

**Uniform Application for Investment Adviser Registration**

<b>OMB APPROVAL</b>	
OMB Number:	3235-0049
Expires:	February 28, 2011
Estimated average burden hours per response.....	9.402

Name of Investment Adviser: <b>Mengis Capital Management, Inc.</b>				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
<b>One S.W. Columbia, Suite 780</b>	<b>Portland</b>	<b>OR</b>	<b>97258</b>	<b>( 503) 916-0776</b>

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any government authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)
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Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

**FORM ADV**

**Part II - Page 2**

Applicant: <b>Mengis Capital Management, Inc.</b>	SEC File Number: <b>801-60688</b>	Date: <b>February 19, 2009</b>
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1. **A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)
- Applicant:
- |                                     |   |             |
|-------------------------------------|---|-------------|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services . . . . .  | <b>100%</b> |
| <input type="checkbox"/>            | (2) Manages investment advisory accounts not involving investment supervisory services . . . . .  | %           |
| <input type="checkbox"/>            | (3) Furnishes investment advice through consultations not included in either service described above . . . . .  | %           |
| <input type="checkbox"/>            | (4) Issues periodicals about securities by subscription . . . . .   | %           |
| <input type="checkbox"/>            | (5) Issues special reports about securities not included in any service described above . . . . .   | %           |
| <input type="checkbox"/>            | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities . . . . . | %           |
| <input type="checkbox"/>            | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . . .   | %           |
| <input type="checkbox"/>            | (8) Provides a timing service . . . . .   | %           |
| <input type="checkbox"/>            | (9) Furnishes advice about securities in any manner not described above . . . . .   | %           |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does the applicant call any of the services it checked above financial planning or some similar term? . . . . . Yes  No

- C. Applicant offers investment advisory services for: (check all that apply):
- |                                     |  |                          |                       |
|-------------------------------------|--|--------------------------|-----------------------|
| <input checked="" type="checkbox"/> | (1) A percentage of assets under management      | <input type="checkbox"/> | (4) Subscription fees |
| <input checked="" type="checkbox"/> | (2) Hourly charges                               | <input type="checkbox"/> | (5) Commissions       |
| <input type="checkbox"/>            | (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> | (6) Other             |

- D. For each checked box in A above, describe on Schedule F:
- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
  - applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
  - when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of Clients** - Applicant generally provides investment advice to: (check those that apply)
- |                                     |                                     |                                     |  |
|-------------------------------------|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | A. Individuals                      | <input checked="" type="checkbox"/> | E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/>            | B. Banks or thrift institutions     | <input checked="" type="checkbox"/> | F. Corporations or business entities other than those listed above |
| <input type="checkbox"/>            | C. Investment companies             | <input type="checkbox"/>            | G. Other (describe on Schedule F)                                  |
| <input checked="" type="checkbox"/> | D. Pension and profit sharing plans |                                     |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Equity Securities<br>(1) exchange-listed securities<br><input checked="" type="checkbox"/> (2) securities traded over-the-counter<br><input checked="" type="checkbox"/> (3) foreign issues | <input checked="" type="checkbox"/> H. United States government securities   |
| <input checked="" type="checkbox"/> B. Warrants  | <input checked="" type="checkbox"/> I. Options contracts on:<br>(1) securities<br><input type="checkbox"/> (2) commodities   |
| <input checked="" type="checkbox"/> C. Corporate debt securities<br>(other than commercial paper)  | <input type="checkbox"/> J. Futures contracts on:<br>(1) tangibles<br><input type="checkbox"/> (2) intangibles   |
| <input checked="" type="checkbox"/> D. Commercial paper  | <input checked="" type="checkbox"/> K. Interests in partnerships investing in:<br>(1) real estate<br><input checked="" type="checkbox"/> (2) oil and gas interests<br><input type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> E. Certificates of deposit   | <input checked="" type="checkbox"/> L. Other (explain on Schedule F)   |
| <input checked="" type="checkbox"/> F. Municipal securities  |  |
| <input type="checkbox"/> G. Investment company securities<br>(1) variable life insurance<br><input type="checkbox"/> (2) variable annuities<br><input checked="" type="checkbox"/> (3) mutual fund shares                          |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input type="checkbox"/> Charting               | (4) <input type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services  |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities   | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases  |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)  |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |  |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days)                            | (7) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input type="checkbox"/> Short sales   |  |

Applicant: <b>Mengis Capital Management, Inc.</b>	SEC File Number: <b>801-60688</b>	Date: <b>February 19, 2009</b>
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**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ..... Yes  No   
 (If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name • formal education after high school
- year of birth • business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
 

<input type="checkbox"/> (1) broker-dealer	<input type="checkbox"/> (7) accounting firm
<input type="checkbox"/> (2) investment company	<input type="checkbox"/> (8) law firm
<input type="checkbox"/> (3) other investment adviser	<input type="checkbox"/> (9) insurance company or agency
<input type="checkbox"/> (4) financial planning firm	<input type="checkbox"/> (10) pension consultant
<input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input type="checkbox"/> (11) real estate broker or dealer
<input type="checkbox"/> (6) banking or thrift institution	<input type="checkbox"/> (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? ..... Yes  No

(If yes, describe on Schedule F the partnerships and what they invest in.)

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**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, the applicant's code of ethics, and state that the applicant will provide a copy of its code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? . . . . .

Yes  No

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**Account reports are updated by Mengis Capital's in-house network system and are available to Mengis Capital on-line daily. These reports include the following information about each security held in the client's account: cost, current market value, income and percent of total assets. Securities are sorted by industry on the reports. Mengis Capital's system also reconciles these records with each client's custodian records, and any discrepancies are resolved promptly. All assets are held by unaffiliated custodians. Each account is reviewed by Jeff Mengis or Cindy Aschbacher at least quarterly.**

**Mr. Mengis and Ms. Aschbacher consistently evaluate general market conditions along with events and disclosures relevant to individual holdings in client portfolios. They follow a decision process that starts with a bottom-up approach to selecting stocks, followed by sector analysis and allocation. They then make specific investment decisions on individual securities.**

**Information about Mr. Mengis and Ms. Aschbacher is included in Item 6 of the attached Schedule F. Mengis Capital has not established a maximum number of accounts that can be reviewed by one person, but believes that a person generally will be responsible for no more than 200 family or corporate relationships.**

B. Describe below the nature and frequency of regular reports to clients on their accounts.

**Clients receive monthly statements from their independent custodians. Mengis Capital provides clients detailed quarterly reports, including performance analysis for equity accounts.**

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**12. Investment or Brokerage Discretion.**

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- |   |                                     |                          |
|---|-------------------------------------|--------------------------|
| (1) securities to be bought or sold? .....                | Yes                                 | No                       |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold ? ..... | Yes                                 | No                       |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used ? .....                   | Yes                                 | No                       |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? .....                          | Yes                                 | No                       |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? ..... Yes  No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... Yes  No
- B. directly or indirectly compensates any person for client referrals? ..... Yes  No

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? ..... Yes  No

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant: <b>Mengis Capital Management, Inc.</b>	SEC File Number: <b>801-60688</b>	Date: <b>February 19, 2009</b>
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Mengis Capital Management, Inc.</b>	IRS Empl. Ident. No.: <b>93-1326290</b>
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Item of Form (Identify)	Answer
Item 1D	<p><b><u>Services and Fees</u></b></p> <p>Mengis Capital Management, Inc. ("Mengis Capital") offers professional, full-time management of assets. It provides traditional, discretionary portfolio management for individuals, retirement funds, corporations, trusts and endowments. Mengis Capital may also serve as subadviser to assist in the investment of other firms' client assets.</p> <p>Although Mengis Capital generally has discretionary authority over client assets, clients sometimes retain Mengis Capital to make recommendations consistent with the clients' objectives. In those cases, the Adviser obtains the client's approval before each transaction.</p> <p>Fees for portfolio management (discretionary and non-discretionary accounts) are calculated as a percentage of the market value of the assets in the account, without adjustment for any margin debt. The maximum basic fee is 2.0% of the first \$500,000 of equities in each account, with fees decreasing on a sliding scale for amounts in excess of \$500,000. With respect to assets managed using a more aggressive strategy, Mengis Capital charges a higher fee than for the client's assets managed using Mengis Capital's typical strategy. The values in the accounts beneficially owned by related person(s) and/or entities (e.g., accounts held by husband and wife individually, by their IRAs and by trust(s) for the benefit of their children) are aggregated for billing purposes. Fees for the fixed-income portions of accounts range from 0.50% for municipal bond investments to 0.75% for taxable fixed-income investments.</p> <p>The standard fee schedule for the equity portions of accounts is:</p> <ul style="list-style-type: none"> <li>2.0% of equity assets up to \$500,000</li> <li>1.5% of equity assets between \$500,000 and \$1 million</li> <li>1.0% of equity assets over \$1 million</li> </ul> <p>Clients may negotiate lower fees with Mengis Capital. Fee schedules are incorporated into the client's written agreement with Mengis Capital.</p> <p>Generally, fees are paid quarterly in advance at the beginning of the period. Quarterly fee adjustments for additional assets in excess of \$20,000 placed in an account during a quarter are made on a pro rata basis. No fee adjustments are made for partial withdrawals or for account appreciation or depreciation within a billing period. Either party to the agreement may terminate the agreement upon 30 days' notice. If an agreement is terminated, pro rata refunds of fees are paid shortly after the 30-day notice period ends.</p> <p>If a client requests services beyond the normal investment advisory services provided by Mengis Capital, Mengis Capital may charge the client for such services at an hourly rate, based on the services requested and the person providing the additional services. Such hourly rates are negotiable.</p> <p>The agreement that Mengis Capital enters into with each of its clients states that Mengis Capital is not liable to the client for: (a) any loss that the client may suffer by reason of any investment decision made or other action taken or omitted by Mengis Capital, except in the case of Mengis Capital's gross negligence, willful misconduct or lack of good faith; (b) any loss arising from Mengis Capital's adherence to the client's instructions; or (c) any act or failure to act by any custodian or broker. The client agreements also require arbitration of disputes. However, nothing</p>

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant: <b>Mengis Capital Management, Inc.</b>	SEC File Number: <b>801-60688</b>	Date: <b>February 19, 2009</b>
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Mengis Capital Management, Inc.</b>	IRS Empl. Ident. No.: <b>93-1326290</b>
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Item of Form (Identify)	Answer
Item 1D (continued)	<p>in the agreements with clients (including the limitation-of-liability and arbitration provisions) constitutes a waiver by the clients of any legal right under applicable federal or state securities laws or any other law whose applicability is not permitted to be contractually waived. If any dispute arises under a client agreement, it may be in the client's best interest to seek legal counsel's advice with respect to the client's non-waivable rights under the agreement.</p> <p>Mengis Capital may, at its discretion, invest a portion of client assets in open-end or closed-end mutual funds or in exchange-traded funds ("ETFs"). These funds, in the judgment of Mengis Capital, may offer the client unique investment opportunities due to greater diversification, and/or focused research analysis in areas such as emerging growth, foreign markets and higher-yield investments. If Mengis Capital concludes that mutual funds or ETFs are appropriate additions to a client's portfolio, such investments will increase the cost to the client. In addition to Mengis Capital's investment management fee, the client may incur a commission or transaction fee when the mutual fund or ETF is purchased and will incur an annual management fee by the manager of the mutual fund or ETF. None of these fees are shared with Mengis Capital. When considering an investment in a mutual fund or ETF, Mengis Capital will evaluate the relative annual costs as a part of the decision process.</p> <p>A client could invest in a mutual fund or an ETF directly, without the services of Mengis Capital. In that case, the client would not receive the services provided by Mengis Capital, which are designed, among other things, to assist the client in determining which, if any, mutual funds and ETFs are most appropriate to that client's financial condition and objectives. Accordingly, clients should review the fees charged by the mutual funds or ETFs, and the fees charged by Mengis Capital, to fully understand the total amount of fees to be paid and to evaluate the advisory services being provided.</p> <p><b><u>Proxy Voting Policy</u></b></p> <p>As a provider of investment supervisory services, Mengis Capital is generally authorized to vote proxies on behalf of its clients in accordance with its Proxy Voting Policy summarized below.</p> <p>Mengis Capital: (a) monitors corporate actions and collects proxies from the clients' custodians; (b) determines the issues to be voted on; (c) identifies and resolves any conflicts of interest; (d) makes voting decisions; and (e) timely submits proxies. Mengis Capital will resolve any conflict of interest between Mengis Capital and a client by obtaining the client's written consent, by obtaining a voting recommendation from an independent third party, or by voting in accordance with Mengis Capital's pre-determined voting guidelines described below.</p> <p>Mengis Capital has established voting guidelines, under which it generally votes with a company's management on "routine" issues, such as uncontested elections of directors. With respect to "non-routine" issues, Mengis Capital generally votes in favor of proposals promoting director independence and employee participation (e.g., establishment of stock incentive plans for employees) and against proposals inhibiting the same. Careful consideration on a case-by-case basis will be given to other non-routine matters, including proposed mergers and recapitalizations. Mengis Capital may disregard its voting guidelines in situations where a client's best interest would be served by voting otherwise.</p> <p>Mengis Capital will maintain for five years the following records: (a) a copy of its Proxy Voting Policy; (b) records of votes cast by it on behalf of its clients; (c) records of written requests from clients for their proxy voting information and Mengis Capital's written responses; (d) any document prepared by Mengis</p>

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant: <b>Mengis Capital Management, Inc.</b>	SEC File Number: <b>801-60688</b>	Date: <b>February 19, 2009</b>
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Mengis Capital Management, Inc.</b>	IRS Empl. Ident. No.: <b>93-1326290</b>
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Item of Form (Identify)	Answer
Item 1D (continued)	Capital, its affiliates or agents in connection with any voting decision; and (e) proxy statements in hard copy or as obtainable via the EDGAR system. A client may obtain a full copy of Mengis Capital's Proxy Voting Policy or the information on how Mengis Capital voted the securities held by the client by calling Mengis Capital at (503) 916-0776 or by sending a written request to Mengis Capital Management, Inc., Attn: Jeff Mengis, One S.W. Columbia, Suite 780, Portland, OR 97258. Within seven days of receiving the request, Mengis Capital will send the client the requested information by first class mail or a comparable delivery method.
Item 3L	<b><u>Types of Investments</u></b>  Mengis Capital also invests client assets in ETFs.
Item 5	<b><u>Education and Business Standards</u></b>  Mengis Capital generally requires its investment professionals to have a college degree and applicable work experience.
Item 6	<b><u>Education and Business Background</u></b>  <b>J. Jeffrey Mengis, President and Director</b> Born: 1959 Oregon State University – B.S. in Business Administration, 1982 2001-present Mengis Capital Management, Inc. – President, Director and Owner (Chief Compliance Officer from March 2004 to March 2006 and during portions of May 2007 and September 2007) 1999-2001 Sutro & Co., Inc., Portfolio Manager/Vice President – Investments 1998-1999 Charter Investment Group, Portfolio Manager/Vice President – Investments (Charter purchased itself back from Sutro & Co. in 1998) 1997-1998 Sutro & Co., Inc., Portfolio Manager/Vice President – Investments 1990-1997 Charter Investment Group, Vice President – Investments 1987-1990 Black & Company, Investment Executive  <b>Cynthia M. Aschbacher, Chief Compliance Officer and Portfolio Manager</b> Born: 1960 University of Oregon – B.S. Real Estate, 1982 June 2007-present Mengis Capital Management, Inc. – Chief Compliance Officer and Portfolio Manager (Chief Compliance Officer since September 2007) 1994-June 2007 RBC Dain Rauscher (formerly Sutro & Co./Charter Investment Group, Inc.) – Investment Executive/Municipal Sales 1988-1994 U.S. Bancorp Securities, Inc. – Investment Officer 1983-1988 Shearson Lehman Hutton – Vice President, Municipal Liaison  <b>Michael D. Patterson, Operations Manager</b> Born: 1980 Villanova University – B.A. Political Science, 2002 October 2007-present Mengis Capital Management, Inc. – Operations Manager March 2005-October 2007 HAP International, Inc. – General Manager June 2002-March 2005 Office of U.S. Senator Evan Bayh – Legislative Correspondent

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant: <b>Mengis Capital Management, Inc.</b>	SEC File Number: <b>801-60688</b>	Date: <b>February 19, 2009</b>
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Mengis Capital Management, Inc.</b>	IRS Empl. Ident. No.: <b>93-1326290</b>
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Item of Form (Identify)	Answer
Item 9E	<p><b><u>Code of Ethics</u></b></p> <p>Mengis Capital has adopted a Code of Ethics (the "Code"), which requires Mengis Capital and its employees, officers, directors and independent contractors ("associated persons") to act in the best interests of Mengis Capital's clients and in compliance with federal securities laws.</p> <p>The Code is a part of Mengis Capital's Business &amp; Compliance Manual (the "Manual"). Mengis Capital's compliance officer administers and enforces the Manual and provides each associated person with a copy of the Manual, as well as any amendments. All associated persons must: (a) execute an acknowledgement of receipt of the Manual and any amendments to the Manual; and (b) report to the compliance officer any violations of the Code.</p> <p>With respect to their personal securities trading, each associated person must (a) identify securities accounts in which he or she has a direct or beneficial interest; (b) make no personal trades for securities which Mengis Capital is in the process of buying for client accounts until the compliance officer confirms that the client transactions were completed or that the associated person's trade is included in a block transaction at a price no better than the clients' trades; and (c) report all personal securities transactions by providing monthly account statements to the compliance officer.</p> <p>Additional requirements of the Code apply to associated persons with access to nonpublic information regarding a client or investment recommendations made to the client ("access persons"). Each access person must: (a) within 10 days after acquiring the status of an access person, and annually thereafter, submit reports providing certain information regarding all securities (other than obligations of the U.S. government, liquid investments, shares of money market funds or domestic open-end mutual funds unaffiliated with Mengis Capital) beneficially owned by the access person; (b) submit reports of all transactions in securities beneficially owned by the access person, which reporting requirement may be satisfied by providing to the compliance officer quarterly account statements from the securities firm maintaining the access person's account; and (c) obtain the compliance officer's pre-approval to investing in an initial public offering or a private placement. The compliance officer will review each report submitted by the access persons, as well as each quarterly statement received for each associated person's account. The President will review the compliance officer's reports and quarterly statements.</p> <p>Any current or prospective client will receive a copy of Mengis Capital's Code of Ethics upon request.</p>
Item 10	<p><b><u>Minimum Account Size</u></b></p> <p>Before entering into an advisory relationship with a client, Mengis Capital generally requires that accounts subject to its management have a minimum aggregate value of \$500,000. The values in the accounts beneficially owned by related person(s) and/or entities (e.g., accounts held by husband and wife individually, by their IRAs and trust(s) for the benefit of their children) are aggregated for purposes of the minimum balance requirement. In addition, Mengis Capital may waive this requirement under certain circumstances.</p>
Item 12A	<p><b><u>Investment and Brokerage Discretion</u></b></p> <p>Mengis Capital's management discretion includes the selection of the security, the amount to be purchased or sold, the broker or dealer to be used, and the commission rate to be paid. Mengis Capital</p>

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant: <b>Mengis Capital Management, Inc.</b>	SEC File Number: <b>801-60688</b>	Date: <b>February 19, 2009</b>
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Mengis Capital Management, Inc.</b>	IRS Empl. Ident. No.: <b>93-1326290</b>
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Item of Form (Identify)	Answer
Item 12A (continued)	<p>selects brokers on the basis of their overall assistance in terms of execution capabilities, commission rate, financial responsibility, responsiveness to Mengis Capital and research-related products and services provided to Mengis Capital. Commission rates paid may be higher than the lowest commission rate available. Mengis Capital selects brokers on the basis of the quality and/or amount of services the brokers provide to Mengis Capital.</p> <p>Mengis Capital participates in a program with Charles Schwab &amp; Co., Inc., an independent and unaffiliated broker-dealer ("Schwab"), whereby Schwab provides certain brokerage and/or research services, including, without limitation, the maintenance of certain computer hardware, software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, and assist with back-office functions, recordkeeping and client reporting. These services generally may be used to service all of Mengis Capital's accounts, including accounts not custodied at Schwab. In exchange for these services, subject to its obligation to obtain best execution for its clients, Mengis Capital places certain equity transactions with Schwab. Mengis Capital acknowledges its duty to seek best execution of trades for its clients and, consistent with that duty, uses other brokers from time to time.</p> <p>For accounts of Mengis Capital's clients maintained in custody at Schwab, Schwab does not charge the client separately for custody but receives compensation from Mengis Capital's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Like most other custodians, Schwab also receives a fee for clearance and settlement of trades that are executed through broker-dealers other than Schwab. Schwab's fees for trades executed by other broker-dealers are in addition to the fee charged by the other broker-dealer. When trades are executed through other broker-dealers, the trades may be executed at different times and different prices than trades executed by Schwab.</p> <p>Mengis Capital may enter into an agreement with a broker-dealer, which would provide research to Mengis Capital in exchange for Mengis Capital executing certain trades through such broker-dealer. If client assets are not custodied with that broker-dealer, clients will pay the broker-dealer a brokerage commission and will also pay the custodian a separate fee. Research received pursuant to any such arrangement is expected to benefit all Mengis Capital clients.</p> <p>Clients may direct Mengis Capital to select specific brokerage firms or place assets with a specified broker or custodian. In some cases, this request may result in higher commissions and/or less favorable executions on some transactions than Mengis Capital might otherwise be able to attain. The client may forgo any benefit from savings on execution costs that Mengis Capital could obtain for its clients through negotiating volume discounts on block transactions. The client may direct Mengis Capital to use a particular broker from whom Mengis Capital receives or may receive referrals, and Mengis Capital may derive a benefit from the client's direction.</p> <p>Typically, Mengis Capital would cause similarly situated client accounts to engage in similar trades. Thus, if Mengis Capital believes that a particular security is suitable for one account, Mengis Capital will buy the same security for the other similarly situated accounts, except for those accounts, with respect to which Mengis Capital is directed to make other trades (or no trades) by the clients. For example, clients may direct Mengis Capital to trade certain securities in their accounts at a particular price or particular</p>

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**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant: <b>Mengis Capital Management, Inc.</b>	SEC File Number: <b>801-60688</b>	Date: <b>February 19, 2009</b>
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Mengis Capital Management, Inc.</b>	IRS Empl. Ident. No.: <b>93-1326290</b>
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Item of Form (Identify)	Answer
Item 12A (continued)	<p>time. Clients directing such trades may receive a different price for the same security that is traded by Mengis Capital for other accounts pursuant to its general advisory discretion.</p> <p>To obtain more favorable order execution and lower per-share brokerage costs, Mengis Capital will aggregate contemporaneous buy or sell orders for the same securities, with applicable accounts participating in the aggregated order on a pro rata basis. Occasionally, an aggregated order may only be partially filled. Under such circumstances, the transaction generally will be allocated among the applicable clients on a pro rata basis. Exceptions to the pro rata allocation of partially filled orders may occur for several reasons, including without limitation avoidance of odd lots or de minimis numbers of shares and sensitivity toward the total transaction cost to be incurred by the client. In such instances, Mengis Capital allocates the partially filled order equitably. There may be instances when partially filled orders may adversely affect the size of the position or the price paid or received by a client, as compared with the size of the position or price that the client would have received had no aggregation occurred.</p> <p>Although Mengis Capital has no "wrap fee" arrangement as of the date of this Schedule F, Mengis Capital may be retained under a "wrap-fee" arrangement offered by a broker-dealer. The broker-dealer may recommend retention of Mengis Capital as the client's investment advisor, pay Mengis Capital's investment management fee on behalf of the client, monitor and evaluate Mengis Capital's performance, execute the client's portfolio transactions without commission charge, and provide custodial services for the client's assets, or provide any combination of these services, all for a single fee paid by the client to the broker-dealer. However, in evaluating such an arrangement, a client should recognize that Mengis Capital does not negotiate commissions for the execution of such brokerage transactions. Transactions in accounts paying a wrap fee are effected "net" (without commission) and a portion of the wrap fee is generally considered as being paid in lieu of commissions. Because trades are generally required to be executed only by the broker-dealer receiving the wrap fee, Mengis Capital is not free to seek the best price for transactions and generally will not be able to include such clients in aggregated trade transactions. Mengis Capital cannot assure that a particular brokerage firm will provide adequate price and execution on transactions. The client should also consider that, depending on the level of the wrap fee charged by the broker-dealer, the portfolio activity in the client's account, the value of custodial and other services provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if Mengis Capital were free to negotiate commissions and seek the best price and execution of transactions for the client's account.</p>
Item 12B	<p><b><u>Custodian/Broker Recommendations; Benefits Received by Mengis Capital</u></b></p> <p>Mengis Capital generally recommends that its clients use Schwab as their custodian. Mengis Capital requires each client to have a third-party custodial relationship. This can be a for-fee bank/trust company or a brokerage firm. A client may be fee-advantaged to use a brokerage firm but needs to review Item 12A of this Schedule F as to other consequences. Mengis Capital suggests brokers, banks or trust companies that meet high standards of record-keeping, trade execution and research, and that charge competitive commissions. Mengis Capital receives no compensation for suggesting a particular broker, bank or trust company. However, custodians recommended by Mengis Capital provide electronic information to Mengis Capital with respect to each of Mengis Capital's clients whose assets are custodied with that broker, bank or trust company. Such information includes the assets in the client's account, the transactions effected in the account and current pricing for assets in the account. This information benefits Mengis Capital in that it enables Mengis Capital to more quickly and accurately service its clients.</p>

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**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant: <b>Mengis Capital Management, Inc.</b>	SEC File Number: <b>801-60688</b>	Date: <b>February 19, 2009</b>
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Mengis Capital Management, Inc.</b>	IRS Empl. Ident. No.: <b>93-1326290</b>
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Item of Form (Identify)	Answer
Item 13A	<p><b><u>Additional Benefits Received by Mengis Capital</u></b></p> <p>See the following discussions of arrangements whereby Mengis Capital obtains services that enable it to better serve its clients: (a) arrangement with Schwab in Item 12A (starting on page 11) and (b) arrangements with other brokers in Item 12B above. In addition, Schwab covers trade errors that are less than \$100. Occasionally, Mengis Capital receives invitations from broker-dealers to attend various conferences related to particular industries or securities, with some portion of conference-related expenses paid by the inviting broker-dealer. The reimbursement of such Mengis Capital expenses is not tied to any brokerage or commission arrangement with the broker-dealer. Mengis Capital has no agreement with any broker to allocate any fixed amount of brokerage to it.</p>
Item 13B	<p><b><u>Referral Fees Paid by Mengis Capital</u></b></p> <p>Mengis Capital has entered into a referral agreement with Northwest Bank (the "Bank"). Under that agreement, Mengis Capital will receive client referrals from the Bank and will pay the Bank referral fees with respect to each client who opens an advisory account with Mengis Capital within three months after the referral (the "Account"). The referral fee will be paid quarterly at the following rate: (i) 25% of the advisory fees collected from the Account during the first three years, (ii) 10% of the advisory fees generated by the Account during the subsequent two years, and (iii) 5% of the advisory fees generated by the Account after five years and until the Account is terminated for any reason. The referral fees will be paid by Mengis Capital and not by the referred client. Mengis Capital will not charge clients referred through the Bank fees or costs greater than the fees or costs Mengis Capital charges clients with similar portfolios who are not referred through the Bank.</p>

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