advisor. The platform or brokerage account that the trades are executed through will initially be the same for all clients.



That brokerage platform determines the cost for trading individuals' securities, ETFs, mutual funds and other accounts. The current platform used by the Advisor is TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade, Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC registered broker-dealer and FINRA member, which charges a commission per trade. Prior to selecting TD Ameritrade as its platform of choice, the Advisor researched and compared the fees of other comparable platforms and determined that TD Ameritrade offered the best price for its services. The Advisor will annually evaluate the costs and services of other broker-dealers as compared to TD Ameritrade, through its clearing firm, to continue to determine that TD Ameritrade is competitive in obtaining best execution and prices when processing transaction orders. However, there can be no assurances that TD Ameritrade (or any other broker-dealer or trade execution firm) can process orders in a manner that results in best execution in every instance. Thus, selecting TD Ameritrade may not result in best execution price or lowest transaction cost. However, some accounts that are older and have a lower fee are set up to have the client pay the brokerage fees themselves. These fees will not be marked up by the Advisor but passed on to the client in the same dollar amount that the Advisor pays at a wholesale level. Typically, no additional fees will be charged for the costs of the IRA custodian or for trading stocks, bonds and ETFs. No commissions are paid to the Advisor for investments made in the Models. No load, no ticket charge, and no short-term trading fee mutual funds will typically be selected for the mutual fund investments. The Advisor does not receive any 12b-1 fees in connection with its purchase of mutual funds for its clients. However, Advisor does receive some benefits from TD Ameritrade through its participation in the TD Ameritrade Institutional program (Please see additional discussion under Item 13A). ETFs, index funds, individual stocks and bonds are also used for clients' investment accounts and all trading costs, excluding the SEC fee, are paid for by the Advisor.

As described above, Advisor participates in TD Ameritrade's Institutional customer program and Advisor may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transaction for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its client accounts. These products or services may assist Advisor in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor through participation in this program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits any Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Advisor's recommendation of TD Ameritrade for custody and brokerage services.

Advisor has also contracted for additional services with TD Ameritrade to provide or make available certain products, research, services, or other economic benefits to Advisor for referring clients to TD Ameritrade and for their maintenance of assets in accounts at TD Ameritrade. Advisor has determined that these certain products and services offered by TD Ameritrade are competitive in the market place for similar products and services offered by other broker-dealers and custodians. These certain additional services will be used by the Advisor in connection with its investment advisory business and for the direct or indirect benefit of clients transferring or maintaining assets in accounts at TD Ameritrade. These additional services are not based on the number or amount of securities transactions executed through TD Ameritrade, and such additional services do not consist of fees, commissions, or other remuneration contingent on the execution of securities transaction or the utilization of any other TD Ameritrade service or product. TD Ameritrade provides these additional services in its sole discretion and at its expense, and Advisor does not pay any fees to TD Ameritrade for the additional services. Advisor and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the additional services. The Additional Services to be provided to Advisor is in the form of a \$4,860.00 economic benefit to be paid to Morningstar on behalf of the Advisor for Morningstar Advisor Workstation Office Edition.

Advisor's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Registrant, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Advisor's client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Advisor, in its sole discretion, provided

certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Advisor may have an incentive to recommend to its clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Advisor's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including seeking best execution of trades for client accounts.

To contact TD Ameritrade, please call 800-431-3500 and ask for a member of the Midwest Team, or write, 4075 Sorrento Valley Blvd., Suite a, San Diego California, 92121.

#### **ITEM 13 Review of Accounts**

The Advisor's Investment Policy Committee plans to meet twice weekly to discuss topics that include the market, economy, and client target Models. The Investment Policy Committee includes all supervised persons. Each client's account is reviewed with the client once, twice, or three times a year as the client requires. Some meetings are held in person and some are via telephone. Educational and social events are conducted throughout the year and a market message is prepared when significant changes have occurred.

The investment custodian will provide clients with electronic monthly statements, trade confirmations, prospectuses and annual reports by e-mail, if possible and, if not, by regular mail. Clients will also receive written quarterly statements by mail from the Advisor measuring account performance.

#### **ITEM 14 Client Referrals and Other Compensation**

See Item 10, Other Financial Industry Activities and Affiliations on page 8, as the Other Compensation response.

Through an affiliated company, Estate Planning, Inc., Mr. Welch also sells insurance products that include fixed annuities, disability, term life, universal and whole life and long-term care insurance. This part of Mr. Welch's business comprises about 2% of his time.

All employees receive a bonus and, at times, it is based on new accounts. All supervised persons have an additional bonus based on new business, which may be in the form of a portion of the commission if it is a brokerage product and if it is an investment management product, it is a portion of the asset under management fee. If the supervised person is employed by the Advisor for ten years and is 59 and 1/2, a deferred compensation arrangement exists.

#### **ITEM 15 Custody**

Advisor does not have custody of any client funds. Advisor does send account statements to its clients and urges its clients to compare the account statements they receive from the qualified custodian with those that they receive from the Advisor.

#### **ITEM 16 Investment Discretion**

The agreement for investment discretion is included with the other account documentation and outlines the details of such arrangements. This paperwork is completed during the implementation visit and copies will be provided for clients.

#### **ITEM 17 Voting Client Securities**

A. General Statement of Policy. The Advisor will vote proxies for its clients. When the Advisor votes proxies it generally follows the so-called "Wall Street Rule" (i.e., it votes as management recommends or sells the stock prior to the meeting). The Advisor believes that following the "Wall Street Rule" is consistent with the economic best interests of its clients. Consistent with its duty of care, the Advisor monitors proxy proposals just as it monitors other corporate events affecting the companies in which its clients invest. In the rare circumstances that the Advisor would vote against management's recommendations, a detailed explanation as to the reason for divergence with the Board's recommendation would be put into writing and maintained in the client file.

B. Conflicts of Interest. There may be instances where the interests of the Advisor may conflict or appear to conflict with the interests of its client. In such situations, the Advisor will, consistent with its duty of care and duty of loyalty, vote the securities in accordance with its pre-determined voting policy, the "Wall Street Rule", but only after disclosing the conflict to clients and affording the clients the opportunity to direct the Advisor in the voting of such securities.

C. Record Keeping. The Advisor will maintain the following records with respect to proxy voting:

- (1) A copy of this proxy voting policy;
- (2) A copy of all proxy statements received (the Advisor may rely on the EDGAR system to satisfy this requirement);

(3) A record of each vote cast on behalf of a client (the Advisor may rely on a third party to satisfy this requirement);

(4) A copy of any document prepared by the Advisor that was material to making a voting decision or that memorializes the basis for that decision; and

(5) A copy of each written client request for information on how the Advisor voted proxies on the client's behalf, and a copy of any written response to any (written or oral) client request for information on how the Advisor voted proxies on behalf of the requesting client.

D. Disclosure. The Advisor will furnish a copy of this policy to all of its clients. The Advisor will disclose to clients how proxies were voted upon request.

#### **ITEM 18 Financial Information**

Advisor does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Advisor does **not** have custody of any client funds. Advisor does send account statements to its clients and urges its clients to compare the account statements they receive from the qualified custodian with those that they receive from the Advisor.

Advisor has not been subject of a bankruptcy petition at any time.

**Brent Welch**  
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Fax 608-782-0002

**Website: [www.welshirecapital.com](http://www.welshirecapital.com)**

**October 1, 2011**

**This brochure supplement provides information about Brent Welch that supplements the Welshire Capital LLC brochure. You should have received a copy of that brochure. Please contact Lynette Longmire, Chief Compliance Officer, at 608-783-0003 or [www.welshirecapital.com](http://www.welshirecapital.com) if you did not receive Welshire Capital LLC's brochure or if you have any questions about the contents of this supplement.**

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**ITEM 2 Educational Background and Business Experience**

Mr. Welch was born in 1962. He attended La Crescent High School in La Crescent, Minnesota, graduating with high honors in 1980. Mr. Welch attended the University of Wisconsin in La Crosse (U.W. La Crosse) from 1980 to 1983 and majored in business and finance. He did not receive a degree from U.W. La Crosse but received his certificate in Bible from Capernwray Bible School in 1984 before entering the financial planning business on August 1, 1984. In 1989, Mr. Welch completed his Certified Financial Planning (CFP) designation from the College of Financial Planning in Denver, CO. In 1990, he obtained his Chartered Financial Consultant (ChFC) designation from the American College in Bryn Mawr, Pennsylvania. In 1991, he received the Chartered Life Underwriter (CLU) designation from the American College in Bryn Mawr, Pennsylvania. In 2011, he obtained his Accredited Investment Fiduciary (AIF) designation from fi360.

Mr. Welch has specialized in retirement and estate planning since 1984 and from 1997-2007 was a Registered Representative with Securities America Advisors, Inc., a SEC registered investment adviser. Mr. Welch is a Series 7, 63 and 24 licensed Registered Representative of Comprehensive Asset Management and Servicing, Inc. His services include selling mutual funds and brokerage accounts with stocks, bonds, UITs, ETFs and other registered investment products.

The CFP® certification process, administered by CFP Board, identifies to the public that those individuals who have been authorized to use the CFP® certification marks in the U.S. have met rigorous professional standards and have agreed to adhere to the principles of integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence when dealing with clients. CFP® certificants must pass the comprehensive CFP® Certification Examination, pass CFP Board's Fitness Standards for Candidates and Registrants, agree to abide by CFP Board's Code of Ethics and Professional Responsibility which puts clients' interests first and comply with the Financial Planning Practice Standards which spell out what clients should be able to reasonably expect from the financial planning engagement.

A Chartered Financial Consultant (ChFC) is the financial planning designation for the insurance industry awarded by the American College of Bryn Mawr. ChFCs must meet experience requirements and pass exams covering finance and investing. They must have at least three years of experience in the financial industry, and have studied and passed an examination on the fundamentals of financial planning, including income tax, insurance, investment and estate planning. The ChFC designation must be renewed every two years and complete a minimum of 30 hours of continuing education. For more information on the ChFC designation and a ChFC informational brochure, go to [www.ChFCHighestStandard.com](http://www.ChFCHighestStandard.com) or [www.TheAmericanCollege.edu/chfc](http://www.TheAmericanCollege.edu/chfc).

To receive the CLU® designation, you must successfully complete all courses in your selected program, meet experience requirements and ethics standards, and agree to comply with The American College Code of Ethics and Procedures. Course topics include: insurance planning, life insurance law, estate planning, planning for business owners and professional, financial planning, health insurance, tax, investments, group benefits, and retirement needs. For more information on the CLU designation and a CLU informational brochure, go to [www.CLUHighestStandard.com](http://www.CLUHighestStandard.com) or [www.TheAmericanCollege.edu/clu](http://www.TheAmericanCollege.edu/clu).

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**ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to the above listed supervised person.

**ITEM 4 Other Business Activities**

The above listed supervised person does not have a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

**ITEM 5 Additional Compensation**

All employees receive a bonus and, at times, it is based on new accounts. All supervised persons have an additional bonus based on new business, which may be in the form of a portion of the commission if it is a brokerage product and if it is an investment management product, it is a portion of the asset under management fee. If the supervised person is employed by the Advisor for ten years and is 59 and 1/2, a

deferred compensation arrangement exists.

#### **ITEM 6 Supervision**

Lynette Longmire, Chief Compliance Officer, is responsible for monitoring the activities of Advisor's supervised persons. Ms. Longmire's telephone number is 608-783-0003. The Advisor's Investment Policy Committee plans to meet twice weekly to discuss topics that include the market, economy, and client target Models. The Investment Policy Committee includes all supervised persons. Ms. Longmire reviews prior to use, the written client performance materials and newsletters. Prior to client meetings, supervised persons review the client's objectives, notes from prior meetings, and prepare the agenda. Kristy Peters, Wealth Advisor/Team Leader, reviews goals with each supervised person and determines if the employee is eligible for a bonus. On a weekly basis, training is provided for supervised persons and future client meetings are discussed. All employees receive Advisor's Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

**Kristy Peters**  
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**October 1, 2011**

**This brochure supplement provides information about Kristy Peters that supplements the Welshire Capital LLC brochure. You should have received a copy of that brochure. Please contact Lynette Longmire, Chief Compliance Officer, at 608-783-0003 or [www.welshirecapital.com](http://www.welshirecapital.com) if you did not receive Welshire Capital LLC's brochure or if you have any questions about the contents of this supplement.**

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**ITEM 2 Educational Background and Business Experience**

Kristy Peters was born in La Crosse, WI in 1963 and resides in Onalaska, WI with her husband and three children. She attended UW - Madison from 1982 - 1984, WWTC from 1985 - 1986, UW - Lacrosse in 1987, WWTC from 1994 - 1996, where she graduated with high honors with a degree in Accounting. She received her BS in Business Administration from Franklin University in 2009, Summa Cum Laude with a Masters of Business Administration in 2010. Mrs. Peters has worked for Welshire Capital, LLC, (formerly Family Wealth Counselors) since July 2003, prior to that she was an advisor for American Express Financial Advisor's. She is a Series 7 and 63 licensed Registered Representative of Comprehensive Asset Management and Servicing, Inc. and a Series 65 licensed Investment Adviser Representative of Advisor. In 2011, she obtained her Accredited Investment Fiduciary (AIF) designation from fi360.

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**Jennifer Westlie**  
**Welshire Capital LLC**

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**This brochure supplement provides information about Jennifer Westlie that supplements the Welshire Capital LLC brochure. You should have received a copy of that brochure. Please contact Lynette Longmire, Chief Compliance Officer, at 608-783-0003 or [www.welshirecapital.com](http://www.welshirecapital.com) if you did not receive Welshire Capital LLC's brochure or if you have any questions about the contents of this supplement.**

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**ITEM 2 Educational Background and Business Experience**

Jennifer Westlie was born in 1983 and was raised in the La Crosse area. She graduated from Holmen High School and then received a Bachelor of Science degree with Magna Cum Laude honors from Winona State University in Winona, MN in 2005. Jennifer has worked for Welshire Capital, LLC since 2006 and is a Series 7 and 66 licensed Registered Representative of Comprehensive Asset Management and Servicing, Inc. In 2011, she obtained her Accredited Investment Fiduciary (AIF) designation from fi360.

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**Josh Lieder**  
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**This brochure supplement provides information about Josh Lieder that supplements the Welshire Capital LLC brochure. You should have received a copy of that brochure. Please contact Lynette Longmire, Chief Compliance Officer, at 608-783-0003 or [www.welshirecapital.com](http://www.welshirecapital.com) if you did not receive Welshire Capital LLC's brochure or if you have any questions about the contents of this supplement.**

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**ITEM 2 Educational Background and Business Experience**

Josh Lieder was born in 1987 and grew up in Mahtomedi, MN. He was home schooled throughout high school. He graduated May 2010, with a bachelor's degree in Business-Finance from the University of Wisconsin-La Crosse. He began working at Welshire Capital, LLC in February 2010 as an intern and began working fulltime upon his college graduation. He is currently a Series 7 and 66 licensed Registered Representative of Comprehensive Asset Management and Servicing, Inc. He is currently enrolled in the CFP program. In 2011, he obtained his Accredited Investment Fiduciary (AIF) designation from fi360.

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**ITEM 2 Educational Background and Business Experience**

Lynette Longmire was born in 1968 and was raised in Southeastern Minnesota. She graduated from Caledonia High School and then received an Associate's Degree in Accounting from Western Wisconsin Technical college in 1988. Lynette has worked for Welshire Capital, LLC since October 2010. She worked in the financial industry for 18 years, most recently as an assistant to the Internal Auditor at Community Credit Union from 2001-2010.

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