

Item 1 - Cover Page

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This brochure provides information about the qualifications and business practices of Sierra Wealth Advisors. If you have any questions about the contents of this brochure, please contact us at 530-887-8887 or keith@sierrawealth.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 Sierra Wealth Advisor is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes (since last annual update on March 16, 2010)

Keith Merson is no longer providing services through the MyFinancialAdvice (MFA) platform so all references to MFA have been removed.

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Item 4 - Advisory Business

Sierra Wealth Advisors is wholly owned by Keith Merson and was first registered as an investment advisory firm in California in 2004. We are a fee-only wealth management firm serving business owners, nonprofit organizations, individuals, and families, and dedicated to research-proven investment practices and the highest ethical standards.

Sierra Wealth Advisors agrees to deliver the following 7-step process:

1. Define how Sierra Wealth Advisors will work with Client
2. Learn about Client and Client's goals
3. Answer Client's questions
4. Analyze strategies to help Client make informed decisions
5. Implement the strategy that best achieves Client's goals
6. Measure, manage, and report to Client the progress towards Client's goals
7. Update Client's strategy to accommodate changes

Client agrees to:

8. Complete the data gathering process, initially and from time to time as requested
9. Provide all documents and information as requested
10. Authorize third parties to disclose Client's confidential information to Sierra Wealth Advisors
11. Provide Sierra Wealth Advisors with written authorization whenever Client wishes Sierra Wealth Advisors to disclose Client's confidential information to third parties
12. Inform Sierra Wealth Advisors promptly of changes in Client's financial situation
13. Participate in the review process at least annually, unless otherwise agreed, in order to update Client's strategies and Investment Policy Statement
14. Encourage Client's other professional advisors to participate in the process

Item 5 - Fees and Compensation

As compensation for the services that Sierra Wealth Advisors will provide to Client during each forthcoming quarterly time period, Client agrees to pay to Sierra Wealth Advisors a fee, in advance, on the first business day of each calendar quarter. Unless otherwise agreed, the following fee schedule will apply:

FEE SCHEDULE					
Assets Under Management				Quarterly Fee	Annual Fee
First	\$500,000			0.20%	0.80%
Next	\$500,001	to	\$1,000,000	0.12%	0.48%
Next	\$1,000,001	to	\$2,000,000	0.09%	0.36%
Next	\$2,000,001	to	\$5,000,000	0.06%	0.24%
Next	\$5,000,001	to		0.05%	0.20%

Sierra Wealth Advisors typically provides services to clients who have more than \$500,000 of Assets Under Management. "Assets Under Management" is defined to include: all investments and securities (including both taxable and tax-deferred), trusts, stock options (market value minus exercise price), retirement plans, IRAs, custodial accounts, investment real estate, limited partnerships, LLCs, and variable insurance products. "Assets Under Management" does not include: Client's personal use assets (such as residences and vehicles), collectibles (such as artwork and coins), defined benefit retirement plans, Social Security benefits, certain real estate, and closely held business interests. Client's fee will be determined by combining the fair market value (measured on the last business day of the prior calendar quarter) of all of Client's Assets Under Management. As Client's assets get transferred to Sierra Wealth Advisors' supervision, or whenever Client deposits in excess of \$50,000, partial time periods will be billed proportionally. Clients who choose to have multiple investment strategies (including multiple portfolio designs, multiple implementations and multiple reviews, rebalancings, reports, revisions, and reallocations) will pay multiple quarterly fees, and will not have their assets combined to determine their fees. Client agrees to authorize custodian(s) of Client's money to withdraw fees from Client's account(s) and then electronically transfer these fees to Sierra Wealth Advisors, unless otherwise agreed.

For clients with less than \$500,000 of Assets Under Management, Sierra Wealth Advisors' hourly professional fees for consulting services (e.g., financial planning) are \$200 per hour.

Client agrees to pay Sierra Wealth Advisors a late penalty in the amount of \$100 per month or 2% per month, whichever is greater, for any fees or expense reimbursements that Sierra Wealth Advisors receives more than ten business days late. Client agrees to pay all Sierra Wealth Advisors' reasonable attorneys fees and collection costs if Sierra Wealth Advisors has uncollected accounts receivable from Client for more than a month. Client acknowledges that Sierra Wealth Advisors will immediately stop providing all services in the event that Sierra Wealth Advisors has uncollected accounts receivable from Client for more than a month.

Federal and/or state law generally prohibits entering into any investment advisory contract that provides for compensation to the investment adviser on the basis of a share of capital gains or capital appreciation of the funds of the client. Sierra Wealth Advisors is not compensated on the basis of a share of capital gains or capital appreciation of the funds, or any portion of the funds, of Client.

It is possible that Client will incur additional finance-related expenses. Such expenses may include, but are not limited to: legal fees, tax return preparation fees, commissions and/or transaction fees on the purchase and sale of securities, appraisal fees, custodial fees, trustee fees, banking fees, wire transfer fees, due diligence costs, etc. Client is responsible to pay these additional expenses directly to whomever provides Client with the additional services.

Sierra Wealth Advisors recognizes that advisory services are most effective when Client's professional advisors all work together as a coordinated team. Sierra Wealth Advisors recommends that Client encourage Client's other professional advisors to participate in the process.

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

Sierra Wealth Advisors is not compensated on the basis of a share of capital gains or capital appreciation of clients' funds, or any portion of clients' funds.

Item 7 - Types of Clients

Sierra Wealth Advisors serves business owners, nonprofit organizations, individuals, and families. We offer multiple service levels, as outlined below. However, all non-profit clients are accorded Platinum Service regardless of annual fees or assets under management. Non-profit clients receive Portfolio Reviews rather than Progress Reviews, and some services (e.g., Financial Plan Updates) are not applicable. Bronze Service (hourly) is intended as a trial arrangement so that individuals can experience the value of our services without making a long-term commitment. As such, we limit the term of Bronze Service.

	BRONZE	SILVER	GOLD	PLATINUM
Structure & Fees				
Term	Limited to 1 year	Unlimited	Unlimited	Unlimited
Billing Method	Hourly	Assets Under Management	Assets Under Management	Assets Under Management
Billing Frequency	Monthly	Quarterly	Quarterly	Quarterly
Minimum Annual Fee	\$2,000	\$4,000	\$10,000	\$27,200
Equivalent Portfolio	n/a	\$500,000	\$2,000,000	\$10,000,000
Client Communication				
Progress Reviews	\$200 per hour	Annually	Semi-Annually	Quarterly
Phone Calls, Emails & Meetings	\$200 per hour	Unlimited	Unlimited	Unlimited
Email Newsletter	Included	Included	Included	Included
Financial Planning				
Access to Online Planning Tool	Limited to 1 year	Included	Included	Included
Monte Carlo Analysis	Limited to 1 year	Included	Included	Included
Financial Plan Updates	\$200 per hour	Annually	Annually	Annually +
Portfolio Management				
Access to Asset Class Funds	No	Yes	Yes	Yes
Portfolio Rebalancing	n/a	Annually	Annually +	Annually +
Investment Policy Updates	n/a	Annually	Annually	Annually

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

Sierra Wealth Advisors' investment philosophy is based on Modern Portfolio Theory and the Efficient Market Hypothesis. Modern Portfolio Theory holds that asset allocation is the primary determinant of portfolio performance. The Efficient Market Hypothesis holds that securities prices reflect values and information accurately and quickly, and therefore a) investors cannot identify superior securities using fundamental information or price patterns and b) it is difficult if not impossible to capture returns in excess of market returns without taking greater than market levels of risk. Hence, Sierra Wealth Advisors typically implements a client's target asset allocation using no-load, institutional asset class mutual funds.

Sierra Wealth Advisors typically follows the process described above in Item 4 - Advisory Business. Following this process typically results in a payout/distribution plan for non-profit organizations and a personal financial plan for individuals, which quantifies the rate-of-return needed to achieve Client's goals. Sierra Wealth Advisors then calculates Client's customized "target asset allocation," which is a portfolio designed to accommodate Client's unique constraints, and expected to achieve Client's rate-of-return goal, while minimizing unnecessary risk. This customized target asset allocation is documented in Client's written Investment Policy Statement.

Sierra Wealth Advisors typically implements Client's target asset allocation using no-load, institutional asset class mutual funds. When no "index" mutual fund is available for an asset class, depending on the characteristics of that particular asset class, Sierra Wealth Advisors may use "actively-managed" mutual funds, individual securities, and non-traditional investment products. It is not Sierra Wealth Advisors' typical investment strategy to attempt to: (1) time the market, (2) select individual securities, or (3) use mutual funds with "active managers" who try to beat their benchmarks. However, with Client's written authorization, Sierra Wealth Advisors may change its investment strategy to accommodate special situations such as: low-basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, special tax situations. Client authorizes Sierra Wealth Advisors to use its best judgment (based on investment costs, tax efficiency, product availability, and new product introductions) when implementing Client's target asset allocation.

Annually, and occasionally following significant market moves, Sierra Wealth Advisors rebalances Client's actual portfolio back to Client's target asset allocation, if the trades are expected to result in a benefit to Client. During Client's periodic reviews, Sierra Wealth Advisors provides status regarding progress toward goals, re-educates Client about prudent investing, and may provide information on new investment products and services, and new academic research that affects Client. Clients re-educate Sierra Wealth Advisors too, updating financial status, objectives, and constraints, and focusing on any changes since the last review. All of this is used to update Client's strategy, which includes the rate-of-return goal, risk tolerance level, and Client's written Investment Policy Statement. Sierra Wealth Advisors calculates an updated "target asset allocation," expected to achieve Client's newly updated rate-of-return goal, designed for Client's unique objectives and constraints. Finally, if it is expected to result in a benefit to Client, Sierra Wealth Advisors reallocates Client's portfolio in accordance with the new "target asset allocation." For specific frequency of reviews and rebalancing, please refer to the Service Levels table in Item 7 - Types of Clients.

Item 9 - Disciplinary Information

Sierra Wealth Advisors has had no disciplinary events.

Item 10 - Other Financial Industry Activities and Affiliations

Sierra Wealth Advisors has no other financial industry activities or affiliations.

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

Principals, employees and/or related persons (collectively "Associated Persons") of Sierra Wealth Advisors may buy or sell securities that are also recommended to clients. As these situations may represent a potential conflict of interest, Sierra Wealth Advisors has established the following policies in order to ensure its fiduciary responsibilities:

Associated Persons shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry.

No Associated Persons shall prefer his or her own interest to that of the advisory client.

Unless specifically defined in Sierra Wealth Advisors' policies and procedures (summarized below), no Associated Persons may effect for himself or herself, for his or her immediate family (i.e., spouse, minor children, and adults living in the same household as the Associated Person), or for trusts for which the Associated Person serves as a trustee or in which the Associated Person has a beneficial interest (collectively "Covered Persons"), any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Sierra Wealth Advisors' clients.

When Sierra Wealth Advisors is purchasing or considering for purchase any security on behalf of a client, no Covered Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Sierra Wealth Advisors is selling or considering the sale of any security on behalf of a client, no Covered Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security.

The foregoing policies and procedures are not applicable to (a) transactions effected in any account over which neither Sierra Wealth Advisors nor any advisory representative of Sierra Wealth Advisors has any direct or indirect influence or control; and (b) transactions in securities that are: direct obligations of the Government of the United States; bankers' acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements; shares issued by registered open-end investment companies; or other securities that trade in sufficiently broad markets to permit transactions to be completed without any appreciable impact on the markets of such securities.

This policy has been established recognizing that some securities being considered for purchase and sale on behalf of Sierra Wealth Advisors' clients trade in sufficiently broad markets to permit transactions by clients and/or Covered Persons to be completed without any appreciable impact on the markets of such securities. Under certain limited circumstances, exceptions may be made to the policies stated above. Sierra Wealth Advisors will maintain records of any exceptions, including the reasons for the exceptions.

Item 12 - Brokerage Practices

Factors which Sierra Wealth Advisors considers in recommending a broker-dealer to clients include, but are not necessarily limited to, respective financial strength, reputation, execution, pricing, research, and service. Recommended broker-dealers typically enable Sierra Wealth Advisors to obtain many no-load mutual funds without transaction charges and other no-load and load-waived funds at nominal transaction charges. Recommended broker-dealers typically charge commission rates that are generally considered discounted from customary retail commission rates. The commissions and/or transaction fees charged by a recommended broker-dealer may be higher or lower than those charged by other broker-dealers. In return for effecting securities transactions through any designated broker-dealer or custodian, Sierra Wealth Advisors may receive certain investment research products and/or services that assist Sierra Wealth Advisors in its investment decision-making process for the client.

The brokerage commissions and/or transaction fees charged by any designated broker-dealer are exclusive of, and in addition to, Sierra Wealth Advisors' investment management fee. Although the commissions paid by Sierra Wealth Advisors' clients shall comply with Sierra Wealth Advisors' duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Sierra Wealth Advisors determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Sierra Wealth Advisors will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Although the investment research products and/or services that may be obtained by Sierra Wealth Advisors will generally be used to service all of Sierra Wealth Advisors' clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

Item 13 - Review of Accounts

Reviews, frequency and triggering factors are described in Item 4 - Advisory Business and Item 7 - Types of Clients. All reviews are conducted by the Principal of Sierra Wealth Advisors, Keith Merson. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Sierra Wealth Advisors and to keep Sierra Wealth Advisors informed of any changes thereto.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the custodian for the client accounts.

Item 14 - Client Referrals and Other Compensation

Sierra Wealth Advisors neither receives nor provides any compensation for referrals.

Item 15 - Custody

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the custodian for the client accounts. Clients should carefully review all statements.

Item 16 - Investment Discretion

Sierra Wealth Advisors exercises only non-discretionary trading authority.

Item 17 - Voting Client Securities

Sierra Wealth Advisors does not vote security proxies on behalf of clients.

Item 18 - Financial Information

Keith Merson (dba Sierra Wealth Advisors) is a sole proprietor, so financial information is personal financial information. Therefore, financial information is available only upon request.

Item 19 - Requirements for State-Registered Advisers

Keith Merson is the sole principal of Sierra Wealth Advisors and is not engaged in any other business activities.

Born 1963

Post-Secondary Education:

College for Financial Planning, Certified Financial Planner (CFP) Program, 2005

University of New Hampshire, Bachelor of Science in Electrical Engineering, 1985

Recent Business Background:

Sierra Wealth Advisors, Principal, 2004 - Present

American Express Financial Advisors, Financial Analyst, Sept 2003 - Nov 2005

American Express Financial Advisors, Financial Advisor, Sept 2002 - June 2003