

Item 1 – Cover Page

Colorado West Investments, Inc.

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Date of Disclosure Brochure: October 2020

This disclosure brochure provides information about the qualifications and business practices of Colorado West Investments, Inc. (also referred to as we, us and Colorado West Investments throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Ashley Noelle DeJulio at (970) 249-9882. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Colorado West Investments is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for Colorado West Investments, Inc. or our firm's CRD number 299627.

*Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

Colorado West Investments, Inc. has had the following material changes to this brochure since filing their annual amendment on January 29, 2020:

Item 1 – We moved our Gunnison, CO office location to 1115 N. Main St., Suite A.

Item 4 – We updated our assets under management as of October 31, 2019.

Item 4 – We disclosed changes in ownership of Colorado West Investments. See Item 4 for ownership interests of the firm.

Item 4 – Ashley Noelle DeJulio is the Chief Compliance Officer as of August 2020.

Item 10 – We have received a forgivable loan from LPL based on our affiliation with them.

Item 12 – We may receive travel expense reimbursement from LPL for attending industry conferences.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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Item 4 – Advisory Business

Colorado West Investments is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a corporation formed under the laws of the State of Colorado.

- Kevin Sanderford is the President of Colorado West Investments. Kevin Sanderford owns 72.15% of Colorado West Investments.
- Betty Tomlinson is the Vice President of Colorado West Investments. Betty Tomlinson owns 20.35% of Colorado West Investments.
- Michael Murphy is the Director of Colorado West Investments. Michael Murphy owns 7.5% of Colorado West Investments.
- Ashley Noelle DeJulio is the Chief Compliance Officer of Colorado West Investments as of August 2020.
- Colorado West Investments filed its initial application to become registered as an investment adviser with the U.S. Securities Exchange Commission, which was accepted July 11, 2019.

Introduction

The investment advisory services of Colorado West Investments are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of Colorado West Investments (referred to as your investment adviser representative throughout this brochure).

Description of Advisory Services

The following are descriptions of the primary advisory services of Colorado West Investments. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and Colorado West Investments before we can provide you the services described below.

Asset Management Services – Colorado West Investments offers asset management services, which involves Colorado West Investments providing you with continuous and ongoing supervision over your specified accounts.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

IRA Rollovers

When recommending that a client rollover his or her account from current retirement plan to an IRA, Colorado West Investments and its investment adviser representatives have a conflict of interest. Colorado West Investments and its representatives can earn investment advisory fees by recommending that a client rollover his or her account at the retirement plan to an IRA; however, Colorado West Investments and its investment adviser representatives will not earn any investment advisory fee if client does not rollover the funds in the retirement plan (unless a client retained Colorado West Investments to provide advice about the client's retirement plan account). Thus, Colorado West Investments and its investment adviser representatives have an economic incentive to recommend a rollover of the retirement plan account, which is a conflict of interest. Colorado West Investments has taken steps to manage this conflict of interest arising from rolling over funds from an ERISA covered retirement plan to an IRA and has adopted written policies and procedures whereby Colorado West Investments and its investment adviser representatives will disclose the advantages/disadvantages of the retirement plan/IRA rollover options available to the client and will only recommend rollover if in the best interest of the client.

Financial Planning Services - Colorado West Investments offers limited scope financial planning services. When providing financial planning services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. Financial plans prepared by us do not include specific recommendations of individual securities.

Our financial planning services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning recommendations. To the extent that you would like to implement any of our investment recommendations through Colorado West Investments or retain Colorado West Investments to actively monitor and manage your investments, you

must execute a separate written agreement with Colorado West Investments for our asset management services.

Retirement Plan Services - Colorado West Investments offers retirement plan services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan, our retirement plan services can include, but are not limited to, the following services:

Fiduciary Consulting Services

Colorado West Investments provides the following Fiduciary Retirement Plan Consulting Services:

- Non-Discretionary Investment Advice. Colorado West Investments will provide you with general, non-discretionary investment advice regarding assets classes and investment options, consistent with your Plan's investment policy statement.
- Investment Recommendations via Model Portfolios. Colorado West Investments will provide model portfolio investment recommendations on a non-discretionary basis to the Plan. If a Plan has elected to include Colorado West Investments' Model Portfolios as available options for the qualified retirement plan, then the Plan will have the option to elect or not elect to follow the non-discretionary Model Portfolios recommended by Colorado West Investments.

For Fiduciary Consulting Services, all recommendations of investment options and portfolios will be submitted to you for your ultimate approval or rejection. For retirement plan Fiduciary Consulting Services, the retirement plan sponsor client or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

Fiduciary Consulting Services are not management services, and Colorado West Investments does not serve as administrator or trustee of the plan. Colorado West Investments does not act as custodian for any client account or have access to client funds or securities (with the exception of, some accounts, having written authorization from the client to deduct our fees).

Colorado West Investments acknowledges that in performing the Fiduciary Consulting Services listed above that it is acting as a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 ("ERISA") for purposes of providing non-discretionary investment advice only. Colorado West Investments will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause Colorado West Investments to be a fiduciary as a matter of law. However, in providing the Fiduciary Consulting Services, Colorado West Investments (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of Client's retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client's retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client's retirement plan or the interpretation of Client's retirement plan documents, (b) is not an "investment manager" as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the "Administrator" of Client's retirement plan as defined in ERISA.

Fiduciary Management Services

Colorado West Investments provides clients with the following Fiduciary Retirement Plan Management Services:

- Discretionary Management Services. Colorado West Investments will provide you with continuous and ongoing supervision over the designated retirement plan assets. Colorado West Investments will actively monitor the designated retirement plan assets and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Plan. We have discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in our sole discretion without first consulting with you. We also have the power and authority to carry out these decisions by giving instructions, on your behalf, to brokers and dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.

If you elect to utilize any of Colorado West Investments' Fiduciary Management Services, then Colorado West Investments will be acting as an Investment Manager to the Plan, as defined by ERISA section 3(38), with respect to our Fiduciary Management Services, and Colorado West Investments hereby acknowledges that it is a fiduciary with respect to its Fiduciary Management Services.

Non-Fiduciary Services

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the Plan as the term "fiduciary" is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Agreement.

Colorado West Investments offers the following Non-Fiduciary Retirement Plan Consulting Services, which will be provided upon mutual agreement of the client and Colorado West Investments:

- Participant Education. Colorado West Investments can provide education services to Plan participants about general investment principles and the investment alternatives available under the Plan. Colorado West Investments' assistance in participant investment education will be consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations will not take into account the individual circumstances of each participant and individual recommendations will not be provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. Colorado West Investments can assist the Plan with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with clients in defining the investment policies and objectives that will guide investment decisions for their qualified plan accounts. Upon request, as part of our retirement plan services, we can discuss those investments and investment strategies that we believe may tend to reduce these risks for a particular client's circumstances and plan participants.

Clients and plan participants must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with the client, we will attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client and other employees. It is still the clients' responsibility to ask questions if the client does not fully understand the risks associated with any investment. All plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

We strive to render our best judgment for clients. Still, Colorado West Investments cannot assure that investments will be profitable or assure that no losses will occur in their portfolios. Past performance is an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

Colorado West Investments will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to you any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclose as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclose is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

Seminars

Colorado West Investments may occasionally provide seminars in areas such as financial planning and retirement planning. Seminars are always offered on an impersonal basis and do not focus on the individual needs of participants.

Workshops

Colorado West Investments offers educational, informative and motivational workshops to the public as well as to associations, family foundations and employers. Workshops are always offered on an impersonal basis and do not focus on the individual needs of the participants.

eMoney Advisors

Colorado West Investments utilizes eMoney Advisors, a web-based financial and wealth planning system. Clients electing to use eMoney can select from a variety of available programs, including:

- Planning Center (allowing unlimited scenario planning);
- Retirement Income Tool;
- Vault (storage for client documents such as wills, insurance policies, etc.);
- Financial Connections (allowing aggregation of multiple accounts with daily updating of linked accounts); and
- Alerts to upcoming deadlines and important events.

If you elect to use eMoney you are required to provide us the information and documentation to be downloaded and/or input into the eMoney system. You will be provided with a unique username and

password and will be able to monitor your portfolio performance, view balances, run “what if” scenarios, and store/view important papers and documents.

Limits Advice to Certain Types of Investments

Colorado West Investments provides investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Certificates of Deposit
- Municipal Securities
- Variable Annuities
- Variable Life Insurance
- US Government Securities
- Fixed Income Securities (e.g. bonds), Equities

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client’s specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)

Tailor Advisory Services to Individual Needs of Clients

Colorado West Investments’ advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information. Our financial planning services are always provided based on your individual needs. When providing financial planning services, we work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

When managing client accounts through our firm’s Asset Management Services program, we may manage a client’s account in accordance with one or more investment models. When client accounts are managed using models, investment selections are based on the underlying model and we do not develop customized (or individualized) portfolio holdings for each client. However, the determination to use a

particular model or models is always based on each client's individual investment goals, objectives and mandates.

Client Assets Managed by Colorado West Investments

As of October 31, 2019, Colorado West Investments had \$110,202,873 in discretionary assets under management and \$1,836,796 in non-discretionary assets under management for a total of \$112,039,669 in assets under management.

Item 5 – Fees and Compensation

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and Colorado West Investments.

We believe our fees for investment advisory services are reasonable with respect to the services provided and the fees charged by other investment advisors offering similar services. However, lower fees for comparable service may be available from other sources.

Asset Management Services

Fees charged for our asset management services are charged based on a percentage of household assets under management, billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period, including cash holdings. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period is based on the value of the account when services commence and is billed in arrears at the same time the first full quarterly advisory fee is billed. Additional deposits and withdrawals will be added or subtracted from portfolio assets on a prorated basis to adjust the account fee.

Colorado West Investments bills clients on a rolling quarterly basis, meaning that Colorado West Investments bills each client 4 times over a 12-month period. Each client is assigned to one of three quarterly billing cycles depending on which month services commence during a calendar quarter and will be billed on a quarterly (every 3 months) basis from then on. Three fee cycles are available: **Cycle 1** (January, April, July, and October), **Cycle 2** (February, May, August, and November), and **Cycle 3** (March, June, September and December).

For example, a client beginning services in January will be billed quarterly in advance on Cycle 1 in January, April, July and October; whereas a client beginning services in February will be billed quarterly in advance on Cycle 2 in February, May, August, and November; and finally a client starting services in March will be bill quarterly in advance on Cycle 3 in March, June, September and December. Colorado West Investments may make exceptions to this billing cycle policy for operational reasons (such as householding accounts or the timing of initial deposits) or upon client request.

LPL is responsible for calculating and debiting all fees from your accounts. You must provide LPL with written authorization to debit advisory fees from your accounts and pay the fees to Colorado West Investments. When calculating fees for Colorado West Investments, LPL assumes a 360-day year and quarters lasting 90 days. The asset management services continue in effect until terminated by either party (i.e., Colorado West Investments or you) by providing written notice of termination to the other party. Any prepaid, unearned fees will be promptly refunded by Colorado West Investments to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period.

Fees charged for our asset management services are negotiable based on the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client.

Fee waivers or discounts may be offered to family members and friends of associated persons of Colorado West Investments which are not available to you. Certain pre-existing clients of Colorado West Investments may have grandfathered services, minimum account requirements and fee schedules or rates which were available at the time such pre-existing clients entered into investment advisory relationships with Colorado West Investments but are not currently available to you.

For our asset management services, client will be charged the following annual fee based upon the amount of assets under management:

<u>Assets Under Management</u>	<u>Annual Fees</u>
\$0 – \$1,000,000	1.50%
\$1,000,001 – \$2,500,000	1.25%
\$2,500,001 – \$5,000,000	1.00%
\$5,000,001 – \$10,000,000	0.90%
\$10,000,001 – \$25,000,000	0.80%
\$25,000,001 – \$50,000,000	0.70%
\$50,000,001 and above	Negotiable

This is **not** a blended rate in which each tier of assets is charged a different rate under the annual fee schedule. Instead, a single fee rate is charged to the account based on the applicable fee tier. For example, a client with \$2,000,000 in assets under management would be charged a fee of 1.25% on all assets under management, rather than paying 1.50% on the first \$1,000,000 in assets under management and 1.25% on the remainder.

Colorado West Investments believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to

deduct fees from your account and pay such fees directly to our firm. See *Item 15 – Custody* for more details.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Brokerage commissions and/or transaction ticket fees charged by the qualified custodian are billed directly to you by the qualified custodian. Colorado West Investments does not receive any portion of such commissions or fees from you or the qualified custodian. In addition, you may incur certain charges imposed by third parties other than Colorado West Investments in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by Colorado West Investments are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

Financial Planning Services

The following are the fee arrangements available for financial planning services offered by Colorado West Investments.

Fees for Financial Planning Services

Colorado West Investments typically only provides financial planning and consulting services to clients who are currently receiving asset management services from Colorado West Investments for an asset management fee. If Client is currently receiving asset management services from Colorado West Investments for an asset management fee, Colorado West Investments waives any fees for services under this Agreement. In addition, Colorado West Investments will occasionally provide financial planning services to individuals who are not currently engaged in asset management services of the firm but who are (i) prospective clients considering engaging Colorado West Investments for asset management services or (ii) other individuals, such as family members or friends, who have a pre-existing relationship with an investment adviser representative of Colorado West Investments. Colorado West Investments will waive the fee for financial planning services for such clients regardless of whether they also receive asset management services.

Although Colorado West Investments is not charging investment advisory fees under this Agreement, there are fees and expenses charged by mutual funds to their shareholders if Client invests in mutual funds due in part to the services under this Agreement. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee (known as 12(b)-1 fees). If the mutual fund also imposes sales charges, Client may pay an initial or deferred sales charge.

Likewise, although Colorado West Investments is not charging investment advisory fees under this Agreement, if Client decides to invest through a qualified custodian due in part to the services under this Agreement, the qualified custodian or broker-dealer executing certain transaction will charge commissions for implementing transactions.

The financial planning services terminate upon either party providing written notice of termination to the other party.

You may terminate the financial planning services at any time without penalty or fees due.

Other Fee Terms for Financial Planning Services

All fees paid to Colorado West Investments for services are separate and distinct from the commissions, fees and expenses charged by insurance companies associated with any disability insurance, life insurance and annuities subsequently acquired by you. If you sell or liquidate certain existing securities positions to acquire any insurance or annuity, you may also pay a commission and/or deferred sales charges in addition to the financial planning and consulting fees paid to Colorado West Investments and any commissions, fees and expenses charged by the insurance company for subsequently acquired insurance and/or annuities.

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

If you retain Colorado West Investments to implement the recommendations provided under this service, Colorado West Investments may recommend load or no-load mutual funds that charge you 12(b)-1 fees. Any 12(b)-1 fees will be offset.

All fees paid to Colorado West Investments for financial planning services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations.

It should be noted that lower fees for comparable services may be available from other sources.

Retirement Plan Services

For retirement plan sponsor clients, Colorado West Investments will charge an annual fee that is calculated as a percentage of the value of plan assets. This fee is negotiable based upon the complexity of the plan, the size of the plan assets, the actual services requested, the representative providing the services and the potential for additional deposits.

Colorado West Investments charges an annual fee based upon the value of the plan assets. The annual fee of 1.50% is subject to the forgoing negotiability factors.

For retirement plan sponsors fees are billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period.

Fees for retirement plan sponsors will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm. The services will terminate upon thirty (30) days following either party providing the other party with written notice. If services are

terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

Colorado West Investments does not reasonably expect to receive any other compensation, direct or indirect, for its Services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

Seminars

No fees are charged for seminars. However, if we are hired by larger groups, such as corporations, we reserve the right to charge fees to cover the expenses incurred by us for presenting the seminars. In this case, all fees and payment provisions will be fully disclosed to you prior to the seminar being presented.

Workshops

Workshops are always provided free of charge.

eMoney Advisors

There are no additional fees charged for using eMoney Advisors. Only existing clients will have access to the financial planning software.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

Item 7 – Types of Clients

Colorado West Investments generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

You are required to execute a written agreement with Colorado West Investments specifying the particular advisory services in order to establish a client arrangement with Colorado West Investments.

Minimum Investment Amounts Required

Colorado West Investments requires a minimum of \$100,000 in order to open an account. To reach this minimum, clients can aggregate all household accounts. In addition, Colorado West Investments may waive this minimum in anticipation of expected future contributions to the account or the relationship of the client and investment advisor representative.

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

Methods of Analysis

Colorado West Investments uses the following methods of analysis in formulating investment advice:

Charting - This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Cyclical – This method analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an

interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

There are risks involved in using any analysis method.

To conduct analysis, Colorado West Investments gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

Investment Strategies

Colorado West Investments uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Strategic asset allocation. Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a "buy and hold" strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client's

goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

Short sales. A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.

Value Investing. We primarily follow a value-investing strategy that attempts to acquire at reasonable valuations publicly traded businesses that can deliver sustainable excess returns. We focus on a long-only strategy. Long term strategies are designed to identify and select investments to be held for multiple years. We will also invest in value oriented special situations with shorter expected holding periods.

Value Investing can be described as a strategy of selecting stocks that trade for less than their intrinsic values. Value investors typically seek stocks of companies that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated. Often, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. The risks associated with value-investing include incorrectly analyzing and overestimating the intrinsic value of a business, concentration risk, under performance relative to major benchmarks, macro-economic risks, investing in value traps i.e. businesses that remain perpetually undervalued, and lost purchasing power on cash holdings in the case of inflation.

Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest of the purchase price from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Colorado West Investments.

Option writing including cover options, uncovered options or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

Tactical asset allocation. Allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Investment Models. Taxable and tax efficient investment models are available and are selected to align with a client's risk tolerance. Investment models can include mutual funds, ETF's and/or individual securities. Models are built from a process that includes manager selection, asset class and manager optimization, and on-going review and monitoring of selected securities. Monitoring of investments includes keeping the portfolios within each client's risk/return thresholds.

Primarily Recommend One Type of Security

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client's specific circumstances and needs.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- **Market Risk** – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- **Equity (stock) market risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Company Risk**. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Fixed Income Risk**. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- **Options Risk**. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- **ETF and Mutual Fund Risk** – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an

ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.

- **Management Risk** – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- **Investment Models Risk** – Investment models have varying degrees of risk based on the allocation to fixed income and equities. Risks associated include market risk, volatility, default risk and interest rate risk. Investment models are designed to consistently provide diversification across different asset classes. Maintaining diversification could result in exposure to an underperforming asset class during a given time period. The process of manager selection and optimization could result in lower performance compared to peer manager options during a given time period.

Item 9 – Disciplinary Information

Item 9 is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

Colorado West Investments is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with us.

Registered Representative of a Broker-Dealer

Our representatives are also registered representatives of LPL Financial, a securities broker-dealer. You may work with your investment adviser representative in his or her separate capacity as a registered representative of LPL Financial.

As a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about clients of Colorado West Investments, even if a client does not establish any account through LPL Financial. If you would like a copy of the privacy policy of LPL Financial, please contact your investment adviser representative.

When acting in his or her separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, your investment adviser representative has a conflict of interest, and the objectivity of the advice rendered to you is biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use LPL Financial and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use LPL Financial. Prior to effecting any such transactions, you are required to enter into a new account agreement with LPL Financial. The commissions charged by LPL Financial may be higher or lower than those charged by other broker/dealers. The registered representatives do not receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

Forgivable Loan

Colorado West Investments has received a five-year forgivable loan from LPL as part of an incentive to retain Colorado West Investments as a customer. LPL will continue to provide our firm with broker dealer and custodial services. Colorado West Investments may use the funds for any purpose.

The loans are forgiven by LPL based upon the length of time Colorado West Investments is affiliated with LPL. The receipt of forgivable loans presents a conflict of interest in that Colorado West Investments and its representatives have a financial incentive to maintain a relationship with LPL. However, to the extent our representatives recommend you use LPL for any services, it is because we believe that it is in the client's best interest to do so. Colorado West Investments has systems in place to review the investment adviser representatives' managed accounts for suitability and best execution practices over the course of the advisory relationship.

Switch from Commission B/D Arrangement to Fee RIA Arrangement, or Recommendation of Fee RIA Arrangement over Commission B/D Arrangement.

When recommending that (a) a client work with Colorado West Investments and/or its investment adviser representatives through an investment advisory, fee based arrangement as opposed to a broker-dealer, commission based arrangement or (b) a client transfer securities, which were initially purchased through the investment adviser representatives of Colorado West Investments as registered representative of a broker-dealer for a commission, to an investment advisory, fee based arrangement, such recommendation to utilize an investment advisory, fee based arrangement typically will result in higher compensation to Colorado West Investments' investment adviser representative and increase a client's expenses over the long run depending upon the circumstances. Thus, Colorado West Investments' investment adviser representatives have an economic incentive to recommend an investment advisory, fee-based arrangement. Consequently, your investment adviser representative has a conflict of interest, and the objectivity of the advice rendered to you is biased. Colorado West Investments has taken steps

to manage this conflict of interest by requiring that each investment adviser representative only recommend such a switch when in the best interest of the client.

Insurance Agent

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent, may suggest that you implement recommendations of Colorado West Investments by purchasing disability insurance, life insurance, annuities, or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, your investment adviser representative has a conflict of interest, and the advice rendered to you is biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Colorado West Investments has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. Colorado West Investments' Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. Colorado West Investments requires its supervised persons to consistently act in your best interest in all advisory activities. Colorado West Investments imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Colorado West Investments. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

Affiliate and Employee Personal Securities Transactions Disclosure

Colorado West Investments or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. It is the express policy of Colorado West Investments that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. Colorado West Investments and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members

(collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Colorado West Investments.

Any associated person not observing our policies is subject to sanctions up to and including termination.

Item 12 – Brokerage Practices

Clients are under no obligation to act on the financial planning recommendations of Colorado West Investments. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered.

Brokerage Recommendations

If we assist you in the implementation of any recommendations, LPL Financial will typically be used as the broker/dealer for your account. Colorado West Investments is independently owned and operated and not affiliated with LPL Financial. Our investment adviser representatives are also registered representatives of LPL Financial.

The type of advisory services provided by Colorado West Investments may also determine which custodian(s) you will open an account with. For example, Retirement Plan clients will be directed to open

an account with a recordkeeper/custodian that can service their unique requirements. Colorado West Investments will maintain ongoing due diligence files in order to ensure our client receives competitive services for the brokerage and custodial fees the client pays.

Directed Brokerage

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer, Colorado West Investments may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers may cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, Colorado West Investments has decided to require our clients to use broker/dealers and other qualified custodians determined by Colorado West Investments.

Broker/Dealer Affiliation (LPL Financial)

If you wish to implement our advice you are free to select any broker/dealer you wish. If you wish to have our representatives implement the advice in their separate capacity as registered representatives, LPL is used. Our representatives are registered representatives of LPL and we are required to use the services of LPL when acting in this capacity. LPL has a wide range of approved securities products for which it performs due diligence prior to selection. LPL's registered representatives are required to adhere to these products when implementing securities transactions through LPL. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer.

Because our representatives are also registered representatives of LPL, LPL provides compliance support to them. LPL also provides our representatives, and therefore us, with back-office operational, technology and other administrative support.

If you wish to implement our advice through most of the programs described in this Disclosure Brochure, LPL will typically be used as the broker/dealer and/or custodian, with the exception of Retirement Plan clients. LPL will be the primary broker/dealer and custodian recommended due to the relationship our representatives have with LPL. We recommend broker/dealers and custodians that we feel provide services in a manner and at a cost that will allow us to meet our duty of best execution. However, we may be limited in the broker/dealer or custodians that we are allowed to use due to our representatives' relationship with LPL, which is a conflict of interest. LPL may limit or restrict the broker/dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals.

While there is no direct linkage between the investment advice given to you and our recommendation of LPL, economic benefits may be provided to us by LPL that are not provided if you select another broker/dealer or account custodian. These benefits may include:

- Negotiated costs for transaction implementation
- A dedicated trade desk that services LPL Financial participants exclusively
- A dedicated service group and an account services manager dedicated to our accounts
- Access to a real-time order matching system

- Electronic download of trades, balances and position information
- Access, for a fee, to an electronic interface with the account custodian's software
- Duplicate and batched client statements, confirmations and year-end reports

Expense Reimbursement

We may from time to time receive expense reimbursement from LPL for travel to conferences. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by LPL throughout the year.

Although receipt of these travel expense reimbursements is not predicated upon specific sales quotas, it creates a conflict of interest in that there is an incentive to recommend LPL for broker dealer and custodial services based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

Please also see Item 5, Fees and Compensation, for additional information about advisory services and implementing recommendations.

Soft Dollar Benefits

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

Colorado West Investments does not have a soft dollar agreement with a broker-dealer or a third-party.

Handling Trade Errors

Colorado West Investments has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of Colorado West Investments to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by Colorado West Investments if the error is caused by Colorado West Investments. If the error is caused by the broker-dealer, the broker-dealer is responsible for handling the trade error. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. Colorado West Investments may also confer with a client to determine if the client should forego the gain (e.g., due to tax reasons).

Colorado West Investments will never benefit or profit from trade errors.

Block Trading Policy

Investment advisors may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is

referred to as aggregating orders, batch trading or block trading. Colorado West Investments does not engage in block trading.

It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is our trading policy to implement all client orders on an individual basis. Therefore, we do not aggregate or “block” client transactions. Considering the types of investments we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and holdings will vary. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

Agency Cross Transactions

Our associated persons are prohibited from engaging in agency cross transactions, meaning we cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

Item 13 – Review of Accounts

Account Reviews and Reviewers

Managed accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by the investment adviser representative assigned to the account with reviews performed in accordance with your investment goals and objectives. Colorado West Investments also conducts a formal review with each client on an annual basis (including discussions of performance, holdings, questions, fees, financial planning, risk tolerance, cash flow, estate planning, and other topics requested by you), which is documented in the client’s file.

Our financial planning services do not include monitoring the investments of your account(s), and therefore, there is no ongoing review of your account(s) under such services.

Statements and Reports

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements in writing directly from the qualified custodian.

Financial planning clients do not receive any report other than the written plan originally contracted for and provided by Colorado West Investments.

You are encouraged to always compare any reports or statements provided by us against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

Item 14 – Client Referrals and Other Compensation

Colorado West Investments does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. Colorado West Investments receives no other forms of compensation in connection with providing investment advice.

We receive an economic benefit from LPL Financial in the form of the support products and services it makes available to our representatives and to us based on our representatives' affiliation with LPL Financial. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 – Brokerage Practices*). The availability of LPL Financial's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

Colorado West Investments is deemed to have custody of client funds and securities whenever Colorado West Investments is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Colorado West Investments will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Colorado West Investments is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Colorado West Investments. When clients have questions about their account statements, they should contact Colorado West Investments or the qualified custodian preparing the statement.

When fees are deducted from an account held at LPL, Colorado West Investments does not calculate or deduct the fee. Rather, Colorado West Investments has contracted with LPL to provide this service and only LPL will have the authority to calculate and deduct investment advisory fees.

When fees are deducted from an account held at a custodian other than LPL, Colorado West Investments does not calculate or deduct the fee. Rather, the qualified custodian is responsible for calculating and deducting investment advisory fees.

Item 16 – Investment Discretion

When providing asset management services, Colorado West Investments maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary

authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to Colorado West Investments so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Item 17 – Voting Client Securities

Proxy Voting

Colorado West Investments does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us. However, you will have the ultimate responsibility for making all proxy-voting decisions.

Item 18 – Financial Information

This *Item 18* is not applicable to this brochure. Colorado West Investments does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Colorado West Investments has not been the subject of a bankruptcy petition at any time.

Customer Privacy Policy Notice

The information contained in this section will also be disclosed in Colorado West Investments' Privacy Policy Statement. This statement will be provided to all clients in accordance with the rules and regulations of the *Gramm-Leach-Bliley Act of 1999*.

As a registered investment advisor, Colorado West Investments, Inc. and its investment adviser representatives will gather and develop personal information regarding our clients. This information will be gathered and developed by us for the following purposes:

1. To determine the client's financial goals and objectives
2. To determine the level of advisory services needed and desired by the client
3. To provide the client with specific recommendations regarding advisory services
4. To provide the client with specific recommendations regarding financial products
5. To provide ongoing support and recommendations regarding financial products held in the client's account

Client information that Colorado West Investments, Inc. will collect may include, but not be limited to the following:

- Information received from clients on financial inventories through consultations with its representatives. This information may include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account and other records concerning the clients' financial conditions and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Information developed as part of financial plans, analyses or investment advisory services.
- Information concerning investment advisory account transactions, such as wrap account transactions.
- Information about clients' financial products and services transactions with Colorado West Investments, Inc.

When a client account is closed, Colorado West Investments, Inc. will continue to keep all client information confidential in accordance with the principles stated in its privacy policy.

A copy of the Privacy Policy Notice will be delivered to all clients in writing by at least one of the following methods:

- By hand delivering a copy to the client
- Mailing a copy to the client's address on record
- If business is conducted electronically, a notice may be posted on an electronic site as long as the client acknowledges receipt of the Privacy Policy Notice prior to the client obtaining any services or products from Colorado West Investments, Inc.

A copy of the Privacy Policy Notice will be provided to the client no later than the time a client establishes a relationship with Colorado West Investments, Inc., unless this situation would cause a delay in the client obtaining services and the client agrees to accept the notice at a later date. When this situation applies, a copy of the Privacy Policy Statement will be delivered to the client within a reasonable time period following the transaction.

Any time a change is made to the Privacy Policy, the statement to clients will be revised. The revised statement will be given to all affected clients prior to any disclosure of information. In addition, Colorado West Investments, Inc. will provide a copy of its Privacy Policy Statement to all current and existing clients at least annually.

Business Continuity Plan

Colorado West Investments has a business continuity and contingency plan in place designed to respond to significant business disruptions. These disruptions can be both internal and external. Internal disruptions will impact our ability to communicate and do business, such as a fire in the office building. External disruptions will prevent the operation of the securities markets or the operations of a number of firms, such as earthquakes, wildfires, hurricanes, terrorist attack or other wide-scale, regional disruptions.

Our continuity and contingency plan has been developed to safeguard employees' lives and firm property, to allow a method of making financial and operational assessments, to quickly recover and resume business operations, to protect books and records, and to allow clients to continue transacting business.

The plan includes the following:

- Alternate locations to conduct business;
- Hard and electronic back-ups of records;
- Alternative means of communications with employees, clients, critical business constituents and regulators; and
- Details on the firms' employee succession plan

Our business continuity and contingency plan is reviewed and updated on a regular basis to ensure that the policies in place are sufficient and operational.