

Item 1 – Cover Page



GUNN & COMPANY INVESTMENT MANAGEMENT, INC.

REGISTERED INVESTMENT ADVISOR

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Jacksonville, Florida 32224

(904) 296-2025

March 31, 2014

This Brochure provides information about the qualifications and business practices of Gunn & Company Investment Management, Inc. If you have any questions about the contents of this Brochure, please contact Susan Kelly, Chief Compliance Officer at (904) 296-2025 or skelly@gunnchamberlain.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.

Gunn & Company Investment Management, Inc. is a registered investment advisor. 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 Gunn & Company Investment Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Gunn & Company Investment Management, Inc. who are registered as investment adviser representatives of Gunn & Company Investment Management, Inc.

Item 2 – Material Changes

Investment Advisers are required to prepare a disclosure document (“Brochure”) that describes the firm and its business practices. Pursuant to SEC rules, we are required to update our Brochure at least annually and provide you with a summary of any material changes since the previous annual amendment.

We have prepared the updated Brochure, dated March 31, 2014, in accordance with the annual amendment requirement. We are required to update our Brochure and provide you with a summary of material changes on an annual basis. Following is a list of material changes since our last annual update dated February 21, 2013.

- GCIM’s affiliated CPA firm, GunnChamberlain, P.L., performs certain accounting functions for clients, such as bill-pay and payroll services. To the extent that clients of GCIM engage GunnChamberlain for these services, GCIM may be deemed to have custody of those clients’ bank accounts. As such, and in accordance with the applicable rules and regulations, GCIM has engaged the services of an independent public accountant to perform a custody audit of those accounts.
- In December 2013, Marshall D. Gunn, Jr., was personally named in a complaint by the U.S. Securities and Exchange Commission.

With this summary, we hereby offer to deliver a complete copy of our Investment Adviser Brochure upon your request at any time during the year. You may request our Brochure at any time by contacting Susan Kelly, Chief Compliance Officer, at 904-296-2025 or skelly@gunnchamberlain.com.

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Item 4 – Advisory Business

Gunn & Company Investment Management, Inc. (“GCIM”) began in 1996. Marshall D. Gunn, Jr. is the President of GCIM. GCIM provides investment advisory services for a variety of clients and our current discretionary assets under management as of December 31, 2013 are \$93,400,000. GCIM does not manage any non-discretionary accounts.

GCIM assists clients in identifying their financial goals and objectives and provides clients with advice specific to their particular circumstances, which may include investment strategy and asset allocation, tax considerations and/or estate planning. Investment selection and portfolio management are provided by an unaffiliated third-party sub-advisor. GCIM entered into sub-advisory agreements with both Disciplined Equity Management, Inc. (“DEM”) and CPS Investment Advisors (“CPS”). Clients and potential clients will receive the Form ADV Part 2 Disclosure Brochure for the sub-advisor recommended to manage their account. Clients may request an updated Brochure at any time.

Clients complete an Investment Policy Statement and can provide any specific instructions or restrictions on the management of their portfolio. GCIM provides the sub-advisor with the client’s Investment Policy Statement. The sub-advisor manages the client’s portfolio based upon the client’s individual needs as exhibited in the client’s Investment Policy Statement.

When appropriate to the needs of the client, trading strategies or margin transactions may be recommended within the client’s Investment Policy Statement. Because these investment strategies involve a certain additional degree of risk, they will only be recommended when consistent with the client’s stated tolerance for risk.

Item 5 – Fees and Compensation

GCIM’s standard fee schedule for investment advisory services follows. This fee includes GCIM’s investment advisory fee as well as the investment advisory fee charged by the sub-advisor. In limited circumstances and at GCIM’s sole discretion, fees may be negotiable.

<u>Account Value</u>	<u>Total Annual Fee</u>
First \$10,000	3.00%
For account balance between \$10,000 - \$40,000	2.00%
For account balance between \$40,000 - \$100,000	1.00%
For account balance between \$100,000 - \$3,000,000	1.50%
For account balance between \$3,000,000 - \$5,000,000	1.00%
For account balance over \$5 million	.75%

The specific manner in which fees are charged is established in the client’s written portfolio management agreement. GCIM bills fees quarterly in advance based on the market value on the last day of the previous quarter. New accounts are billed a prorated fee for the

initial quarter under GCIM's management. Portfolio management agreements may be terminated with 30 days written notice. Upon termination of an account, GCIM will promptly refund a pro-rata portion of any unearned fees. Any fee dues will be payable.

Clients may, but are not required to, grant GCIM the authority to debit advisory fees directly from the clients' accounts. If the client authorizes GCIM to debit fees, GCIM is deemed to have custody of the client's funds. Clients will receive a statement, usually monthly but no less than quarterly, directly from their account custodian. GCIM urges clients to review the information on the statement for accuracy and compare the information to any reports received directly from GCIM. Please refer to Item 15 of this document for additional disclosures relating to Custody.

Fees paid to GCIM are exclusive of brokerage commissions, transaction fees, and other direct or indirect costs and expenses incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties that may include custodial fees, transaction fees, short term redemption fees, mark-ups/mark-downs, dealer spreads, wire-transfer fees, electronic fund fees, taxes or other costs associated with the account. Mutual funds, exchange-traded funds (ETFs) and other investment company securities charge internal management fees, which are disclosed in a fund's prospectus. GCIM does not receive any portion of these commissions, fees or additional expenses paid by the client. Item 12 further discussed GCIM's brokerage practices, including the process for selecting and recommending broker/dealers and determining the reasonableness of the commissions and other fees charged to the client.

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

GCIM does not charge any clients a performance-based fee.

Item 7 – Types of Clients

GCIM provides investment advisory services to individuals, trusts, estates, corporations and small business owners, pension plans, foundations and other charitable entities.

While GCIM does not require clients maintain a minimum account size, the sub-advisors may impose their own minimums on the size of account they will accept.

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

GCIM uses the information gathered from the client in the Investment Policy Statement to recommend a specific asset allocation and investment strategy. Implementation of the investment strategy may include an individual stock or bond portfolio, a mutual fund/ETF portfolio, or some combination of those security types. Investment strategies are based on

concepts of fundamental analysis derived from modern portfolio theory in order to construct a diversified portfolio specific to the goals and objectives of the client.

Investing in securities involves risk of loss that clients should be prepared to bear. GCIM uses its best judgment and good faith efforts in providing advisory services to clients. GCIM cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment decision or recommendation made by GCIM will be profitable. Investments in securities are subject to various market, currency, inflation, economic, political and business risks. GCIM attempts to minimize these risks by recommending diversified portfolios constructed to meet the specific goals and objectives of each client.

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 GCIM or the integrity of GCIM's management. In December 2013, Marshall D. Gunn, Jr., was personally named in a complaint by the U.S. Securities and Exchange Commission.

Item 10 – Other Financial Industry Activities and Affiliations

Marshall D. Gunn, Jr. is the President of GunnChamberlain, P.L., a CPA firm specializing in income tax, accounting, and business consulting. Employees of GCIM have duties both related to GCIM and to GunnChamberlain, P.L. GCIM refers clients in need of accounting services to GunnChamberlain, P.L. and, likewise, GunnChamberlain, P.L. refers clients needing investment advisory services to GCIM. Although clients may be referred between the related entities, there is no requirement that any client of one firm utilize the services of the other. The services of each entity are provided under separate written agreements and performed for separate and typical compensation.

Mr. Gunn is a licensed insurance agent with the Florida Office of Insurance Regulation. GCIM clients may be offered life and health insurance products. There is no requirement that any GCIM client utilize the insurance services offered by Mr. Gunn.

Mr. Gunn owns and operates other businesses, usually operating entities unrelated to the securities industry such as retail/office space or franchise establishments that may be joint ventures with clients. However, Mr. Gunn does not recommend these investments as part of the advisory services offered by GCIM. These arrangements are outside of the scope of the advisory services offered to any clients.

Mr. Gunn is on the Board of Directors and/or Investment Policy Committee of several non-profit organizations and charitable entities. Mr. Gunn's outside business activity does not materially affect GCIM's business.

Item 11 – Code of Ethics

GCIM has adopted a Code of Ethics, which establishes rules of conduct for all its personnel. The Code is based upon the principle that we owe a fiduciary duty to our clients to conduct their affairs in such a manner as to avoid (1) serving our own personal interests ahead of clients, (2) taking inappropriate advantage of our position with the firm and (3) actual or potential conflicts of interests or any abuse of their position of trust and responsibility.

GCIM employees can utilize the same sub-advisor that manages client accounts and follow a similar investment style used for client portfolios. Investment decisions are made solely by the sub-advisor and not by the employee and, therefore, many transactions in employee accounts will be similar to those made in client accounts. Access persons may also initiate securities transactions for their personal accounts on their own and separate from the employee accounts managed by the sub-advisor. In such situations, investment decisions are made without prior knowledge of client transactions initiated by a sub-advisor.

Access persons are required to submit quarterly transaction reports and annual holdings reports for all personal investments pertaining to covered securities. The reports are reviewed in order to identify and address any conflicts of interest. Furthermore, all supervised persons have a duty to report any violations of the Code of Ethics to the Chief Compliance Officer.

GCIM will provide a copy of the Code of Ethics to clients or potential clients upon request.

Item 12 – Brokerage Practices

In that GCIM provides investment supervisory services, GCIM has the discretionary authority to determine the securities and amounts to be bought and sold. However, GCIM does not initiate any trades on the client's behalf. All investment decisions and trading is done by the sub-advisor. Any restriction on this authority must be provided to GCIM in writing and included in the Investment Policy Statement.

While GCIM does not initiate any trades for any clients, it still has a fiduciary duty to its clients to seek best execution of securities transactions. GCIM continually reviews the services of the custodians/brokers it recommends to clients to assess whether those services are reasonable in light of the amount of fees and commissions paid by the client. In addition, GCIM monitors the activities of its sub-advisors to determine that other parties are upholding their fiduciary duty as well.

GCIM clients may maintain accounts at TD Ameritrade or Fidelity. The reason for preferring these brokers/custodians is their discounted commission rates, availability of no-load mutual funds, electronic trading, daily transaction downloads, and dedicated service team. Not all advisors require the use of a particular custodian or broker/dealer.

GCIM receives no fees or compensation for recommending TD Ameritrade or Fidelity, but may receive other benefits as described in Item 14.

GCIM does not have any formal or informal soft dollar arrangements. While GCIM may receive benefits as described in this section as well as in Item 14, clients do not incur any additional costs as a result of these benefits.

Clients may direct GCIM to use the services of a specific broker/dealer. However, GCIM may decline to accept an account if the client's request is inconsistent with GCIM's investment approach. If GCIM accepts an account subject to client direction, GCIM may not be able to attain best execution of client transactions. Directed transactions could result in additional costs to the client.

Item 13 – Review of Accounts

The sub-advisors review client portfolios to ensure compliance with each client's goals and objectives. Portfolio reviews and any necessary rebalancing are conducted quarterly. Additional reviews may occur more frequently due to such factors as inflows to or outflows from an account, significant market movements, or other factors as deemed necessary.

Susan Kelly conducts quarterly reviews of each client portfolio to verify that client's asset allocation remain in line with their target allocation. GCIM recommends clients meet with Marshall Gunn annually to discuss any changes and updates to their financial situation and to ensure the asset allocation and investment strategy continues to be appropriate.

Portfolio management account reports are prepared and delivered on a quarterly basis. Clients also receive statements directly from their account custodian generally on a monthly basis, but no less frequently than quarterly. Additional reports may be available upon request. Clients are urged to compare information contained in the reports provided by GCIM with the account statements received directly from the account custodian.

Item 14 – Client Referrals and Other Compensation

GCIM has access to free or discounted research materials from broker-dealers and/or third-party providers in exchange for having client assets custodied at TD Ameritrade or Fidelity. TD Ameritrade and Fidelity may provide free industry information that does not qualify as research, such as newsletter or other publications pertaining to compliance, marketing, practice management, etc. In addition, events such as workshops or conferences may be available at reduced cost or no cost. These benefits are not provided on the basis of client transactions. Under no circumstances do any clients pay additional fees or commissions in order to obtain these products or services.

GCIM has arrangements with one or more unrelated third parties who act as solicitors for GCIM. GCIM compensates the third parties according to an ongoing fee-sharing agreement.

Clients referred to GCIM in accordance with any solicitation arrangement do not pay a higher fee for advisory services as a result of the referral. The details of any such payments to any solicitor are described to clients as required, and acknowledged and accepted by those clients, in a signed Solicitors Disclosure Document.

Item 15 – Custody

GCIM is deemed to have custody of client funds to the extent that GCIM directly debits fees from client accounts. Debiting of fees is done pursuant to authorization provided by each client. GCIM sends each client a series of quarterly reports, including holdings and an advisory fee invoice. Usually monthly but no less frequently than quarterly, clients will receive account statements directly from their account custodian. Custodial statements include account holdings, market values and any activity that occurred during the period, including purchases and sales, additions and withdrawals, income, dividends and capital gains. GCIM urges clients to compare information contained in the reports provided by GCIM with the account statements received directly from the account custodian. Differences in portfolio value may occur due to various factors, including but not limited to: (1) unsettled trades; (2) accrued income; (3) pricing of securities; and (4) dividends earned but not received.

GCIM's affiliated CPA firm, GunnChamberlain, P.L., performs certain accounting functions for clients, such as bill-pay and payroll services. To the extent that clients of GCIM engage GunnChamberlain for these services, GCIM may be deemed to have custody of those clients' bank accounts. As such, and in accordance with the applicable rules and regulations, GCIM has engaged the services of an independent public accountant to perform a custody audit of those accounts.

Item 16 – Investment Discretion

Clients grant GCIM discretion over their account by providing authorization in the portfolio management agreement. This discretionary authority authorizes GCIM and its sub-advisors to buy, sell or otherwise trade in any stocks, bonds or other securities. Investment discretion is limited only by specific instructions, guidelines and/or mandates provided by clients in writing and to which GCIM agrees.

Item 17 – Voting Client Securities

GCIM does not have any authority to and does not vote proxies on behalf of advisory clients. GCIM will have no obligation to render advice or take any action with respect to any securities subject to any legal proceedings, such as class action lawsuits or bankruptcy. Clients will receive all proxies and other solicitations directly from their account custodian.

Item 18 – Financial Information

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