

**Form ADV Part 2B – Brochure Supplement
Item 1: Cover Page
January 2014**

Timothy A. Sagawa CFP, CFA

**Gradient Capital Advisors, LLC
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www.gradientcapital.com**

**Firm Contact:
Timothy A. Sagawa
Chief Compliance Officer**

This brochure supplement provides information about Timothy A. Sagawa that supplements our brochure. You should have received a copy of that brochure. Please contact Timothy A. Sagawa, Chief Compliance Officer if you did not receive Gradient Capital Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Timothy A. Sagawa is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Educational Background & Business Experience

Timothy A. Sagawa

Year of Birth: 1980

Educational Background:

- 2001; Point Loma Nazarene University; San Diego, CA; Business Administration

Business Background:

- 01/2014 – Present Gradient Capital Advisors, LLC; Chief Compliance Officer, Senior Partner and Director of Asset Management
- 08/2003 – 01/2014 Ameriprise Financial Services, Inc.; Associate Financial Advisor
- 06/2003 – 08/2003 Ameriprise Financial Services, Inc.; ParaPlanner

Exams, Licenses & Other Professional Designations:

- 05/2007 – CFP® - CERTIFIED FINANCIAL PLANNER™
- 09/2006 – CFA - Chartered Financial Analyst
- 06/2003 – California Insurance License
- 06/2003 – Series 66
- 05/2003 – Series 7

CFP® - CERTIFIED FINANCIAL PLANNER™:

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP marks are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its high standard of professional education, stringent code of conduct and standards of practice and ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements: Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university, pass the comprehensive CFP® Certification Examination, Complete at least three years of full-time financial planning-related experience and agree to be bound by CFP Board's *Standards of Professional Conduct*.

Individuals who become certified must complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial industry and renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFA - Chartered Financial Analyst:

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit www.cfainstitute.org.

Item 3: Disciplinary Information¹

If there are legal or disciplinary events material to your evaluation of Mr. Sagawa, we are required to disclose all material facts regarding those events.

There are no legal or disciplinary events material to your evaluation of Mr. Sagawa.

Item 4: Other Business Activities

A. If Mr. Sagawa is actively engaged in any investment-related business or occupation, including if Mr. Sagawa is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA, we are required to disclose this fact and describe the business relationship, if any, between the advisory business and the other business.

1. If a relationship between the advisory business and Mr. Sagawa's other financial industry activities creates a material conflict of interest with you, the SEC requires us to describe the nature of the conflict and generally how we address it.

We have nothing to disclose in this regard.

2. If Mr. Sagawa receives commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds, we have to disclose this fact. If this compensation is not cash, we are required to explain what type of compensation Mr. Sagawa receives. We must explain that this practice

¹ Note: Our firm may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, we are not required to disclose it. When we review a legal or disciplinary event involving Mr. Sagawa to determine whether it is appropriate to rebut the presumption of materiality, we consider all of the following factors: (1) the proximity of Mr. Sagawa to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If we conclude that the materiality presumption has been overcome, we prepare and maintain a file memorandum of our determination in our records. We follow SEC rule 204-2(a)(14)(iii) and similar state rules.

gives Mr. Sagawa an incentive to recommend investment products based on the compensation received, rather than on your needs.

We have nothing to disclose in this regard.

- B. If Mr. Sagawa is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of Mr. Sagawa's income or involve a substantial amount of Mr. Sagawa's time, we are required to disclose this fact and must describe the nature of that business. If the other business activities represent less than 10 percent of Mr. Sagawa's time and income, we may presume that they are not substantial.

We have nothing to disclose in this regard.

Item 5: Additional Compensation

If someone who is not a client provides an economic benefit to Mr. Sagawa for providing advisory services, we are required to generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include Mr. Sagawa's regular salary. Any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.

We have nothing to disclose in this regard.

Item 6: Supervision

We are required to explain how we supervise Mr. Sagawa, including how we monitor the advice Mr. Sagawa provides to you. Our firm has to provide the name, title and telephone number of the person responsible for supervising Mr. Sagawa's advisory activities on behalf of our firm.

Rodney A. Simms is a principal of Gradient Capital Advisors, LLC and as such supervises and monitors Mr. Sagawa's activities on a regular basis to ensure compliance with our firm's Code of Ethics. Please contact Mr. Simms if you have any questions about Mr. Sagawa's brochure supplement at (619) 255-0700.