

Walker Financial Advisors, Inc.
Registered Investment Advisor

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This Brochure provides information about the business practices of Walker Financial Advisors, Inc. (WFA). For additional information feel free to visit our web site at:

www.walkerfinancial.com

Our company information is also available on the SEC's website at:

www.adviserinfo.sec.gov

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Item 3 – Advisory Business

COMPANY OVERVIEW: Since 1986, Walker Financial Advisors, Inc. (WFA) has been an independent investment advisory and wealth management firm. Our primary focus is portfolio design and investment management services for individuals and retirement plan sponsors. We specialize in conservative balanced accounts with expertise in managing money for all types of tax-favored retirement plans. Our mission is to build and preserve our client's wealth through prudent investment and tax management strategies.

WFA operates as a California corporation with 100% of the company stock held by the Walker Family Trust dated 8/14/1996. Scott Walker is the current trustee and primary beneficiary of the Trust.

As of 3/31/11, WFA has \$78,286,280 under management. That total consists of \$63,677,605 managed on a discretionary basis, and \$14,708,775 in governmental deferred compensation plan assets managed on a non-discretionary basis.

PRIVATE CLIENT MANAGED ACCOUNTS: This is our primary service offering where we first seek to identify each client's goals and objectives, risk tolerance level, past experience, and overall financial position. We review and analyze assets, liabilities, cash flow, and current tax position. Following this analysis an appropriate asset allocation is recommended along with specific investments. Portfolios are individually designed and typically include a combination of individual securities, exchange-traded funds (ETF's), and no-load mutual funds. Existing holdings are reviewed in the portfolio design process, and are not automatically sold. A written investment policy statement is completed specifying allocation guidelines (i.e., maximum % to equity investments) and noting any client imposed constraints.

There is a \$300,000 minimum relationship size. Various client accounts (i.e., husband IRA, wife IRA, trust or joint account) may be combined to reach the minimum.

FINANCIAL ADVISORY AGREEMENT: For those not meeting our minimum account size for a Private Client Managed Account, or those who desire advice on a one-time or stand-alone basis, we offer this agreement under an hourly or flat-fee arrangement.

Flat-fee specialty plans address a specific issue in the areas of investment management, tax planning, retirement planning, education funding, estate planning, and risk management

(insurance analysis). Services under this agreement do not include the ongoing supervision, monitoring, or periodic review of investments.

457 GOVERNMENTAL DEFERRED COMPENSATION PLAN AGREEMENT: WFA also does business as California 457 Benefits (CA 457). Under CA 457, we provide plan administration, investment advice, and employee services. Plan administration services include ongoing regulatory compliance support, contribution processing, daily account valuation and reconciliation, inquiry resolution, along with plan and data maintenance. Investment advice includes review and compliance with the plan Investment Policy Statement, and designing an appropriate mix of investment options so the plan sponsor meets its fiduciary duty to employee participants. Employee services include group educational meetings followed by individual consultations to discuss asset allocation and provide investment advice. Participant enrollment, emergency hardship withdrawals, distribution planning and processing, and beneficiary changes are also provided.

Item 4 – Types of Clients

WFA provides investment and wealth management services primarily to professionals, business owners, corporate executives, and high net worth individuals. In addition, we advise and manage money for trusts, pension and profit-sharing plans and municipal 457 deferred compensation plans.

Item 5 – Methods of Analysis, Investment Strategies and Risk of Loss

Private Client Investment Strategies: Taking into account the current economic and interest rate environment, we utilize a strategic asset allocation approach designed around the needs of each client. Following our initial meeting, we will recommend an appropriate allocation and review initial investment recommendations. We favor individual stocks and bonds, exchange-traded funds (ETF's), and to a lesser extent no-load mutual funds. We prefer blue chip common stocks that have exhibited a history of increasing dividends, and look to buy when the security is trading at a discount to our estimate of intrinsic value. We also favor companies where we have personal experience or knowledge of the company products or services. We add value with fixed-income securities by purchasing individual bonds (tax-exempt and taxable municipal bonds, corporate, and U.S. Treasury issues). We build bond ladders with staggered maturity dates. The maturity date with an individual bond provides an element of certainty regarding return of principal that funds do not provide. ETF's provide low cost access to diversified

baskets of securities and convenient targeted exposure to industry sectors. With actively managed no-load funds, our selection criteria include top-quartile performance within fund category, continuous manager tenure with a consistent process, reasonable asset size, smaller number of holdings, low turnover, below average expenses, and tax efficiency. We may also own preferred stocks, closed-end bond funds, and real estate investment trusts (REIT's). These securities provide current income and diversification benefits. Investing in securities may involve risk of loss that clients should be prepared to bear. Past performance is no guarantee of future results.

Item 6 – Brokerage Practices / Investment Discretion

WFA will establish a brokerage account in the client's name with Schwab Institutional (SI), a division of Charles Schwab & Co., Inc. a registered broker/dealer, to maintain custody of clients' assets. WFA and SI are separate, unaffiliated entities. SI provides WFA with access to its institutional trading and operations services typically not available to Schwab's retail customers. SI's services include brokerage, custody, research, access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. WFA does not share in any Schwab commission or transaction fee.

Clients authorize WFA to act under a limited power of attorney to execute trades through a discretionary arrangement. WFA will ordinarily determine which securities are purchased or sold for client accounts and the amount of such purchases and sales. Our authority may be limited by specific instructions from the client to restrict or prohibit transactions in certain securities. Client's may purchase no-load mutual funds directly from the fund sponsor and not incur transaction fees which may be associated with similar purchases made through Schwab. We may also purchase mutual funds that carry no transaction fee to buy or sell through Schwab.

Under the Schwab arrangement, WFA may be authorized to direct that funds be disbursed from a client account. Such disbursements may only be directed to the clients address of record or to a financial institution specifically for the client's benefit.

Item 7 – Custody

Schwab Institutional, a division of Charles Schwab & Co., Inc. is used as the broker/dealer and/or custodian for client funds. The Charles Schwab Trust Company serves as custodian under our 457 plan offering. WFA does not share in any Schwab commissions or transaction fees. Please contact our office for a summary of Schwab's discounted commission rates.

Individual municipal or corporate bonds may be purchased or sold from broker/dealers other than Schwab when more favorable pricing or yields exist. A \$20 Schwab fee is charged on these “Prime Broker” trades.

All client accounts are registered in the name of the client and held at Schwab Institutional, so WFA will never have custody of client funds. Clients will receive monthly statements and trade confirmations for any buy or sell transaction directly from Schwab Institutional. WFA urges you to carefully review such statements and compare the official custodial records to the account statements that we provide to you on a quarterly basis.

Item 8 – Fees and Compensation

Private Client Managed Account Service: Your asset management fee is based on an annual percentage of assets managed and is calculated and billed quarterly in advance. The annual fee for new accounts is as follows:

First \$500,000	-	1.00%
Next \$500,000	-	0.75%
Over \$1,000,000	-	0.50%
Over \$5,000,000	-	0.25%

Accounts are subject to a minimum fee of \$750/quarter, and a minimum relationship size of \$300,000. All accounts are aggregated per client to qualify for fee discounts. Under special circumstances, fees are negotiable. Management fees may be tax deductible, please consult your tax advisor. Qualified prospective clients are entitled to a one hour courtesy consultation.

As a fiduciary, we endeavor to minimize costs for our clients. WFA is compensated on a fee-only basis, solely from client asset management fees. We refuse to accept any securities commissions or mutual fund expense reimbursement payments (“revenue sharing”) to avoid any potential conflicts of interest. Clients invested in ETF’s and no-load mutual funds do pay fund management fees in addition to our advisory fee.

For convenience purposes, client authorizes Schwab to pay WFA management fees directly from client account. Clients will receive quarterly statements from WFA showing the amount of the fee, the value of assets on which the fee was based, and how the fee was calculated. The quarterly fee is adjusted for cash deposits and withdrawals made during the previous quarter.

Financial Advisory Agreement: Hourly consulting fees are \$250 per hour for Warren Isenberg, and \$300 per hour for Scott Walker.

Flat-fees for specialty plans with a vary depending upon the complexity and time involved and typically range from \$1,000 to \$5,000. The fee range for comprehensive financial planning is \$5,000 to \$10,000. Flat fees will vary based on the complexity of the situation and estimated time commitment.

457 Governmental Deferred Compensation Plan Agreement: Fees are based on an annual percentage of plan assets and are calculated and paid quarterly in advance. The annual fee for new accounts is as follows:

First \$15,000,000	- 0.45%
Next \$15,000,000	- 0.25%
Next \$20,000,000	- 0.20%
Over \$50,000,000	- 0.10%

Plans are subject to a minimum fee of \$12,500 per quarter. CA 457 may sub-contract with outside firms to provide record keeping and/or plan administrative services.

Any of our agreements may be terminated by either party at any time without cause. Termination shall consist of written notice to such effect. WFA will reimburse terminated clients on a prorated basis for fees paid in advance when the termination occurs before the fee is earned.

ADDITIONAL COMPENSATION: Schwab Institutional (SI) makes available to WFA other products and services that benefit WFA. Many of these products and services assist WFA in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution, and provide securities research, pricing information, and other market data. WFA receives discounts and fee waivers from SI on computerized portfolio management services and educational events organized and /or sponsored by SI. Although WFA endeavors to minimize transaction costs, the client may pay brokerage commissions to Schwab in excess of those which other discount brokerage firms might have charged for effecting the same transactions in recognition of the value of the research services provided by Schwab to WFA.

Item 9 – Performance-Based Fees

WFA does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 10 – Education and Business Standards

All personnel must have the Certified Financial Planner or Chartered Financial Analyst professional designation or be actively working toward one of the designations.

EDUCATION AND BUSINESS BACKGROUNDS:

Walker, Scott D. Date of Birth: September 4, 1958

University of Nebraska – Lincoln: Bachelor of Science, Business Administration with emphasis in finance & economics – 1980

College for Financial Planning – Denver, CO: CFP professional designation – 1986

University of Southern California: Financial Planning Program – 1986

1/98 to present: President – Walker Financial Advisors, Inc.

5/86 to 12/97: Owner – Walker Financial Consultants

Isenberg, Warren B. Date of Birth: July 6, 1966

University of California – Irvine: Bachelor of Science, Biological Science – 1989

College for Financial Planning – Denver, CO: CFP professional designation – 1996

2/98 to present: Vice President & Portfolio Manager – Walker Financial Advisors, Inc.

7/97 to 9/97: Financial Advisor – American Express Financial Advisors

10/94 to 9/95: Stock broker – Baraban Securities, Inc.

Item 11 – Review of Accounts

Scott Walker and Warren Isenberg review client accounts on a regular basis, with security prices monitored on a daily basis. They work as a team developing strategies and managing assets. Mr. Walker serves as the primary advisor for 86 client accounts, and Mr. Isenberg is the primary advisor on the other 47 client accounts. In addition, Mr. Isenberg conducts extensive securities research and analysis for the firm.

Changes in portfolio holdings may be triggered by several factors including: Target price or full value is obtained on an existing holding, or a change in the fundamental outlook for a given company or security which casts doubt on our original purchase thesis. For individual stocks, technical price & volume data is studied in addition to fundamental data. Other factors considered include changes in the macro-economic, legislative and tax environment; or changes in Federal Reserve policy and interest rates. For taxable accounts, year-end tax-loss harvesting to offset capital gains is considered. When a better opportunity is discovered, an existing holding may be sold to free up money for the new position.

Clients receive detailed reports on a quarterly basis. Graphical reports show client's current asset allocation, and portfolio value versus cumulative net investment. A Portfolio Performance Review provides total percentage returns over various time periods net of all fees. A Portfolio Statement provides all pertinent information on each holding by account. A Portfolio Position Summary shows the quarterly returns for each holding. A Cash Reconciliation report summarizes all transactions for the quarter. Your Billing Summary report shows how your management fee was calculated and the total amount billed.

As custodian, Charles Schwab & Co., Inc. provides monthly statements to client and WFA reflecting all activity in client's account, along with a separate trade confirmation for each transaction. Clients may schedule review sessions at any time.

Item 12 – Voting Client Securities

Most clients delegate proxy voting authority to WFA; however, a client may opt to vote proxies themselves if desired. Clients may obtain a copy of Walker Financial Advisors, Inc's complete proxy voting policies and procedures upon request.

Item 13 – Material Changes

There are no material changes to the business practices of WFA since our last annual update.

Item 14 – Code of Ethics

WFA has adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at WFA must acknowledge the terms of the Code of Ethics annually, or as amended.

Subject to satisfying this policy and applicable laws, officers and employees of WFA may trade for their own accounts in securities which are recommended to and/or purchased for WFA's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of WFA will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between WFA and its clients.

Certain WFA affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with WFA's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. WFA will retain records of the trade order (specifying each participating account) and its allocation. WFA's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting our corporate secretary, Lisa Leahy.

Item 15 – Other Financial Industry Activities and Affiliations

WFA also does business as California 457 Benefits. CA 457 is a division of WFA that serves as a third party administrator to governmental deferred compensation plans. CA 457 has an existing relationship with the City of Costa Mesa, CA.

Item 16 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of our firm or the integrity of management. WFA and our personnel have never been the subject of any formal complaint or disciplinary action by any regulatory body.