

# **PacWest Financial Management, Inc.**

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Phoenix, AZ 85016

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**Grace Y. Lau, CFA**  
CEO

PacWestFN.com

## **Firm Brochure** **(Form ADV Part 2A)**

**October 14, 2014**

**This brochure provides information about the qualifications and business practices of PacWest Financial Management, Inc. If you have any questions about the contents of this brochure, please contact us at (602) 997-8882**

**The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about PacWest Financial Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

# Material Changes

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## **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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## **Material Changes since the Last Update**

The following material change to PacWest's Firm Brochure (Form ADV parts 2A & 2B) since the last Firm Brochure (dated May 15<sup>th</sup>, 2014) is as follows:

Form ADV Part 2B, Supervised Persons:

Prior ADV included Justin Nardo, Relationship Manager

Current ADV does not include Justin Nardo, Relationship Manager

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## **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (602) 997-8882 or by email at [ClientService@PacWestFN.com](mailto:ClientService@PacWestFN.com)

# Table of Contents

	<u>Page</u>
Cover Page	1
Material Changes	2
Table of Contents	3
Advisory Business	4
Fees and Compensation	5
Performance-Based Fees and Side-By Side Management	6
Types of Clients	7
Methods of Analysis, Investment Strategies and Risk of Loss	7
Disciplinary Information	7
Other Financial Industry Activities and Affiliations	8
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	8
Brokerage Practices	9
Review of Accounts	10
Client Referrals and Other Compensation	11
Custody	11
Investment Discretion	11
Voting Client Securities	12
Financial Information	12
Requirements for State-Registered Advisers	12

# Advisory Business

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## Firm Description

PacWest Financial Management, Inc. was founded in 1997 by Grace Y. Lau, CFA. PacWest is a corporation formed under the laws of the State of Arizona and is federally registered with the Securities and Exchange Commission (SEC) as a Registered Investment Adviser.

PacWest offers investment management services to individuals, pensions and profit sharing plans, trusts, estates, charitable organizations, corporations, and other entities.

PacWest may also provide financial planning services that typically involve various analyses that are principally advisory in nature to clients regarding the management of their financial resources based upon their individual needs.

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## Principal Owners

Grace Y. Lau, CFA is a 100% stockholder of PacWest Financial Management, Inc. There are no intermediate subsidiaries.

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## Types of Advisory Services

PacWest provides discretionary, and in limited circumstances, non-discretionary, investment management services. PacWest may also provide client specific financial planning services based upon the particular needs and/or concerns of our investment advisory clients.

Advice and discretionary investment management is limited to various publicly listed securities, including stocks, mutual funds, and exchange traded funds, as well as various fixed income securities, including individual bonds, notes and Certificates of Deposit, and money market funds. Client portfolios managed by PacWest may also include client directed assets.

PacWest may also provide financial planning services to clients. Some clients may require general advice on specific aspects of the management of their financial resources. For these clients, PacWest offers modular financial planning services and/or general consulting services that address only those specific areas of concern. These areas may include, but are not limited to, retirement planning, advice on existing or potential investments, asset allocation, and/or financial decision making/negotiation.

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## Client Relationships

All of PacWest's services are adapted to the individual needs of our clients.

For investment management services, each client's personal willingness and ability to take risk is assessed, as well as the purpose of the portfolio and time frame. This assessment is discussed with the client along with other relevant information in order to determine an appropriate investment program for each client.

Target asset allocations range from 100% equities and 0% fixed income to 0% equities and 100% fixed income.

PacWest offers two individual stock strategies, both of which focus on multi capitalization publicly listed stocks, as well as exchange traded funds and/or mutual funds. These two strategies include a diversified core equity approach, and a diversified dividend yielding equity approach.

PacWest also offers discretionary investment management utilizing only exchange traded funds and/or mutual funds for clients who prefer funds to individual stocks.

PacWest utilizes global macroeconomic analysis, industry analysis, company specific fundamental analysis and valuation analysis in selecting assets for client portfolios. Clients may impose specific restrictions on investing in certain securities or types of securities.

Financial planning services are based on the client's financial situation at the time the plan is presented and are based on financial information disclosed by the client to PacWest. Financial planning services are undertaken in order to fulfill a Client's particular need.

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**Wrap Fee Programs**

PacWest does not participate in any wrap fee programs.

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**Managed Assets**

As of December 31, 2013, PacWest managed approximately \$203,758,346 of client assets on a discretionary basis and \$0 of client assets on a non-discretionary basis.

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**Fees and Compensation****Description**

For investment management services, PacWest bases its fees on a percentage of assets under management.

Generally, PacWest charges clients an assets under management based fee ranging between 0.85% and 1.15% depending on the scope of the services to be provided and the complexity of the client's financial situation. In addition, PacWest may amend the Fee Schedule Agreement from time to time upon 30 days written notice to clients. The Fee Schedule is negotiable.

The current standard Schedule of Fees used is as follows: Accounts are charged on an annualized basis; one and fifteen hundredths of one percent (1.15%) on the first \$1,000,000 of the total asset value, 0.9 of one percent (.9%) on the second \$1,000,000 of the total asset value, and 0.7 of one percent (.7%) on assets over \$2,000,000. There is a minimum annual fee of \$5,500 that may be waived at the discretion of PacWest.

The current standard Schedule of Fees for clients that choose a discretionary investment management service limited to just exchange traded funds and mutual funds for all these accounts is as follows: 0.85 of one percent (.85%) of the total asset value. There is a minimum annual fee of \$5,500 that may be waived at the discretion of PacWest.

At PacWest's discretion, the firm may allow accounts of members of the same household to be aggregated for purposes of determining the advisory fee. This consolidation practice is designed to allow clients the benefit of an increased asset total which could potentially reduce the advisory fee based on the breakpoints available in PacWest's fee schedule as stated above.

The signed agreement for investment management services will detail the fees charged to the client.

For financial planning services, PacWest charges an hourly fee, subject to negotiation, for clients who request financial planning related services. These fees are calculated and payable at the completion of each session. The amount of the fees charged to the client will be based on the services requested.

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## **Fee Billing**

Investment management clients may have PacWest invoice the client directly for the advisory fees. Or clients may have the custodian holding the clients' funds and securities debit the client account directly for the advisory fees. Where the client account is debited directly for the advisory fee, the client will provide written authorization. PacWest will not have access to client funds for payment of fees without client consent in writing. Clients are given an invoice quarterly at the end of each quarter, after the investment management services have been provided.

Financial planning clients are invoiced directly at various stages of completion for services contracted for.

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## **Other Fees**

PacWest's management fee is the only fee PacWest receives in connection with PacWest's investment management service. Other types of fees or expenses that clients may incur in connection with this service include custodian fees, mutual fund and exchange traded fund fees, and foreign taxes on interest and dividend payments from foreign entities. Clients will also incur brokerage and other transaction costs associated with the management of their portfolio. For more information pertaining to brokerage, please see "Brokerage Practices" on page 9.

PacWest's hourly fee is the only fee PacWest receives in connection with financial planning or other consulting services for clients.

PacWest's management fees and hourly fees make for the entirety of all fees received from clients.

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## **Termination of Agreement**

PacWest or the client may terminate an investment management agreement within five days of the date of acceptance. After the five-day period, either party, upon 10 days written notice to the other, may terminate the investment management agreement. The management fee will be pro-rated for the quarter in which the cancellation notice was given from the date that written communication is received plus the additional 10 days until final termination and fees will be due and payable by the client. If a client terminates within 12 months of the date of the advisory agreement, PacWest has the right to collect fees for the remainder of such initial 12-month period in accordance with the provisions of the management agreement, without further notice to or consent from the client.

PacWest or the client may terminate a financial planning agreement within five days of the date of acceptance without termination fees charged to the client. After the five-day period, either party may terminate the agreement by providing written notice to the other party. In the event of termination, all fees for bona-fide financial planning services rendered shall be due and payable by the client.

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## **Compensation for Sales of Investment Products**

PacWest's compensation is solely from fees paid by clients. No one at PacWest accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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# **Performance-Based Fees and Side-By Side Management**

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## **Sharing of Capital Gains**

Performance based fees are those that are charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory client.

PacWest does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset under management fees allows PacWest to participate in the growth of the client's wealth. PacWest's management fees will decline when the client's portfolio declines in value.

## Types of Clients

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### Description

PacWest offers investment advisory services to individuals, pensions and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

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### Minimum Requirements

PacWest does not have a minimum account size as a requirement for opening or maintaining an account. However, PacWest does have a minimum account fee that could make smaller sized accounts less economical for clients.

## Methods of Analysis, Investment Strategies and Risk of Loss

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### Methods of Analysis

In formulating investment advice and managing assets, PacWest utilizes various analysis including: assessing clients risk tolerance, global macroeconomic analysis of various economies, interest rates, and inflation, various industry analysis as well as company specific fundamental analysis and security specific valuation analysis. Investing in securities involves risk of loss that clients should be prepared to bear.

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### Material Risks

Both of our 2 individual stock strategies, as well as our equity exchange traded fund and equity mutual fund strategies, are subject to equity market risk as well as stock specific risk. PacWest's fixed income strategy is subject to interest rate risk, credit risk, inflation risk and reinvestment risk.

PacWest recommends stocks as well as equity exchange traded funds and equity mutual funds. These securities are subject to equity market risk as well as security specific risk. PacWest also recommends various fixed income securities and fixed income exchange traded funds and fixed income mutual funds. These securities are subject to interest rate risk, credit risk, inflation risk, and reinvestment risk.

## Disciplinary Information

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### Legal and Disciplinary

There currently are no disciplinary events pertaining to PacWest. There have not been any disciplinary events pertaining to PacWest since PacWest's inception in 1997.

There currently are no criminal or civil actions in a domestic, foreign, or military court pertaining to PacWest. There have never been any criminal actions pertaining to PacWest since PacWest's inception in 1997.

There currently are no administrative proceedings before the SEC or any other federal regulatory agency, state regulatory agency or foreign financial regulatory authority pertaining to PacWest. There have never been any administrative proceedings pertaining to PacWest since PacWest's inception in 1997.

There currently are no administrative proceedings from a self-regulatory organization pertaining to PacWest. There have never been any administrative proceedings pertaining to PacWest since PacWest's inception in 1997.

## Other Financial Industry Activities and Affiliations

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### Activities

No one at PacWest is currently registered or has a pending registration as either a broker-dealer or a registered representative of a broker-dealer.

No one at PacWest is currently registered or has a pending registration as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

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### Affiliations

Grace Y. Lau, Chief Executive Officer, of PacWest, is an owner of National Advisors Holdings, Inc., a Delaware Corporation that owns National Advisors Trust Company, Federal Savings Bank ("NATCO"). NATCO provides custodial and trust services to clients of PacWest and will provide such services to other registered investment advisers whose related persons are owners in National Advisors Holdings, Inc. Moreover, NATCO uses the services of Fidelity Investments Institutional Brokerage and SunGuard Institutional Brokerage, Inc.'s equity and fixed income platforms to execute client's securities transactions. Grace Lau maintains less than 10% ownership interest (combined) in National Advisors Holdings, Inc.

PacWest does not recommend or select other investment advisors in the course of managing client assets. To the extent that PacWest utilizes exchange traded funds and mutual funds in client portfolios, PacWest does not receive any compensation directly or indirectly from the advisors of these funds or from anyone else.

## Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

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### Code of Ethics

PacWest has adopted the CFA Institute Asset Manager Code of Professional Conduct as our de facto code of conduct. This claim has not been verified by the CFA Institute. For a current version of this code, please see the CFA Institute's website: [CFAInstitute.org](http://CFAInstitute.org). PacWest will provide a copy of our Code of Ethics to any client or prospective client upon request.

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### Participation or Interest in Client Transactions

PacWest (nor any related person to PacWest) does not recommend to clients, nor buys or sells for client accounts securities in which there is a material financial interest.

PacWest employees (or related persons to PacWest) may invest in the same securities that are recommended to clients. The Chief Compliance Officer of PacWest is Elliot C. Kauffman, CFA. Elliot reviews all reportable security transactions of employees that are considered access persons each quarter. Elliot's reportable security transactions are reviewed by PacWest's CEO, Grace Y. Lau, CFA. The personal trading reviews ensure that the personal trading of employees was not based upon inside information and that the clients of PacWest received preferential treatment. The trades are not of significant enough value to affect the securities markets.

When PacWest employees or related persons to PacWest buy or sell securities for client accounts that are the same securities that are purchased or sold for their own account, priority must be given on all purchases and sales to clients prior to the execution of transactions for proprietary accounts, unless the proprietary transaction is included in a block trade along with client accounts (see below). Personal trading must be conducted so as to



not conflict with the interests of a client. Priority in time does not guarantee that clients will receive a better price.

Where PacWest buys or sells the same security for two or more clients, PacWest may place concurrent orders with a single broker, to be executed together as a single “block”, in order to facilitate orderly and efficient execution. Whenever the firm aggregates trades, each account on whose behalf an order is placed is determined in advance of order placement. Each account receives the average price of the overall order and may bear a proportionate share of all transaction costs. Additionally, accounts for employees of the firm may be included in a block trade. Prior to entering the aggregated order, PacWest will prepare a written statement (the “Allocation Statement”) clearly identifying the accounts that will participate in the transaction.

PacWest does not receive any additional compensation or remuneration of any kind as a result of the aggregation of client trades.

## Brokerage Practices

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### Selecting Brokerage Firms

PacWest owes a fiduciary duty to clients to obtain best execution of their brokerage transactions. PacWest considers the following factors, among others, when placing a trade for a client with a particular broker-dealer:

- a. Quality of overall execution services provided by the broker-dealer;
- b. Promptness of execution;
- c. Liquidity of the market for the security in question;
- d. Creditworthiness, business reputation and reliability of the broker-dealer;
- e. Promptness and accuracy of oral, hard copy or electronic reports of execution and
- f. Confirmation statements;
- g. Ability and willingness to correct trade errors;
- h. Commission rates;
- i. Ability of the broker-dealer to gain liquidity, price improvement, lower commission rates and anonymity

The key factor is not necessarily the lowest possible commission cost but whether the transaction represents the best qualitative execution for the client account.

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### Soft Dollars

PacWest does not participate in any “soft dollar” arrangements. The research products and services that PacWest may receive from brokerage firms (e.g. Schwab, Fidelity, among others) may include financial publications, information about particular companies and industries, research software, portfolio management software, and other products or services that provide lawful and appropriate assistance to the firm in the performance of its investment decision-making responsibilities. Such research products and services are provided to all investment advisers who utilize these firms, and are not considered to be paid for with soft dollars. However, the commissions charged by a particular broker for a particular transaction, or set of transactions, may be greater than the amounts another broker who did not provide research services or products might charge. Moreover, all client accounts managed by PacWest, regardless of the broker/dealer chosen for a particular account, will participate in the economic benefit(s) received from all broker/dealers to whom the firm refers its clients.

PacWest receives an economic benefit from custodians in the form of software products. These improve the productivity for clients by automating routine tasks and providing access to and from custodians, the receipt of up-to-date account and financial data, and the ability to place trade orders, allocate trades and submit management fees. Through such software, all of these tasks can be completed in a secure environment.

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## **Brokerage for Client Referrals**

PacWest does not currently participate in any referral arrangements with any broker-dealers or third parties.

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## **Directed Brokerage**

Generally, clients grant PacWest complete discretion over the selection and amount of securities to be purchased or sold, the broker/dealer to be used, and the commission rates to be paid for their account without obtaining their prior consent or approval. However, clients may utilize the broker/dealer of their choice and have no obligation to purchase or sell securities through the brokers Pacwest recommends. Clients that direct us to utilize a broker who is not approved by the Company's Brokerage Committee must sign the Directed Brokerage Election Form.

PacWest will recommend that a client in need of brokerage and custodial services utilize primarily Charles Schwab & Co., Inc. ("Schwab") or Fidelity Institutional Brokerage Group, Inc. ("Fidelity"), or secondarily National Advisors Trust, or others. The recommended broker may charge a higher fee, such as commission rates, than another broker. A Client can purchase mutual funds or other investment company securities directly from the mutual fund and it may be less or more expensive for the client to do so.

In selecting a broker-dealer, PacWest will endeavor to select those brokers or dealers that will provide the best services at reasonable commission rates. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, and other services, which are evaluated in our Best Execution procedures. By PacWest directing brokerage, clients may be unable to achieve most favorable execution and this practice may cost clients more money.

When clients direct PacWest to use a particular broker, PacWest may be unable to achieve most favorable execution and may cost clients more money.

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## **Aggregation of Transactions**

Where PacWest buys or sells the same security for two or more clients, PacWest may place concurrent orders with a single broker, to be executed together as a single "block", in order to facilitate orderly and efficient execution. Prior to entering the aggregated order, PacWest will prepare a written statement (the "Allocation Statement") clearly identifying the accounts that will participate in the transaction. Each account receives the average price of the overall order and will bear a proportionate share of all transaction costs. Additionally, accounts for employees of the firm may be included in a block trade.

PacWest does not receive any additional compensation or remuneration of any kind as a result of the aggregation of client trades.

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# **Review of Accounts**

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## **Periodic Reviews**

Grace Y. Lau, Chief Executive Officer, will monitor client accounts on a continuous basis. Formal reviews are provided on client portfolios no less than annually and the portfolio manager assigned to the account will conduct the review. Ms. Lau will sign off on all reviews.

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## **Review Triggers**

Triggering factors that stimulate the review of a client's account include, but are not limited to, changes in economic conditions, known changes in the client's financial situation, excessive deposits or withdrawals from the account, and the client's request for an additional review.

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## **Regular Reports**

PacWest provides a written quarterly statement to clients utilizing the firm's portfolio management system. Additionally, clients will receive statements directly from their account custodian(s) at least quarterly and may also review their account holdings as well as all transactions made within the account via an on-line service made available to the client by the custodian.

# **Client Referrals and Other Compensation**

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## **Incoming Referrals**

PacWest does not have any arrangement to receive any economic benefit from anyone for providing investment advice or other advisory service to our clients.

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## **Referrals to Other Professionals**

PacWest does not participate in any solicitor arrangements, and does not compensate anyone for referrals.

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## **Other Compensation**

PacWest's custodians may participate in the sponsorship of PacWest client events from time to time.

# **Custody**

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## **Account Statements**

All accounts are held at custodians. PacWest does not take possession or custody of client funds. PacWest will arrange for the client's custodian to send either monthly or quarterly account statements directly to the client (and not via PacWest). PacWest urges clients to compare the account statements received from the custodian with the statements received from PacWest.

# **Investment Discretion**

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## **Discretionary Authority for Trading**

PacWest provides discretionary and, in limited circumstances, non-discretionary portfolio management services. The investment advice provided is adapted to meet the needs and investment objectives of the client. Subject to any written guidelines, which the client may provide, the firm will be granted discretion and authority to manage the account. PacWest is then authorized to perform various functions without further approval from the client. Such functions include the determination of the securities to be purchased or sold, the amount of securities to be purchased or sold, the broker/dealer to be used, and the commission rates to be paid. Once the portfolio is constructed, PacWest provides continuous supervision and rebalancing of the portfolio.

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## **Limited Power of Attorney**

PacWest requires the execution of our investment management agreement by the client before we begin investment management of the portfolio.

When PacWest enters into non-discretionary arrangements with clients, the firm will obtain client approval prior to the execution of a trade.

## Voting Client Securities

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### Proxy Voting

PacWest will not be required to take any action in voting of proxies in whom client assets may be invested. Clients may receive their proxies or other solicitations directly from their custodian or transfer agent

PacWest will address corporate actions and take appropriate action when authority has been granted by the client.

## Financial Information

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### Financial Condition

There are currently no financial conditions that are reasonably likely to impair PacWest's ability to meet contractual commitments to clients. A balance sheet is not required to be provided because PacWest does not serve as a custodian and does not require prepayment of fees. Additionally, PacWest has never been the subject of a bankruptcy petition.

## State-Registered Advisors

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### Requirements for State-Registered Advisers

PacWest is registered with the Securities and Exchange Commission (SEC) and is therefore, not a state registered advisor.

# **PacWest Financial Management, Inc.**

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## **Brochure Supplement: Form ADV Part 2B**

### **Supervised Persons**

Grace Y. Lau, CFA  
Elliot C. Kauffman, CFA

## **October 14, 2014**

This brochure supplement provides information about: Grace Y. Lau, and Elliot C. Kauffman that supplements the PacWest Financial Management, Inc. brochure. You should have received a copy of that brochure. Please contact Elliot C. Kauffman, Managing Director, if you did not receive PacWest Financial Management, Inc's brochure or if you have any questions about the contents of this supplement.

Additional information about: Grace Y. Lau, and Elliot C. Kauffman is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

# Education and Business Standards

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## Education and Business Standards

PacWest Financial Management Inc. requires that any employee whose function involves determining or providing investment advice to clients must:

1. Be a graduate of a four year college and must:
  2. Have at least 3 years' experience in investments, accounting, or financial planning
  3. Hold the Series 65 Investment Adviser Representative license
  4. Hold or be pursuing one of the following designations: Chartered Financial Analyst (CFA), Certified Financial Planner (CFP®), or Certified Public Accountant (CPA).
  5. Subscribe to the Code of Ethics of the Institute of Chartered Financial Analysts
  6. Be properly licensed for all advisory activities in which they are engaged
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## Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

### Chartered Financial Analyst (CFA)

The **CFA® Charter** is a globally recognized, graduate-level investment credential. Earning it demonstrates a commitment to professional ethics and expertise with the broad range of skills needed for competitive careers in the investment profession.

**To earn the CFA® Charter** you must have four years of qualified investment work experience and complete the CFA® Program. The Program is organized into three levels, each culminating in a six-hour exam. CFA® Program candidates report dedicating in excess of 300 hours of study per level. Completing the entire Program is a significant challenge that takes most candidates between two and five years. To ensure that the Program maintains a focus on the global investment management profession from the standpoint of practitioners, practicing CFA® charter holders from around the world are involved at every stage of curriculum development, exam development, exam grading, and even the setting of the minimum passing scores.

Earning the CFA® Charter demonstrates mastery of the skills most needed for investment analysis and decision making in today's fast-evolving global financial industry. That's why employers and clients around the world are increasingly seeking out CFA® charter holders—often making the charter a prerequisite for employment.

### Certified Financial Planner (CFP®)

CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "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.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

**Education** – 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 effective in 2007, attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP® Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

**Examination** – Pass the comprehensive CFP® Certification Examination. The examination, instituted in 1991, is administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances. Prior to 1991, six individual subject examinations were required in principles of financial planning, insurance planning and risk management, investment planning, income tax planning, retirement planning and estate planning;

**Experience** – Effective in 1989, complete at least three years of full-time financial planning related experience (or the equivalent, measured as 2,000 hours per year);

**Ethics** – Agree to be bound by CFP® Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

**Continuing Education** – 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 planning field; and

**Ethics** – 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.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP® Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

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**Grace Y. Lau, CFA, Chief Executive Officer**

Year of Birth: 1950

Educational Background:

Series 65 – Uniform Investment Adviser Law Examination, 1996

Graduate of Pacific Coast Banking School, 1993.

Chartered Financial Analyst, CFA, 1980.

MBA, George Washington University, International Business & Finance, 1975

B.S., University of Wisconsin, Biology & Chemistry, 1973.

Business Experience:

PacWest Financial Management, Inc., Chief Executive Officer, 1997 to present.

Barclays Private Banking International, Managing Director, 1996 to 1997.

First Interstate Capital Management, Sr. Vice President of Private Wealth Management, 1995 to 1996.

Northern Trust Bank of Arizona, Sr. Portfolio Manager & Vice President, 1993 to 1995.

First Interstate Bank of Arizona, Sr. Portfolio Manager & Vice President, 1979 to 1993.

Disciplinary Information:

None

Other Business Activities:

Social Venture Partner of Arizona, Board Member, 2007 - present

City of Phoenix Firefighters Employee Benefit Trust, Trustee, 2002 to present.

Arizona Community Foundation, Trustee, 2000 to 2012.

Arizona Educational Foundation, Trustee, 1991 to 2003.

Phoenix Sister City Commission, Board Member, 1999 to 2002.

Arizona State Retirement System, Investment Advisory Council, Vice Chair, 1989 to 1996.

Phoenix CFA Society, Board Member & President, 1988 to 1991.

City of Phoenix Deferred Compensation Board, Chairman, 1987 to 1991.

CFA Institute, Member, 1980 to present

Grace Y. Lau, Chief Executive Officer, is an owner of National Advisors Holdings, Inc., a Delaware Corporation that owns National Advisors Trust Company, Federal Savings Bank ("NATCO"). NATCO provides custodial and trust services to clients of PacWest and will provide such services to other registered investment advisers whose related persons are owners in National Advisors Holdings, Inc. Moreover, NATCO uses the services of Fidelity Investments Institutional Brokerage and SunGard Institutional Brokerage, Inc.'s equity and fixed income platforms to execute client's securities transactions. Grace Lau maintains less than 10% ownership interest (combined) in National Advisors Holdings, Inc.

Additional Compensation:

None

Supervision:

Grace Y. Lau's compliance related activities are supervised by Elliot C. Kauffman, Chief Compliance Officer. He reviews Grace's investment advisory work through frequent office interactions as well as the normal execution of the policies and procedures instituted in PacWest Financial Management Inc.'s compliance manual.

Elliot C. Kauffman's contact information:

(602) 997-8882

EKauffman@PacWestFN.com



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**Elliot C. Kauffman, CFA, Managing Director**

Year of Birth: 1968

Educational Background:

Chartered Financial Analyst, CFA, 1996

Series 65 – Uniform Investment Adviser Law Examination, 1994

Certified Public Account, CPA, 1992-2007

MBA, Finance - Investments, Drexel University, 1992

B.S., Accounting & Finance, Trenton State College, 1990

Business Experience:

PacWest Financial Management, Inc., Senior Portfolio Manager, 2006 to present.

Madison Scottsdale, Investment Analyst, 2001 to 2006.

Davidson Capital Management, Investment Manager, 1998 to 2001.

Strategic Investment Services, Senior Investment Manager, 1994 to 1998.

Disciplinary Information:

None

Other Business Activities:

Phoenix CFA Society, Member, 2001 to present

CFA Institute, Member, 1996 to present

Additional Compensation:

None

Supervision:

Elliot C. Kauffman's compliance related activities are supervised by Grace Y. Lau, Chief Executive Officer. She reviews Elliot's investment advisory work through frequent office interactions as well as the normal execution of the policies and procedures instituted in PacWest Financial Management Inc.'s compliance manual.

Grace Y. Lau's contact information:

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