

Donnelly Wealth Advisors, Inc.

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Form ADV Part 2A Brochure

Donnelly Wealth Advisors, Inc. is an investment adviser registered with the Securities and Exchange Commission (hereinafter "SEC"). An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Donnelly Wealth Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (858) 622-9009. 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 Donnelly Wealth Advisors, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes - Item 2

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

On January 30, 2015, we submitted our annual updating amendment filing for the fiscal year 2014 and amended Item 4 of this Brochure to reflect total assets under management of \$299,619,682.

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Advisory Business - Item 4

Donnelly Wealth Advisors, Inc. (hereinafter “DWA”) is a registered investment adviser based in San Diego, California. We are a corporation under the laws of the State of California. We have been providing investment advisory services since 2001. Richard Claude Donnelly is the President and sole owner of DWA.

Currently, we offer the following investment advisory services, personalized to each individual client:

- **Portfolio Management Services**
- **Financial Life Planning Services**
- **Selection of Third-party Advisers**

The following paragraphs describe what we do and what we charge. Each investment advisory service is listed below and describes how we tailor our advisory services to your individual needs. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our Firm who is an officer, employee, and all individuals providing investment advice on behalf of our Firm. Such persons are properly registered as investment adviser representatives in all required jurisdictions.

Portfolio Management Services

Portfolio management refers to the management of money, including investments. Assets are usually held in what is called a portfolio. Determining the types and quantities of securities to hold in a portfolio is referred to as portfolio management.

Our Firm offers discretionary portfolio management services. Discretionary portfolio management services means that once the portfolio has been agreed upon, the ongoing supervision and management of the portfolio will be our responsibility. This authority is granted to us by you in a written agreement. This allows our Firm to decide on specific securities, the quantity of the securities and placing buy or sell orders for your account without obtaining your approval for each transaction. This type of authorization is done using either the investment advisory agreement you sign with our Firm, a limited power of attorney agreement, or trading authorization forms.

Our investment advice is tailored to meet our clients’ needs and investment objectives. If you decide to hire our Firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

There are a few ways we might create your investment portfolio depending on what we decide would work best for you. We may customize a portfolio for you based on your goals and risk we determined during the information gathering process. Or we might use a predetermined strategy rather than choosing individual securities. Alternatively, it may be that one of the model portfolios developed by our Firm would be the best fit for your needs.

DWA mainly uses equity securities, exchange traded funds, investment company products (mutual funds), corporate securities, municipal securities, U.S. government securities and other fixed income

securities in its portfolio management programs. We may also advise you to invest in various investment-related limited partnerships.

However we construct your investment portfolio, we will monitor your portfolio's performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

We recommend that you review the statement(s) you receive from the qualified custodian. If you see something that is incorrect, please call our main office number, located on the cover page of this brochure.

Financial Life Planning Services

The Financial Life Planning Services typically begins with an introduction meeting during which we inform our clients about our various services. We offer comprehensive financial planning with an emphasis on Life Planning. Areas covered by our planning include, but are not limited to: estate and retirement planning, including multi-generation wealth planning, preparation for life transitions, broad-based financial planning, including portfolio allocation reviews, tax planning, charitable gifting strategies, risk and insurance analysis, college savings planning, pension plan consulting and budgeting and cash flow analysis.

DWA strives to achieve a client's long-term financial and personal goals by implementing a Financial Life Planning process that may include any or all of the following steps:

- Establish and define the client-planner relationship
- Discovery of the client's financial and personal goals and objectives. Goals or objectives may include financing a child's college education, retirement planning, purchasing a home, career change, assisting other family members, etc. The identified goals or objectives are specific, realistic and measurable. All goals include time horizons.
- Assessment of a client's present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements, etc.
- Development and presentation of financial planning recommendations and/or alternatives.
- Implementation of the financial planning recommendations. The financial plan is finalized and agreed upon. The recommendations and solutions are executed to reach the desired goals and objectives.
- Resolution of finance related problems. Obstacles to achieving financial independence are identified so that resolution may occur. Examples of problem areas can include too little or too much insurance coverage, inadequate cash flow or a high tax burden.

- Monitor the financial planning recommendations. Evaluation and monitoring of the financial plan is conducted periodically. The financial planning service provides periodic review and revision of the plan to ensure that the financial goals are achieved.

Generally, financial planning services will be offered to clients as part of an annual retainer program. In limited circumstances, clients may retain the Firm for a one time financial planning service. Such services will be considered complete upon delivery of the financial plan.

Financial plans are based on your financial situation and the financial information you provide to our Firm. If your financial situation, goals, objectives, or needs change, you must notify us promptly.

Selection of Third-Party Investment Advisers

DWA has entered into agreements with various other third-party investment advisers for the provision of certain investment advisory services. Factors considered in the selection of a third-party advisor include but may not be limited to: i) DWA's preference for a particular third party advisor; ii) the Client's risk tolerance, goals and objectives, as well as investment experience; and, iii) the amount of Client assets available for investment. In order to assist Clients in the selection of a third-party advisor, an Associated Person of DWA will typically gather information from the Client about the Client's financial situation, investment objectives, and reasonable restrictions the Client wants to impose on the management of the account.

The third-party advisor customizes the Client's portfolio by blending traditional investment strategies with an allocation to asset classes. The investment strategy adopted by the third-party advisor may embrace value, growth or contrarian investing styles. DWA would determine and oversee the overall allocation of client assets as well as control rebalancing and contributions and distribution from those accounts. Generally, securities transactions will be decided upon and executed by the third party advisor on a discretionary basis. This means that the manager selected will have the ability to buy and sell securities in your account without obtaining your approval. DWA and its Associated Persons will not manage, or obtain discretionary authority over the assets in accounts participating in these programs; however, clients may grant DWA the discretionary authority to hire and fire such third-party managers.

Associated Persons of DWA will periodically review reports provided to the Client. An Associated Person of DWA will contact the Client at least annually, or more often as agreed upon with each Client, to review the Client's financial situation and objectives, communicate information to the third-party advisor managing the account as necessary, and to assist the Client in understanding and evaluating the services provided by the third-party advisor. Clients will be expected to notify DWA of any changes in their financial situation, investment objectives, or account restrictions.

The third-party advisor may offer wrapped or non-wrapped pricing options. Wrap pricing structures allow the Client to pay an all-inclusive fee for management, brokerage, clearance, custody and administrative services. In a non-wrap pricing structure, the third-party advisor's fee may be separated from the advisory fee charged by DWA. Transaction costs may also be charged for the execution and clearance of advisory transactions directed by such Third-party Advisory Services. A complete description of the programs and services provided, the amount of total fees, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in: i) the third-party advisor's Form ADV Part 2A; ii) the program wrap brochure (if applicable) or other applicable

disclosure documents; iii) the disclosure documents of the portfolio manager(s) selected; or, iv) the third-party advisor's account opening documents. A copy of all relevant disclosure documents of the third-party advisor and of the individual portfolio manager(s) will be provided to anyone interested in these programs/managers.

Assets Under Management

As of December 31, 2014, we manage \$238,484,801 in client assets on a discretionary basis, and \$61,134,881 in client assets on a non-discretionary basis.

Fees and Compensation - Item 5

DWA charges fees based on a percentage of assets under management and fixed fees (not including retainer planning fees). At the sole discretion of DWA these fees are negotiable.

Portfolio Management Services

If you decide to engage DWA for portfolio management services, we will charge an annual fee based upon a percentage of the market value of the assets being managed. Generally, on an annualized basis, DWA will charge a negotiable fee of 0.50% to 1.50% of assets under management for ongoing portfolio management services. Since this fee is negotiable, the exact fee paid by the client will be clearly stated in the advisory agreement signed by the client and the firm.

Investment Advisory Fees are billed quarterly, in arrears and are based on the value of your portfolio at the end of the preceding quarter. The custodian holding your account will deduct the fees directly from your account. The custodian will usually deduct from a designated account to facilitate billing. The client must consent in advance to direct debiting of their account.

In order for your custodian to deduct fees directly from your account, you must provide written authorization. The qualified custodian holding your funds and securities will send you an account statement at least quarterly. This statement will detail account activity. Please review each statement for accuracy. DWA also receives a copy of your account statements from the custodian.

Our annual fee is exclusive of any possible brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. However, DWA will not receive any portion of possible commissions, fees, and costs charged by the custodian. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

At the inception of investment management services, the first quarter's fees will be calculated on a pro-rata basis. The Advisory Agreement between DWA and the client will continue in effect until either party terminates the Agreement in accordance with the terms of the Agreement. DWA's annual fee will be pro-rated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

Financial Planning Services

DWA may provide its clients with financial planning services. DWA will charge a fixed fee of \$1,200 to \$20,000 for financial planning services. The fee is established depending on the nature, complexity and time involved in providing the client with the requested services. The exact fee will be clearly set forth in the agreement for services signed by the Firm and the client.

Prior to engaging DWA to provide financial planning services, the client is required to sign a financial planning agreement. This agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the portion of the fee that is due from the client. Financial Planning Agreements typically have a term of two years. DWA requires an initial retainer fee equal to two quarters in advance of services rendered. The clients are issued quarterly invoices payable within 30 days of receipt for the remaining term of the agreement. A renewal review will be conducted during the last quarter of the term and renewal fee will be determined and established at this time.

This Agreement may not be modified or amended except in writing and signed by both Adviser and Client. Adviser or Client may terminate the Agreement within five days of the date of acceptance without penalty to the client. Thereafter Client will incur a pro rata charge for bona fide advisory services rendered prior to such termination. After the five-day period, either party may terminate the Agreement by providing written notice to the other party. Upon termination, any pre-paid fees will be pro rated to the date of termination and any *unearned* portion thereof will be refunded to Client.

Additional Fees and Expenses

The fees DWA charges will be determined by the amount of assets under management, complexity of client goals and objectives, and level of services rendered. The fees are charged as described above and are not based on a share of capital gains of the funds of an advisory client.

All fees paid to DWA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, early redemption fee and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund directly, without the services of DWA. In that case, the client would not receive the services provided by DWA which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by DWA to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

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

We and our Associated Persons do not accept performance based fees. Performance based fees are based on a share of capital gains on or capital appreciation of the client's assets.

Types of Clients - Item 7

We offer investment advisory services to individuals, pension and profit sharing plan participants, trusts, estates, charitable organizations, corporations, and other business entities.

DWA requires a minimum of \$1,000,000 to open and maintain an advisory account at SEI Private Trust Company and Schwab Institutional. Accounts maintained at FOLIOfn Investments, Inc. are not subject to

a minimum account requirement. At our sole discretion we may waive this requirement. This requirement can be met by combining two or more accounts owned by you or related family members.

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

The following are different methods of analysis that we may use when providing you with investment advice:

- **Fundamental Analysis** – fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.
- **Technical Analysis** – technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall.

We may use one or more of the following investment strategies when advising you on investments:

- **Long Term Purchases** – securities held for over a year.
- **Short Term Purchases** – securities held for less than a year.

The investment advice provided along with the strategies suggested by DWA will vary depending on each client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed will be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

General Investment Risk: All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments you intend to invest in.

Loss of Value: There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies.

Interest Rate Risk: Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when

interest rates fall, and their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

Credit Risk: Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Foreign Exchange Risk: Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

Futures and Options: Options and futures contracts on securities carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There is no history of legal or disciplinary events by our Firm, our principals or advisory representatives.

Other Financial Industry Activities and Affiliations - Item 10

None

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

Description of Our Code of Ethics

DWA has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes DWA's policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics;
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

You can request a copy of our Code of Ethics from Richard Donnelly, President/Chief Compliance Officer at our principal office address.

Personal Trading Practices

At times DWA and/or its Advisory Representatives may take positions in the same securities as clients, which may pose a conflict of interest with clients. DWA and its Advisory Representatives will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

Brokerage Practices - Item 12

For DWA's portfolio management programs, we recommend and request clients to implement trades and maintain custody of assets through financially sound custodians. We recommend the services of SEI Private Trust Company ("SEI"), FOLIOfn Investments, Inc. ("FOLIOfn"), and the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab") as Custodians. Both are members of FINRA/SIPC. SEI, FOLIOfn and Schwab are unaffiliated and offer independent investment advisers services, which include custody of client securities, trade execution, clearance and settlement of transactions, and daily research and investment information.

In selecting a custodian based on discretionary authority, DWA will endeavor to select those custodians who can provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the broker's reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered.

Research and Other Soft Dollar Benefits

Although not considered “soft dollar” compensation, DWA may receive benefits from SEI, FOLIOfn and Schwab for research services that include reports, software, and institutional trading support. The receipt of additional benefits may give us an incentive to require that you maintain your account with SEI, FOLIOfn and Schwab based on our interest in receiving these additional services rather than your interest in receiving the best value and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our selection of SEI, FOLIOfn and Schwab as custodians and brokers is in the best interests of our clients. Our belief is primarily supported by the scope and quality of services SEI, FOLIOfn and Schwab provide to our clients and not services that benefit only us. Additionally, these benefits are offered to all investment advisers that use SEI, FOLIOfn and Schwab for brokerage and execution services and not just our firm. To mitigate the existence of this conflict, on a periodic basis, we conduct a review of the full range and quality of SEI’s, FOLIOfn’s and Schwab’s services, including execution quality, commission rate, the value of research provided, financial strength and responsiveness to our requests for trade data and other information.

We understand our duty for best execution and consider all factors in making recommendations to you. While we may not always obtain the lowest commission rate, we believe the rate is reasonable relative to the value of the brokerage and research services provided and the quality of the execution.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals.

Directed Brokerage

DWA generally selects the most appropriate custodian for our clients. In limited instances the client may direct brokerage to a specified custodian other than our recommendation. In those circumstances it is up to the client to negotiate the commission rate. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than the rate available through the custodian used by DWA. In client directed brokerage arrangements, the client may not be able to participate in aggregated (“blocked”) trades, which may help reduce the cost of execution.

Trade Aggregation

While individual client advice is provided to each account, client trades may be executed as a block trade. DWA encourages its existing and new clients to use SEI, FOLIOfn and Schwab. Only accounts in the custody of SEI, FOLIOfn and Schwab would have the opportunity to participate in aggregated securities transactions. All trades using SEI, FOLIOfn and Schwab will be aggregated and done in the name DWA. The executing broker will be informed that the trades are for the account of DWA's clients and not for DWA itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution, and DWA will not aggregate a client's order if in a particular instance DWA believes that aggregation would cause the client's cost of execution to be increased. SEI, FOLIOfn and Schwab

will be notified of the amount of each trade for each account. DWA and/or its Advisory Representatives may participate in block trades with clients, and may also participate on a pro rata basis for partial fills, but only after the determination has been made that clients will receive fair and equitable treatment.

Review of Accounts - Item 13

Portfolio Management Account Reviews

DWA monitors the individual investments within DWA's portfolio management program each day the market is open. Portfolio performance is reviewed, at a minimum, on a quarterly basis. DWA offers portfolio management clients an in-person portfolio review meeting on an annual basis. A financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on an annual basis to update the financial plan.

Richard Claude Donnelly, G. Bradley Douglas Owen and Adam Nathaniel Werner perform all account reviews and monitor the portfolios for investment objectives and other supervisory review.

Clients will receive reports and statements directly from their account custodian(s) and/or third-party money managers at least quarterly. These reports and statements may be provided by mail, email or online access.

Client Referrals and Other Compensation - Item 14

We do not receive economic benefits from third parties in exchange for providing investment advice or other advisory services to our clients.

We and our related persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for client referrals.

Custody - Item 15

DWA is deemed to have custody of client funds solely because of the fee deduction authority granted by the client in the investment advisory agreement.

Clients will receive account statements at least quarterly from the qualified custodian. Clients are urged to review the custodial account statements for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

Investment Discretion - Item 16

DWA offers Portfolio Management Services to its advisory clients on a discretionary basis. DWA will only take discretion if the client has granted discretionary authority in the client advisory agreement. Discretionary authority extends to the type and amount of securities to be bought and sold and do not require advance client approval. However, DWA does not have the ability to withdraw funds or securities from the client's account.

You may limit our discretionary authority if you wish by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the “Advisory Business” section in this Brochure for more information on our discretionary management services.

Voting Client Securities - Item 17

Proxy Voting

DWA does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

Financial Information - Item 18

We are required in this Item to provide you with certain financial information or disclosures about DWA's, financial condition. DWA 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.

Requirements for State-Registered Advisors - Item 19

This section is intentionally left blank- Our Firm is SEC registered

Miscellaneous

Class Action Lawsuits

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. DWA has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the Firm has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where the Firm receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials, to the client. Electronic mail is acceptable where appropriate, and the client has authorized contact in this manner.

Trade Error Correction Procedures

On infrequent occasions, an error may be made in a client account. For example, a security may be erroneously purchased for the account instead of sold. In these situations, the Firm generally seeks to rectify the error by placing the client account in a similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps may be taken, including among others canceling the trade or adjusting an allocation. Any gains or losses resulting from error correction will be placed in DWA's error correction account and retained by the custodian.

Confidentiality

DWA views protecting its customers' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, the Firm has instituted policies and procedures to ensure that customer information is kept private and secure.

DWA does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, DWA may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, lawyers and other parties integral to the implementation of the client's financial plan.

DWA restricts internal access to nonpublic personal information about its clients to those employees who need to know that information in order to provide products or services to the client. DWA maintains physical and procedural safeguards that comply with state and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be the Firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the Firm's policy not to share information unless required to process a transaction, at the request of the client, or as required by law.

A copy of the Firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the advisory agreement. Thereafter, the Firm will deliver a copy of the current privacy policy notice to its clients on an annual basis. If you have any questions on this policy, please contact Richard Donnelly, President/Chief Compliance Officer at (858) 622-9009.

Annual Delivery of Disclosure Documents Via Email

In an effort to conserve our natural resources, DWA has adopted a policy of delivering the Form ADV Part 2 and Privacy Notice via e-mail. DWA has policies and procedures in place to protect our Clients' privacy, as well as the confidentiality of sensitive communications with our Clients. Most forms of communication we utilize are safe. E-mail may not, however, be as secure as other forms of communication. Clients who do not wish to receive their Form ADV Part 2 and Privacy Notice electronically, may contact the Firm at the contact information on the cover page of this document to request delivery in paper form.