

Item 1 – Cover Page

Corwell Asset Management Inc.
1058 Wikiup Drive
Santa Rosa, California 95403
707 544-6632
February 3, 2012

This Brochure provides information about the qualifications and business practices of Corwell Asset Management Inc. If you have any questions about the contents of this Brochure, please contact us at 707 544-6632. 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.

Corwell Asset Management Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Corwell Asset Management Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Other than the total assets under management shown in Item 4 there have been no material changes in the information contained in this brochure since our last annual update on February 28, 2011.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Robert H. Wells, President/Chief Compliance Officer at 707 544-6632.

Additional information about Corwell Asset Management Inc. is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Corwell Asset Management Inc. who are registered, or are required to be registered, as investment adviser representatives of Corwell Asset Management Inc.

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Item 4 – Advisory Business

Corwell Asset Management Inc. is an investment advisory service company which began business in 1989. Corwell Asset Management Inc. is owned and operated by Robert H. Wells. Investment advisory services include review of the individual client's goals and objectives, formulation of asset allocation and investment policies and performance of actions necessary or incidental to the implementation of such allocation and policies. Corwell Asset Management Inc. advises clients only with regard to investments in mutual funds, exchange traded funds and other pooled asset vehicles. Clients may impose restrictions on investing in certain securities or investment types. Corwell Asset Management Inc. does not participate in any wrap fee programs. Total assets under discretionary management as of February 3, 2012 were \$35,834,000.

Item 5 – Fees and Compensation

The specific manner in which fees are charged by Corwell Asset Management Inc. is established in a client's written agreement with Corwell Asset Management Inc. The management fee for investment advisory services is 1% of the value of managed assets per year. There is a minimum annual fee per client relationship of \$1000. The minimum fee and management fee may be waived at the sole discretion of Corwell Asset Management Inc. The fee is billed and payable quarterly in advance at the appropriate rate for the value of the account at the beginning of the quarter. This fee is nonnegotiable. Clients may elect to be billed directly for fees or to authorize Corwell Asset Management Inc. to directly debit fees from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. Investment advisory consultation is available on a negotiated fee basis.

Corwell Asset Management Inc.'s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to Corwell Asset Management Inc.'s fee, and Corwell Asset Management Inc. shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Corwell Asset Management Inc. considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

Corwell Asset Management Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Corwell Asset Management Inc. provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, private investment funds, trust programs and other U.S. and international institutions.

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

Corwell Asset Management Inc. uses fundamental, technical and macroeconomic analysis in formulating investment advice and managing assets. Fundamental analysis relates to the relative valuation and future prospects of the underlying investments within portfolio holdings. Technical analysis incorporates charting and various computations of relative price strength and momentum. Macroeconomic analysis is the assessment of overall global economic conditions and how these factors may impact various investment locations, types and sectors. Information for this analysis is obtained from various forms of media including, but not limited to, company and fund filings and press releases, information and data service providers, government reports and data, newsletters, newspapers, magazines, television, radio, internet sites and such other sources as may be available. Corwell Asset Management Inc. does not utilize high frequency trading in its asset management practices. Nonetheless investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Corwell Asset Management Inc. or the integrity of Corwell Asset Management Inc.'s management. Corwell Asset Management Inc. has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Corwell Asset Management Inc. has no financial industry activities or affiliations other than its involvement in custodian recommendations as further described in Item 12. As such, Corwell Asset Management Inc. has no conflicts of interest regarding its client relationships.

Item 11 – Code of Ethics

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

Corwell Asset Management Inc. anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Corwell Asset Management Inc. has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Corwell Asset Management Inc., its affiliates and/or clients, directly or indirectly, have a position of interest. Corwell Asset Management Inc.'s employees and persons associated with Corwell Asset Management Inc. are required to follow Corwell Asset Management Inc.'s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Corwell Asset Management Inc. and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Corwell Asset Management Inc.'s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Corwell Asset Management Inc. will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Corwell Asset Management Inc.'s clients. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Corwell Asset Management Inc. and its clients.

Corwell Asset Management Inc.'s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Robert H. Wells.

It is Corwell Asset Management Inc.'s policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Corwell Asset Management Inc. will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction

is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

The Custodian and Brokers We Use.

Corwell Asset Management Inc. does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

How We Select Brokers/Custodians.

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)

- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us From Schwab”)

Your Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How We Select Brokers/Custodians").

Products and Services Available to Us From Schwab

Schwab Advisor Services TM (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage— trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

Services That Benefit You

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Corwell Asset Management Inc. uses the services provided by Charles Schwab & Co. Inc. to assist in portfolio management record keeping and report generation, various regulatory matters and to facilitate trading and record keeping in client accounts and various other matters as may arise for time to time.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select Brokers/Custodians") and not Schwab's services that benefit only us.

Item 13 – Review of Accounts

Assets held in client accounts are reviewed on a continuous basis by investment advisory personnel. The review subjects all investments to valuation, performance review, and continued appropriateness of inclusion in the client portfolio based upon current economic and financial conditions and client specific factors impacting the asset allocation. Changes in these factors may trigger modifications to portfolios. Corwell Asset Management Inc. has one reviewer whose title is president and whose primary function is investment adviser. There are no restrictions on the number of accounts an adviser is assigned. Clients receive quarterly statements which show current asset allocation, valuation, capital flows, performance and billing activity of their account. Annual reports are prepared on calendar year basis which summarize activity and performance for the full year and where appropriate provide information on taxable income and gains and losses.

Item 14 – Client Referrals and Other Compensation

Corwell Asset Management Inc. receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Item 15 – Custody

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab’s account statements to the periodic portfolio reports you will receive from us.

Item 16 – Investment Discretion

Corwell Asset Management Inc. usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Corwell Asset Management Inc. observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Corwell Asset Management Inc. in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Corwell Asset Management Inc. does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Corwell Asset Management Inc. may provide advice to clients regarding the clients’ voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Corwell Asset Management Inc.'s financial condition. Corwell Asset Management Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

Robert H. Wells is the sole executive officer of Corwell Asset Management Inc. His education and business background is described in Item 2 of Corwell Asset Management Inc.'s brochure supplement.