

## Item 1      Cover Page

ADV Part 2A Appendix 1

Firm Brochure

Dunn Warren Investment Advisors, LLC

6143 South Willow Drive, Ste. 102

Greenwood Village, CO 80111

Phone: (800) 491-7514

Website: [www.dunnwarren.com](http://www.dunnwarren.com)

Date: March 28, 2011

This wrap fee brochure provides information about the qualifications and business practices of Dunn Warren Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (800) 491-7514 or via email at [info@dunnwarren.com](mailto:info@dunnwarren.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 Dunn Warren Investment Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Please note that registration as an investment advisory firm does not imply a certain level of skill or training.

## **Item 2      Material Changes**

There are no material changes since our last filing.

**Item 3      Table of Contents**

Item 1    Cover Page ..... 1

Item 2    Material Changes ..... 2

Item 3    Table of Contents..... 3

Item 4    Services, Fees and Compensation..... 4

Item 5    Account Requirements and Types of Clients ..... 6

Item 6    Portfolio Manager Selection and Evaluation ..... 6

Item 7    Client Information Provided to Portfolio Managers ..... 12

Item 8    Client Contact with Portfolio Managers..... 12

Item 9    Additional Information..... 12

Brochure Supplement ..... 15

Item 1    Cover Page ..... 15

Item 2    Educational Background and Business Experience ..... 15

Item 3    Disciplinary Information..... 16

Item 4    Other Business Activities..... 16

Item 5    Additional Compensation ..... 16

Item 6    Supervision..... 16

## Item 4 Services, Fees and Compensation

### *About the Firm*

Dunn Warren Investment Advisors, LLC is a registered investment adviser with the Securities and Exchange Commission. We commenced business in 2005. Our owners are James Cornehlisen, Elizabeth Cornehlisen, and Michael Carr.

### *About the Wrap Fee Program*

This service is offered as a wrap fee program. We receive a portion of the wrap fee for its services. There is no difference between how we manage a wrap fee and a non-wrap fee account.

The wrap fee program may cost you more or less than purchasing the services separately. The factors that bear upon the relative cost of the program include the cost of the services if provided separately and the trading activity in your account.

The representative recommending the wrap fee program will receive compensation as a result of your participation in the program. This may be more compensation than they would have received if you participated in the non-wrap fee program or paid separately for investment advice, brokerage, and other services. They may have an incentive to recommend the wrap fee program over other programs or services.

We ask you to provide us with investment discretion with respect to securities to be purchased and sold and amount of securities to be purchased and sold. You will grant us this authority by signing a discretionary asset management agreement.

### *Fees for the Wrap Fee Program*

We have the following four methods of charging fees for our wrap fee program

1. An annual fee based on value of your assets under management up to 2%. These fees are paid quarterly in arrears for Investment Advisory Management services and Employer Sponsored Qualified Plans Participant Accounts.
2. A performance fee of 20% of new capital appreciation with no retainer or flat fees. These fees are paid annually in arrears.
3. A combination of asset-based fee and performance-based fee. The asset-based portion of the fee is 1% of assets and is billed quarterly in arrears. The performance-based portion of the fee is 10% of new capital appreciation and is paid annually in arrears.
4. There is a special fee schedule for clients invested in the Mutual Fund Allocation program. The fee structure for this program is a maximum of .70% annually paid quarterly in arrears. This reflects an offset of the fees paid to us for the sub-advice rendered to the Affiliated Funds.

Fee structures 2 and 3 are only available for qualified investors. A qualified investor is defined as:

1. Natural persons or companies that have at least \$750,000 under management with us immediately after entering into the contract;
2. Natural persons or companies that we reasonably believe either have a net worth of more than \$1,500,000 at the time the contract is entered into or is a natural person or family-owned company owning at least \$5 million of investments; trusts managed solely by such persons or persons owning and investing on a discretionary basis for their own accounts; or the accounts of other qualified investors at least \$25 million in investments; or

3. Natural persons who immediately before entering into the contract are either executive officers, directors, trustees, general partners of Dunn Warren or employees of Dunn Warren who in their regular functions have participated in Dunn Warren's or another company's investment activities for at least 12 months.

We typically deduct fees directly from your account. This is only after we receive your written authorization. In some cases, we bill clients directly for their fees.

All advisory fees are charged in arrears, at the start of each calendar quarter or at the end of the year, based upon the average daily balance of the portfolio for the previous quarter or year. In some cases, the fees are based on the balance of the account as of the end of the previous quarter or year. Additional deposits to the account are subject to the same fee procedures.

The annual payment of fees is only available for performance fee based accounts. We impose no start-up, closing, or penalty fees in connection with an account.

In certain circumstances, we may negotiate fees based on prior relationships or related account holdings.

All fees paid to us for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. Such fees will generally include a management fee, other fund expenses and 12(b)-1 distribution fees. If the fund also imposes a sales charge, a client may pay an additional or deferred sales charge. We typically recommend no-load mutual funds, meaning there is no additional sales charge.

You could invest in mutual funds directly, without our services. If you did so, you would not receive the services we provide, which are designed to assist you in determining which investments are most appropriate to your needs and objectives. You should review the fees charged by any funds in which you are invested and our fees to fully understand the total amount of fees and to evaluate the advisory services being provided.

For Qualified Retirement Plan accounts, Third Party Administrators may provide various administrative services. These are separate and distinct from our Advisory Fees and the Custodian's fees if applicable.

### *Other Information about Advisory Fees*

Clients may pay margin fees, IRA fees, or other fees not considered trading or custodial fees.

Associated persons may buy or sell for their own accounts the same securities recommended to you. Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to you and we monitor their personal trading.

Associated persons are aware of the rules regarding material non-public information and insider trading. Associated persons may also buy or sell a specific security for their own account based on personal investment considerations, which the Advisor does not deem appropriate to buy or sell for clients.

We have adopted a Code of Ethics to instruct its personnel in their ethical obligations and to provide rules for their personal securities transactions. The Firm and our personnel owe a duty of loyalty, fairness and good faith to their clients, and the obligation to adhere not only to the specific provisions of the code but also to the general principles that guide the Code. The Code covers a range of topics including general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures. We will provide a copy of the Code to any client or prospective Client upon request.

## **Item 5 Account Requirements and Types of Clients**

We typically work with individuals, investment companies, pension and profit sharing plans, trusts, estates, charities, corporations and other business entities and other investment advisory firms.

Our minimum account size is \$250,000. This amount is negotiable.

## **Item 6 Portfolio Manager Selection and Evaluation**

We are the Portfolio Manager for the Wrap fee program. This could create a conflict of interest in that we are recommending ourselves as the manager of our assets. To address this conflict of interest, we consistently monitor the performance and quality of the advice we provide. We compare our performance to industry benchmarks, but no formal review of our performance is done by a third party. Because we are a portfolio manager for the program, a description of the services we provide is below.

### ***Advisory Services***

We offer investment supervisory services to you, our clients, based on your individual needs. We also provide investment management services to qualified employer sponsored retirement plans ("Plans") and/or Plan Participants. In addition, we give investment advice to other registered investment advisers, through sub-advisory agreements, and provide sub-advice to mutual funds, the CIFG Funds.

### ***Investment Supervisory Services***

We believe that successful investing comes from correctly assessing and acting on risk, not by attempting to predict the future course of the market. Incorrectly assessing risk potentially leads to a painful loss of money.

We manage our portfolios by acting on the current market environment for risk, valuation, economic growth, investor sentiment, and relative strength. Our investment decisions are based on a monthly review of the portfolio unless global and/or portfolio specific events require a more frequent review. We describe our strategies further under Item 8.

We tailor our investment advice to your needs based on a financial profile you complete at the onset of our relationship. You may impose restrictions on investing in the types of securities or in specific securities if you wish.

In certain cases, clients may pay one fee that includes both the custodian's fee and our advisory fee. This fee is called a wrap fee. There is no difference between how we manage wrap fee accounts and other accounts. We receive a portion of the wrap fee for our services. It may be more or less compensation than we would have received if you participated in other programs. You are advised that we may have an incentive to recommend the wrap fee program in lieu of other programs due to this compensation. The service may cost you more or less than purchasing such services separately. The cost difference depends on the amount of trading in your account.

We manage client assets. As of December 31, 2010, our discretionary assets under management are \$151,832,234. Our non-discretionary assets under management are \$54,013,385.

### ***Performance-Based Fees and Side-by-Side Management***

We accept performance-based fees, and the same people who manage the performance-based fee accounts also offer services for a fixed or hourly fee, or an asset-based fee. Those associated people may have an incentive to favor accounts that receive a performance-based fee. To mitigate that risk, we monitor the trading activity in performance-based accounts and strive to treat clients equitably.

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

We believe that successful investing comes from correctly assessing and acting on risk, not by attempting to predict the future course of the market. Incorrectly assessing risk potentially leads to a painful loss of money.

We manage our portfolios by acting on the current market environment for risk, valuation, economic growth, investor sentiment and relative strength. The investment decision is based on a monthly review of the portfolio unless global and or portfolio specific events require more frequent review. Our strategies and their relevant information are described below.

## ***Earnings Momentum Strategy***

### **Objective**

The goal of the Earnings Momentum strategy is for long-term growth. We strive to reach our goal by investing in those stocks that exhibit earnings growth above the industry average.

### **Investor Profile**

The Earnings Momentum strategy is appropriate for those investors that have a long-term time horizon and are willing to accept a high degree of volatility. The strategy is always fully invested. By accepting a higher degree of volatility we expect to achieve returns greater than the market over the full business cycle. We have defined the market as the S&P 500, an index considered a gauge of the U.S. stock market as a whole.

### **Strategy**

The portfolio is generally rebalanced once a year by choosing up to 25 stocks that meet four criteria. The criteria are expected to reflect current and future earnings growth that is not reflected in the current stock price. While we strive to hold all stocks for at least twelve months to minimize short-term tax consequences, this is not always in the best interest of our investors. Therefore, the investment decision is based on a monthly review of the portfolio unless global and/or portfolio specific events require more frequent review.

We will “hedge” or reduce market exposure when the reward presented by the market is unfavorable based on the risk seen in the valuation and the economic growth in the economy. Valuations based on price to earnings and/or present value of cash flow, are combined with our risk/reward matrix to drive decisions on reducing market risk. Specific strategies for hedging the market include purchasing exchange traded funds that increase (decrease) in value when the underlying index (S&P 500, NASDAQ 100 or Russell 2000) declines (increases) in value. Dunn Warren may also choose to use leveraged inverse funds. These funds’ objective is to move in the opposite direction of the market by twice the amount of the market. We will limit the use of these funds to 50% of the account value at the time of investment.

Investments are selected if they meet the following four criteria:

*Historic Earnings Growth* - Earnings growth over the previous three to five years that is above the industry average;

*Positive Earnings Surprise* - Companies recent earnings results exceed analyst earnings expectations;

*Earnings Estimate Revisions* - Analysts raise future earnings estimate above current consensus estimates;

*Relative Strength* - Compare the investment’s 6-month return and monthly returns over the last 12 months. This indicates that others agree with our valuation analysis and is our way of avoiding value traps – investments that look compelling on valuation, but lack investment appeal and are more likely to decline in value.

## ***Exchange Traded Funds***

### **Objective**

The goal of Exchange Traded Funds, formerly marketed as Strategic Asset Allocation, is to capture capital appreciation. We strive to reach our goal by investing in exchange traded funds (ETFs) that have the appropriate risk classification, risk/reward payoff and relative strength.

### **Strategy**

Each month, we select five to twelve investments meeting three criteria: risk classification, risk/reward payoff and relative strength. The investments are held for as long as they meet the three criteria. Each month we assess the criteria for each investment. Once an investment no longer meets the criteria, it is dropped from the portfolio and a new investment that meets all three criteria is added to the portfolio. The investment decision is based on a monthly review of the portfolio unless global and or portfolio specific events require more frequent review.

We will “hedge” or reduce market exposure when the reward presented by the market is unfavorable based on the risk seen in the valuation and the economic growth in the economy. Valuations based on Price to earnings and/or present value of cash flow, are combined with our risk/reward matrix to drive decisions on reducing market risk. Specific strategies for hedging the market include purchasing exchange traded funds that increase (decrease) in value when the underlying index (S&P 500, NASDAQ 100 or Russell 2000) declines (increases) in value. Dunn Warren may also choose to use leveraged inverse funds. These funds’ objective is to move in the opposite direction of the market by twice the amount of the market. We will limit the use of these funds to 50% of the account value at the time of investment.

### **Selection Process**

We select investments that meet the three following criteria:

*Risk Analysis* - Comprised of Value at Risk (VAR) score that ranks the probability of standard deviation (volatility) for the investment.

*Risk/Reward Matrix* - Computes the potential return versus the underlying risk of a specified investment based on potential earnings growth and valuation.

*Relative Strength* - Compare the investment’s 6-month return and monthly returns over the last 12 months. This indicates that others agree with our valuation analysis and is our way of avoiding value traps – investments that look compelling on valuation, but lack investment appeal and are more likely to decline in value.

### **Total Value Strategy**

#### **Objective**

The goal of the Total Value Strategy is for long-term growth. We strive to reach our goal by investing in those stocks that exhibit a high degree of management efficiency and are selling at a discount.

#### **Investor Profile**

The Total Value Strategy is appropriate for those investors that have a long-term time horizon. The strategy is expected to exhibit volatility that is equivalent with the overall market (S&P 500).

#### **Strategy**

The portfolio is generally rebalanced once a year by choosing up to 25 stocks that meet two criteria. We expect the criteria to reflect investments that are currently trading below their potential market value. While we strive to hold all stocks for at least twelve months to minimize short-term tax consequences, this is not always in the best interest of our investors. Therefore, the investment decision is based on a monthly review of the portfolio unless global and/or portfolio specific events require more frequent review.

We will “hedge” or reduce market exposure when the reward presented by the market is unfavorable based on the risk seen in the valuation and the economic growth in the economy. Valuations based on price to earnings and/or present value of cash flow, are combined with our risk/reward matrix to drive decisions on reducing market risk. Specific strategies for hedging the market include purchasing exchange traded funds that increase (decrease) in value when the underlying index (S&P 500, NASDAQ 100 or Russell 2000) declines (increases) in value. We may also choose to use



leveraged inverse funds. These funds' objective is to move in the opposite direction of the market by twice the amount of the market. We will limit the use of these funds to 50% of the account value at the time of investment.

### **Stock Selection Process**

Investments are selected if they meet the following two criteria:

*Return on Capital* - This is a reflection of management efficiency. It measures how well managers are utilizing resources and creating value for shareholders.

*Earnings Yield* - A measure of value, earnings yield compares the earnings income a stock generates to the current stock price.

### **Value Strategy**

#### **Objective**

To provide capital appreciation and current income from dividend-paying securities.

#### **Investor Profile**

The investor seeks security in companies paying a high payout of earnings through dividends. The investor seeks current income provided by the distribution of earnings. Long-term growth is achieved through the capital appreciation of individual stocks. Taxes are a concern and therefore the fund looks to minimize the impact of tax liabilities.

#### **Strategy**

Investments are selected by choosing stocks with relatively high dividends, strong management and execution history, and relatively low valuation. We choose stocks by confirming demand from large institutions (pensions and mutual funds). We strive to hold all stocks for at least twelve months to minimize short-term tax consequences, this is not always in the best interest of our investors. Therefore, the investment decision is based on a monthly review of the portfolio unless global and/or portfolio specific events require more frequent review.

We will "hedge" or reduce market exposure when the reward presented by the market is unfavorable based on the risk seen in the valuation and the economic growth in the economy. Valuations based on price to earnings and/or present value of cash flow, are combined with our risk/reward matrix to drive decisions on reducing market risk. Specific strategies for hedging the market include purchasing exchange traded funds that increase (decrease) in value when the underlying index (S&P 500, NASDAQ 100 or Russell 2000) declines (increases) in value. We may also choose to use leveraged inverse funds. These funds' objective is to move in the opposite direction of the market by twice the amount of the market. We will limit the use of these funds to 50% of the account value at the time of investment.

### **Selection Process**

The strategy follows a precise selection process. We select up to 25 stocks that have a return-on-assets (ROA) greater than the average stock in the S&P 500, a low price-to-book a valuation metric, value less than the average stock in the S&P 500, and a dividends yield greater than the average stock in the S&P 500.

### **Policy Portfolio Strategy**

#### **Objective**

Long-term capital growth— investors seeking growth in value of their portfolio.

#### **Investor Profile**

This portfolio invests in funds that have greater volatility than the overall stock market and investors should expect higher short-term volatility and be willing to accept a risk of loss to achieve higher potential long-term growth of capital.

### **Strategy**

The Policy Portfolio invests equally in four separate models. The methodology is based on the concept that no one strategy always outperforms the market, but combining four different strategies that stand-up in their own right should produce favorable risk-adjusted returns.

### **Selection Process**

The Policy Portfolio invests equally in four separate models: (see the descriptions above)

#### **1) Earnings Momentum**

#### **2) Exchange Traded Fund**

#### **3) Total Value**

#### **4) Value**

### ***Equity Income***

### **Objective**

The goal of the Equity Income is for current income.

### **Investor Profile**

The Equity Income strategy is appropriate for those investors who seek taxable income. The investments are in stocks that can increase or decrease with the overall stock market and therefore investors should have at least a three-to-five year investment horizon.

### **Strategy**

The portfolio seeks to provide above-average income by investing in up to 20 stocks that have dividend yields that exceed the stock market average. We will also limit risk by keeping any one industry or sector to 20% of the total portfolio. While we strive to hold all stocks for at least twelve months to minimize short-term tax consequences, this is not always in the best interest of our investors. Therefore, the investment decision is based on a monthly review of the portfolio unless global and/or portfolio specific events require more frequent review.

We will “hedge” or reduce market exposure when the reward presented by the market is unfavorable based on the risk seen in the valuation and the economic growth in the economy. Valuations based on price to earnings and/or present value of cash flow, are combined with our risk/reward matrix to drive decisions on reducing market risk. Specific strategies for hedging the market include purchasing exchange traded funds that increase (decrease) in value when the underlying index (S&P 500, NASDAQ 100 or Russell 2000) declines (increases) in value. We may also choose to use leveraged inverse funds. These funds’ objective is to move in the opposite direction of the market by twice the amount of the market. We will limit the use of these funds to 50% of the account value at the time of investment.

### **Stock Selection Process**

Investments are selected if they meet the following three criteria:

*Dividend Yield* - Comparing the dividend to price, the yield of the company compares favorably to the overall market.

*Earnings Predictability* - Earnings are better than average over the last three years and there has not been a deficit in earnings in the last five years.

*Financial Strength* - Look for companies that have a combination of no more than 20% annual income to total debt, interest coverage of at least two times the annual interest cost and/or current assets that exceed current liabilities.

## **Market Neutral**

### **Objective**

The goal of the Market Neutral is for consistent growth with stability of principal, seeking low correlation to traditional markets.

### **Investor Profile**

The Strategic Market Neutral strategy is appropriate for those investors who seek diversification away from the overall U.S. market. The investor is more concerned with stability of principal and reduced volatility through diversification.

### **Fund Strategy**

The portfolio combines investments in sectors, industries, and countries using exchange traded funds that the manager thinks are undervalued and has the potential to appreciate and combines that investment with investments the manager believes will appreciate (decline) in value if the S&P 500 and Russell 2000 decline (appreciate) in value. Specifically, the exchange traded funds short and use futures and options contracts to move in the opposite or inverse direction of the market.

### **Stock Selection Process**

Investments are selected if they meet the following three criteria:

*Risk Analysis* - Comprised of Value at Risk (VAR) score that ranks the probability of standard deviation (volatility) for the investment.

*Risk/Reward Matrix* - Computes the potential return versus the underlying risk, which is of a specified investment based on the investment's earnings yield (earnings or cash generation) divided by the enterprise value (combined value of the investment's debt and equity).

*Relative Strength* - Compares the investment's 6-month return and monthly returns over the last 12 months. This indicates that others agree with our valuation analysis and is our way of avoiding value traps – investments that look compelling on valuation, but lack investment appeal and are more likely to decline in value.

### ***Other Important Information about our Strategies and their Risks***

In the Growth, Moderate, Conservative, and Income ETF Portfolios, we have established a policy to allocate at least 15%, 30%, 45%, and 70% respectively, to fixed income investments. This is intended to offer the potential for current income to investors. If interest rates were to rise, this allocation should, over time, lead to larger income distributions but could also lead to a loss of investment capital. This loss results from the unalterable inverse relationship that exists between the price of fixed income investments and current interest rates. Seeking to reduce the risk of loss while increasing possible income, we will consider investments for these fixed income allocations based solely upon certain quantifiable characteristics rather than requiring they be solely bonds. Specifically, we will consider any exchange traded fund with a 12-month historic yield that is at least twice as high as the 10-year Treasury note with a risk score (using the our risk scores) no more than 1.5 times the risk score of the ETF we use as the bond benchmark. We believe that this will allow investments in preferred stocks, utilities, some health care sectors, and other investment options to be included in the income portion of the ETF portfolios.

Some strategies will invest in leveraged investments. The more a fund invests in leveraged investments, the more the leverage will magnify any gains or losses on those investments.

Some Programs may also invest in "short" or "inverse" investments which are designed to profit from declining securities prices, which involve certain risks that may include increased volatility due to the funds possible use of short sales of securities and derivatives such as options and futures.

### ***Voting Client Securities***

We do not vote proxies on your behalf. You retain that right unless you make other arrangements with the custodian of your assets. You will receive proxies or other solicitations directly from the custodian of your assets. You may contact us with questions about proxies.

## **Item 7 Client Information Provided to Portfolio Managers**

We are the portfolio manager of the wrap fee program. Therefore, we have access to any information you provide us.

## **Item 8 Client Contact with Portfolio Managers**

There are no restrictions placed on your ability to contact and consult with portfolio managers.

## **Item 9 Additional Information**

### ***Disciplinary Information***

Neither the Firm nor any of our management persons have been involved in any events that are material to a client's or prospective client's evaluation of the Firm or the integrity of its management.

### ***Other Financial Industry Activities and Affiliations***

We have no other industry activities or affiliations.

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

Associated persons may buy or sell for their own accounts the same securities recommended to you. They may do so at the same time as they, or a related person, buy or sell the same securities for their own account. Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to you. We request information about all of our associate's transactions and monitor them for any wrongdoing.

Associated persons are aware of the rules regarding material non-public information and insider trading. Associated persons may also buy or sell a specific security for their own account based on personal investment considerations, which the Advisor does not deem appropriate to buy or sell for clients.

We have adopted a Code of Ethics to instruct our personnel in their ethical obligations and to provide rules for their personal securities transactions. We owe a duty of loyalty, fairness and good faith to their clients, and the obligation to adhere not only to the specific provisions of the code but also to the general principles that guide the Code. The Code covers a range of topics including general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures. We will provide a copy of the Code to any client or prospective Client upon request.

We recommend investments in the CIFG funds, for which we are also the named Sub-Advisor. Due to the potential conflict with this situation, if you invest in these funds, you will receive a reduction in advisory fees. Please see the Mutual Fund Allocation Program described in Item 5 for more information.

### ***Brokerage Practices***

To assist us in providing investment advisory services, we have entered into an agreement with Envestnet Asset Management, Inc. ("Envestnet"). Envestnet provides a platform for us to offer the investment program that we have

created. Envestnet provides numerous back office administrative services to us. Because of our relationship with Envestnet, we are able to create, sponsor, and distribute our programs more efficiently.

Because of these efficiencies, we recommend Envestnet as a custodial platform to solicitors who are interested in offering our services to clients. We also recommend FolioFN as a custodial platform. Our solicitors may have affiliations with broker/dealers, who in turn may require solicitors to direct accounts to a particular custodian. We do not have an incentive to select or recommend these other custodians in that these custodians are typically more difficult for us to work with.

We do not receive research or soft dollars from a broker-dealer or third party in connection with client securities transactions.

If you direct brokerage to a custodian other than FolioFN or Envestnet, we may not be able to achieve most favorable execution of their transactions. It may cost you more money. You may pay higher transaction costs or custodial fees as we may not be able to aggregate orders. You may receive less favorable prices.

### *Order Aggregation*

We may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account. We engage in block trading when it is consistent with the duty to seek best execution and is consistent with the terms of our investment advisory agreements.

Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day.

Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. We may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

### *Review of Accounts*

We review accounts quarterly. The accounts are reviewed by the Investment Management Committee (James Cornehlisen and Michael Carr.)

Clients will receive a statement, no less than quarterly, from the custodian of their assets.

### *Client Referrals and Other Compensation*

We may compensate firms or people who refer us clients. We call these firms or people Solicitors. Through these arrangements, we pay a cash referral fee to the Solicitor based on a percentage of our advisory fee. This fee is paid based on a written agreement. The specific information about the referral is disclosed prior to or at the time you enter into an investment advisory agreement.

Solicitors may be acting in the capacity as wholesalers of our investment advisory services to other potential Solicitors.

In certain instances, we may compensate a Solicitor for other products and/or services that the Solicitor has provided us. These products and services may include but are not limited to office rent, assistance with marketing, coaching programs, facilities usage, administrative and day-to-day expenses, personnel, and equipment. In cases such as this, the Solicitor may have a conflict of interest when referring clients to us in that he may receive additional compensation that may influence his decision to recommend us. Clients who are referred to us by Solicitors with such arrangements do not pay higher fees than those who are referred to us by other Solicitors or those who contract with us directly.

### ***Financial Information***

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you.

### ***Cash Policy***

Clients who wish to move their account to cash or cash equivalents must submit that request in writing. We will continue to bill the account for the remainder of the quarter, and will send you a notification letting you know that they have until the next quarter to reinvest. If after the end of the second quarter, you have not elected to reinvest, the account will be billed per your investment advisory agreement and then terminated.

### ***Trade Request Policy***

We have a 10 a.m. MST (1 p.m. EST) cut-off for instructions received from clients. This is specifically for instructions requiring liquidations, withdrawals, and account closures. If we have the paperwork before 10 a.m., we will trade and process the instructions that day. For paperwork to be processed, it must be complete. We require signed instructions from you to instruct us to sell out of the market. For any liquidation and withdrawal instructions received after 10 a.m., we have until the next business day to process the request.

## Brochure Supplement

### ADV Part 2B

James Cornehlson and Michael Carr  
Dunn Warren Investment Advisors, LLC  
6143 South Willow Drive, Ste. 102  
Greenwood Village, CO 80111  
Phone: (800) 491-7514  
Website: [www.dunnwarren.com](http://www.dunnwarren.com)  
Date: March 28, 2011

### Item 1 Cover Page

This brochure supplement provides you with additional information about James Cornehlson and Michael Carr that supplements the Dunn Warren Investment Advisors, LLC brochure. You should have received a copy of that brochure. Please contact Amber Richards at (800) 793-4866 if you did not receive Dunn Warren Investment Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about James Cornehlson and Michael Carr is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Item 2 Educational Background and Business Experience

James (Jamie) B. Cornehlson is the portfolio manager at Dunn Warren Investment Advisors, LLC. His investment industry experience is vast. From 1994 to 1996, Jamie served as an analyst with the Gartner Group working with the pension plan and 401k program. This is where he initially developed the Risk/Reward matrix. From 1996 to January 1999, Jamie worked as a financial analyst covering the software industry for Schwab SoundView Capital Markets in Greenwich, Connecticut. He then moved to Bear Sterns in New York for a year before moving to Colorado in 2000 where he joined Corboy and Jerde, an investment bank specializing in public and private equity investments.

Jamie founded Dunn Warren Investment Advisors, LLC in September 2001, providing consulting to hedge funds, mutual funds and Registered Investment Advisors. In 2005, Mr. Cornehlson made the decision to expand Dunn Warren Investment Advisors, LLC to serve individuals and other financial professionals as an Investment Adviser.

Jamie received his MBA from the William E. Simon Graduate School of Business at the University of Rochester, and his Bachelor of Arts in Economics from the University of Colorado. He studied econometrics at the University of York in England. Jamie is a Chartered Financial Analyst and past president of the CFA Society of Colorado. The Chartered Financial Analyst (CFA) designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a CFA Charterholder candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

Jamie was born on June 20, 1971.

Michael J. Carr (Mike) is the Chief Market Strategist of Dunn Warren Investment Advisors, LLC. He has written extensively about the financial markets for more than ten years. Mike has been the editor of the Market Technicians Association (MTA) monthly newsletter, *Technically Speaking*, since 2003. His work has been published in major industry magazines including *Stocks, Futures, and Options (SFO)*, *Futures*, *Technical Analysis of Stocks and Commodities*, and *Traders*. Mike has also written for a number of websites, including Working Money, Traders.com online, and Moneynews.com. He is the author of Smarter Investing in Any Economy: The Definitive Guide to Relative Strength Investing.

Mike received a Masters degree in Management from Webster University and an Undergraduate degree in chemistry from Wilkes University. He is a Chartered Market Technician and a board member of the Market Technicians Association Educational Foundation. **Chartered Market Technician (CMT)** is a professional designation that confirms proficiency in technical analysis of the financial markets. To hold the designation, membership in the Market Technicians Association is required. The CMT designation requires completion of an education program and examination series in technical analysis. The Market Technicians Association (MTA) oversees the program curriculum and administration of exams. Candidates who pass all three examination levels of the program can earn the Chartered Market Technician designation, which certifies that the individual is competent in technical analysis.

Mike was born on October 27, 1962.

### **Item 3      Disciplinary Information**

Neither James nor Michael has any disciplinary history.

### **Item 4      Other Business Activities**

Neither James nor Michael is engaged in any other business activities

### **Item 5      Additional Compensation**

Neither James nor Michael will receive any additional compensation.

### **Item 6      Supervision**

The person responsible for Supervision is Ann Zemann. She supervises the associates by meeting with them regularly, and enforcing the Firm's Written Supervisory Procedures and Code of Ethics. You may contact her at (402) 502-2881 with any questions or concerns.