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Disclosure Brochure (Equivalent of SEC Form ADV, Part II) September 2014

Item 1 – Overview

This Brochure provides information about the qualifications and business practices of Colorado Capital Management, Inc. Colorado Capital Management, Inc. is a registered investment advisor. Our registration is filed with the United States Securities & Exchange Commission (SEC). Registration itself does not imply any particular level of skill or training. Our qualifications, professional experience and investment approach are described in the sections that follow.

If you have any questions about the contents of this Brochure, please contact us at (303) 444-9300 or send us an email at info@coloradocap.com. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Item 2 – Material Changes

This Brochure, dated September 2014, is an updated disclosure document prepared according to the SEC's new requirements and rules issued July 28, 2010 pertaining to "Amendments to Form ADV."

We provide an updated copy of our Brochure to our clients each April, and going forward this will include a summary of any material changes since our last update. In addition, we may provide additional updates during the year if there are material changes at the firm. In the last year, the primary changes were the resignation of Henry Nicholson, the addition of Colleen Harvey as portfolio manager of the firm, and the addition of Debra Huttner as an investment advisor of the firm.

Our Brochure and other information about the firm and our individual advisors will also continue to be available at no charge throughout the year through: 1) our website: www.coloradocap.com, 2) the website of the Securities and Exchange Commission: www.adviserinfo.sec.gov, and/or 3) by contacting our operations manager Andy Gilson at (303) 444-9300 or via email to: info@coloradocap.com.

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Item 4 – Advisory Business

Services Offered

Colorado Capital Management (CCM) was founded in February of 2000 and provides financial planning and investment management services. Our clients include individuals, families, trusts, corporations, foundations and other charitable organizations.

Professional Staff

The founder and president of the company is Steven L. Ellis. He has worked in the financial and investment fields since 1982, and has advised high net worth clients on their investment portfolios since 1989. He is 55 years old and holds a bachelor's degree in Business Administration, magna cum laude, from the University of Colorado, and a master's degree from Cornell University. He also holds the Chartered Financial Analyst (CFA) designation. Before forming Colorado Capital Management, he was a principal at Baydush Simon Investments, and prior to that, vice president with Asset Management Group.

Lee Strongwater is a vice president and investment advisor at Colorado Capital Management and became a principal in 2011. He is 53 years old and holds a bachelor's degree in political science from the University of Colorado and a master's degree in international affairs from Columbia University. He earned credentials as a Wealth Management Specialist (WMS) from Kaplan University and has worked as a wealth manager since 2003. Prior to joining Colorado Capital Management in 2010, Lee was a managing partner at Strongwater-Schott, a fee-only investment management and financial planning firm in Denver.

Margaret Elizabeth (Liz) Jacques is a vice president and investment advisor at Colorado Capital Management. She is 57 years old and holds an undergraduate degree from James Madison University, an MBA from Virginia Commonwealth University and the Certified Financial Planner (CFP®) designation. For the past 25 years, Liz has assisted high net worth clients with meeting their financial needs as a private banker and vice president at Citibank, and a business owner and senior executive of two family office firms providing financial planning services.

Colleen Harvey is the chief economist and portfolio manager for Colorado Capital Management. She is 43 years old and holds a bachelor's degree from the University of Notre Dame and a master's degree from Tufts University. Colleen has over 15 years of experience in the investment industry, primarily as a portfolio manager at Fidelity Investments and she has also worked as a financial advisor at Merrill Lynch and a research associate at a hedge fund. She also holds the Certified Financial Analyst (CFA) designation.

Debra Huttner is an investment advisor at Colorado Capital Management. She is 44 years old and holds a bachelor's degree from Brown University as well as a graduate degree from NYU School of Law and an MBA from NYU Stern School of Business. She is admitted to the bars of both New York and Colorado. Prior to joining Colorado Capital Management, Debbie held positions as a vice president for Time Warner, overseeing corporate development and investments for CNN Interactive and prior to that she served as the director of business development for RCN Corporation.

Andrew K. Gilson is the Operations Manager for Colorado Capital Management. He is 39 years old and holds a bachelor's degree in Mass Communications & Media Technology from King's College located in Wilkes-Barre, PA. He has extensive customer service experience in the financial services industry, including two years as an operations specialist at Raymond James Financial, and six years in investor services and management at a mutual fund transfer agency.

All professional advisors at CCM must hold at least a bachelor's degree from an accredited university, and have related prior experience in the financial services industry.

Discretionary Trading Authority

CCM manages client investment accounts on a discretionary basis. This means that we typically have the right, without obtaining specific client consent, to determine the securities that are bought or sold in client accounts, and the amounts of those transactions. In some cases, we may also select the brokerage firm (see the brokerage arrangements discussed in Item 12).

However, this discretion is not completely unlimited. In almost all cases, a written investment policy statement is developed for and agreed to by each new client before any trading is undertaken. This policy statement (and any subsequent direction by Client) guides all asset allocation and investment selection decisions. Discretionary transactions are limited to stocks, bonds, mutual funds, exchange-traded funds, certificates of deposit, government securities, options, and other publicly traded marketable securities of a similar nature. Our discretion is further limited in that we cannot withdraw funds from client accounts, other than for quarterly management fees.

CCM had discretionary assets under management of \$229,728,700 as of March 05, 2014, and \$0 in client assets managed for a fee on a non-discretionary basis.

Item 5 – Fees and Compensation

Advisory Fees

Our annual fees are calculated as a percentage of the assets under management. Our rates are 1% for the first \$1 million, 0.7% for the next \$2 million, 0.50% thereafter. The minimum account size is \$500,000. Fees and minimums may be adjusted lower at our discretion, or higher by mutual agreement, as a result of the size, complexity and growth potential of an account.

Fees are typically paid quarterly in advance. Clients may terminate their relationship with CCM at any time, and any unused prepaid fees will be returned in full. Third party firms, such as independent custodians, insurance companies (for annuities) or money managers retained by Client, may collect all or a portion of CCM's fees on its behalf.

In addition to fees paid to CCM, Clients will incur expenses payable to third parties, such as custodians, brokers, and fund managers in connection with their investment accounts. These third party charges may include transaction costs, management fees, sales charges, wire-transfer fees, interest on borrowed funds, taxes, and other miscellaneous costs. CCM does not receive any portion of these amounts.

Item 12 further describes the factors that CCM 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

CCM 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

CCM provides financial planning and investment management services. Our clients include individuals, families, trusts, corporations, foundations and other charitable organizations.

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

Types of Investments and Selection Methodology

Approximately 80% of our work is related to investment research and management. The balance consists of advising clients on financial planning issues such as college saving vehicles, insurance needs, retirement plans, and strategies to reduce income and estate taxes.

We provide guidance on most types of investment securities. This includes all types of stocks, bonds, mutual funds and exchange-traded funds, and may also include commercial paper, certificates of deposit, real estate, oil and gas, life insurance, annuities, warrants, options, derivatives, hedge funds, venture capital, and other private equity and private debt investments. For clients interested in socially responsible investing, we also select investments that are screened to avoid certain industries and are evaluated on environmental, social and governance issues.

To select investments, we utilize fundamental analysis, which means that we focus on the underlying fundamental characteristics of each investment. The information that we utilize for this analysis is primarily procured from paid subscriptions to financial databases and publications. We also review financial newspapers, magazines, financial data and news released by public companies, research materials prepared by third-party firms, and other data available over the internet. In selecting index funds (which represent the majority of our equity investments), we focus on operating cost, fund size, sponsor, asset class, and the way in which the index is constructed.

Our investment approach is very much long-term in nature, and typically we hold securities for several years. However, in some cases we will execute short-term trading strategies. In some instances, we may enter into a short sale or an option contract in order to address the specific needs or desires of a client. Clients may elect to utilize the margin borrowing features on their account at their discretion, although most do not.

Engagement of third-party money managers and/or separate account managers is one of the services we may offer, depending upon the suitability of such a strategy for the client. We monitor the performance of the selected managers.

Initial Public Offerings

From time to time we request shares of initial public offerings (IPO's) and secondary offerings for one or more of our clients. These are short-term, speculative investments.

At this time, we typically will only request shares of an IPO for a client that has specifically requested those shares. We may charge an additional fee of up to \$500 per offering for assisting a client with buying and selling these shares.

In the event that multiple clients request shares of an IPO, and we receive fewer IPO shares than were requested, we must allocate those shares among the participating clients. The allocations are typically either equal or in proportion to the number of shares requested (rounded to the nearest hundred). Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 – Disciplinary Information

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

Item 10 – Other Financial Industry Activities and Affiliations

Avoiding Conflicts of Interest

Compensation: Colorado Capital Management does not receive any monetary compensation from any source other than the asset based fees paid by clients. We do not sell any investment products and do not receive any commission income. We do not have any "soft dollar" arrangements with any brokerage firms.

Employee Trading: Employees of CCM will from time to time purchase or sell for themselves the same securities (except for IPO's) that are purchased for clients. There is deemed to be no conflict of interest as the securities involved (mostly mutual funds and exchange-traded funds) are widely held and publicly traded, and the transaction size is typically far too small to affect the market. We believe it is an alignment of our interests for us to own the same securities in both our personal and client accounts

Independence: CCM is completely independent and employee owned. We have no ownership interest in any other organization, and no other organization owns any portion of CCM.

Partnerships: We do not serve as the general partner in any partnership in which clients are advised to invest.

Discounted Services & Events: We occasionally are offered and accept discounts from software vendors, and invitations to attend business research and/or training events where part or all of the full cost is paid by a third party (see Item 12 below for more detail).

Item 11 - Code of Ethics

Each employee and officer of Colorado Capital Management must sign and adhere to our written *Code of Ethics and Professional Responsibility*. This document details our obligation to not only comply with all of the laws and regulations governing our industry, but also to act in an ethical and professionally responsible manner in all professional services and activities.

It describes our fiduciary duty to our clients and includes provisions relating to protecting the confidentiality of client information, restrictions on employee trading, and acting with integrity, objectivity, fairness, professionalism and diligence in all business matters. CCM's *Code of Ethics* is based on a template provided by the Certified Financial Planner Board of Standards and is designed to be in compliance with all applicable securities laws.

CCM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting our firm at (303) 444-9300 or via email at info@coloradocap.com.

Item 12 – Brokerage Practices

Brokerage Firm Arrangements

Although our clients may select other brokerage firms, most, if not all, utilize Charles Schwab and Co. (Schwab) for the custody and trading of at least a portion of their assets. There is no direct financial relationship between CCM and Schwab, or any other brokerage firm.

Although we do not receive any compensation from conducting business with Schwab, we do realize certain benefits from being an institutional customer of the firm, such as access to Schwab's institutional website. This site provides account data, live stock quotes, electronic trading, and research from Schwab on stocks and mutual funds. Other benefits of this nature include access to dedicated customer support teams, free software to download information on client Schwab accounts, discounts with third party and Schwab-owned software vendors, and ongoing correspondence and counsel from Schwab regarding marketing, research, business operation, and compliance.

We utilize Schwab because it offers an attractive combination of: discounted trade commissions, access to lower-cost "institutional-only" mutual fund shares, a large no-load mutual fund marketplace, a large subset of no-transaction fee funds, exchange-traded funds with very low fees, access to initial public offerings, web access, electronic trading, accurate order execution, fair trade execution, convenient office locations, financial strength, substantial insurance, responsive customer service, and familiarity to clients.

In special circumstances, such as when purchasing individual bonds, we may execute trades at a brokerage firm that is not the custodian of the client's account. We do this to improve the range of potential offerings and the price at which they may be available. For such trades, clients typically pay a \$25 fee to the custodian of their account, plus whatever mark-up or mark-down the originating broker has built into the price of the security being bought or sold. We only execute such trades when we believe they provide an advantage to the client.

Item 13 – Review of Accounts

Client accounts paying at least our quarterly minimum fee are monitored on an ongoing basis, with detailed written reports provided at the end of each calendar quarter. All such accounts are reviewed in a similar manner. Accounts falling below the minimum fee may be reviewed on an occasional or one-time basis, or at the specific request of the client. There are five persons at Colorado Capital Management who review client accounts; president Steven Ellis, vice president Lee Strongwater, vice president Liz Jacques, portfolio manager Colleen Harvey, and investment advisor Debra Huttner. Together, they provide these reviews for approximately 200 clients.

Our written quarterly reports usually include a portfolio statement detailing the security holdings, by asset class, for each client. This appraisal describes the market value, portfolio weighting, and if available, the cost basis, of each position in the portfolio. In addition, information is typically provided on the performance of the portfolio for the quarter, and for longer periods of time. Quarterly reports also typically include detailed performance benchmark (market index) data and our thoughts on the current economic outlook.

Item 14 – Client Referrals and Other Compensation

CCM does not compensate persons who refer clients to our firm. However, we occasionally send a modest thank you gift (no more than \$100 in value) to express our appreciation for a referral.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. CCM urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

CCM 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 transaction amounts, CCM seeks to observe the investment policies, limitations and restrictions set by the client. These guidelines are typically in the form of a written investment policy statement prepared by CCM and issued to the client after the conclusion of an in-depth client interview.

Item 17 – Voting Client Securities

CCM does not vote proxies on behalf of advisory clients, even when clients authorize CCM to receive and vote their proxies. However, if a client with a sizable position in an individual stock (which would be unusual) asked and empowered us to vote a proxy in a particular manner, we would honor this request.

Item 18 – Financial Disclosure

CCM 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.

