

Private Asset Management, Inc.

3740 Carillon Point

Kirkland, Washington 98033

425-213-1600

www.PrivateAsset.com

March 10, 2015

This brochure provides information about the qualifications and business practices of Private Asset Management, Inc. (Private Asset). If you have questions about the contents of this brochure, please contact Michael Thayer at our main phone number, 425-213-1600 or Mike@PrivateAsset.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Private Asset Management, Inc. is a registered investment adviser under the Investment Advisers Act of 1940. Such registration does not imply a certain level of skill or training.

Additional information about Private Asset Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 - Material Changes.

Private Asset Management's last annual update of our brochure is dated February 21, 2014. We have three material changes to report regarding our business or business practices since the last annual update of our brochure.

David Giannini joined Private Asset Management, Inc. on November 10, 2014 as an Investment Advisor Representative.

David Giannini had discretionary authority on the accounts he managed when he joined Private Asset. This discretionary authority will continue on the vast majority of those accounts.

We have custody on a limited amount of assets due to Michael Thayer's affiliation with PAM Real Estate Group, PAM Real Estate Group II, LLC and single purpose real estate LLCs.

Item 3 - Table of Contents

Table of Contents

Item 1 - Cover Page.....	1
Item 3 - Table of Contents	3
Item 4 - Advisory Business	4
Item 5 - Fees and Compensation	5
Item 6 - Performance-Based Fees and Side by Side Management	6
Item 7 - Types of Clients.....	6
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9 - Disciplinary Information	8
Item 10 - Other Financial Industry Activities and Affiliations	8
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	9
Item 12 - Brokerage Practices	10
Item 13 - Review of Accounts	10
Item 14 - Client Referrals and Other Compensation	11
Item 15 - Custody	11
Item 16 - Investment Discretion	12
Item 17- Voting Client Securities	12
Item 18 - Financial Information	12
Item 19 - Requirements for State-Registered Advisers	13

Item 4 - Advisory Business

Private Asset Management, Inc. (Private Asset) is an investment management consulting firm founded in July 1996. Michael Thayer is the sole owner of the firm.

We are primarily a wealth advisory firm for high net worth individuals and families. Our goals are to protect and increase wealth through a disciplined investment process and assist clients in addressing matters that affect their lifestyles. An example of the latter is that we can aid in coordinating the wealth management process with the client's CPA and/or estate planning lawyer.

Private Asset's main service is a comprehensive wealth management approach. This process begins with the development of client objectives and investment constraints. Constraints include risk tolerance, time horizon, cash flow requirements and taxes. From this we design a portfolio strategy and determine the proper investments and investment allocations. The objectives, constraints, strategy and allocations are documented in an Investment Policy Statement (IPS). The IPS ensures that the initial strategy and the ongoing management of the relationship are done in accordance with the client's goals. Once the initial strategy is implemented we perform ongoing investment reviews and make investment recommendations as needed. We encourage client participation and highly encourage clients to meet with us quarterly. Throughout the process we provide portfolio performance measurement relative to appropriate benchmarks and pay special attention to the tax consequences of all decisions.

Coupled with the process we provide ongoing money manager evaluation, access to suitable direct real estate investments and coordination with other professionals as directed (accountants, attorneys, bankers, etc.).

We encourage our clients to involve us in other investment related services that are outside the basic wealth management service. For example, we will review company retirement plans not managed by Private Asset Management, help clients set up and review of 529 accounts, discuss refinancing options on personal real estate and design gifting strategies.

Private Asset tailors its services to the unique needs of each client. For example clients have different, risk tolerances, time horizons, mix of qualified and non-qualified assets, cash flow needs from their portfolio and needs and constraints in their affairs outside of the relationship with Private Asset Management. This requires each relationship to be handled differently and structured to meet the clients' goal and objectives.

Clients can impose restrictions on investing in certain types of securities. The most common constraint, sometime imposed by Private Asset, is the exclusion of direct real estate investments. These single purpose LLC's can have an expected duration of a decade or more with the potential of minimal to zero liquidity.

Private Asset does not participate in wrap fee programs.

Assets under management as of March 10, 2015 are as follows:

- We managed \$5.3 million on a discretionary basis.
- We managed \$110.2 million on a non-discretionary basis.

Item 5 - Fees and Compensation

Private Asset is compensated on a fee basis. The standard fee schedule, per annum, for Investment Management Consulting is as follows:

Assets Under Management	Annual Fees
First \$3 million	1.00%
Next \$1 million	0.85% up to a total of \$4 million
Next \$1 million	0.70% up to a total of \$5 million
Next \$5 million	0.50% up to a total of \$10 million
Next \$10 million	0.35% up to a total of \$20 million
Over \$20 million	Negotiable

The minimum annual fee is \$10,000. This can be waived at management's discretion. Unless the minimum annual fee is waived, accounts under \$1 million will be charged an annual rate of greater than 1%.

Fees are negotiable on an infrequent basis. For example, an annual fee arrangement can be used if agreed upon in advance plus an account that is primarily a cash or short-term account can have a lower fee agreed upon in advance.

Private Asset also provides investment advice on an hourly basis not included in the percent of asset fee schedule. Hourly rates will not exceed \$300. Usually these services are for investment advice involving assets not supervised on an ongoing basis.

Fees are deducted from the clients' assets. Billing is done monthly, in arrears. Clients do not have the option to prepay fees.

Clients incur other fees and expenses in connection with our advisory services. These are as follows:

- The mutual funds we utilize charge fees,
- The outside sub-advisor managers we utilize charge fees,
- The majority of the mutual funds we utilize charge a transaction fee,
- A few direct real estate investments charge a fee to the LLC,
- Brokerage commissions are incurred when an individual security is traded for a client.

These fees and expenses are separate from and in addition to the investment advisory fees you will pay us.

A discussion of our brokerage operations is found under Item 12.

Item 6 - Performance-Based Fees and Side by Side Management

Supervised persons, through PAM Real Estate Group and PAM Real Estate Group II, receive acquisition and due diligence fees plus can earn performance-based fees.

Conflicts of interest are created by the above arrangement. Supervised persons have the incentive to spend time and resources on the above investment at the expense of other investment activities of the firm. Also, supervised persons have the incentive to spend more time and resources on the clients that own the above investment at the expense of clients that do not own the above investment.

We provide investment advisory services to other clients in addition to you. Not all clients receive the same investment advice, nor do they pay the same fee. We strive to act in the best interests of each of our clients at all times.

Private Asset has procedures designed and implemented to ensure that all clients are treated fairly and equally. For example, a supervised person not party to the affiliated company reviews all portfolios on an ongoing basis, is responsible for determining client suitability for an investment and for determining the prudent investment amount for each client.

Item 7 - Types of Clients

Over 90% of our clients are individuals. These clients have qualified and non-qualified accounts. Some have trust accounts. A few have estate accounts. The remaining clients are profit sharing, foundations and cash accounts.

Private Asset has no requirements for opening or maintaining an account with the exception of a \$10,000 minimum fee which can be waived.

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

Investing in securities involves risk of loss. No assurances are made or implied regarding the achievement of clients' stated goals.

Private Asset utilizes fundamental analysis to formulate our investment strategies. We perform our own research, rely on research material prepared by other and utilize material written in the financial press.

Private Asset's principal strategy is to construct and manage unique diversified portfolios for each client based on their needs. We utilize seven major asset classes- cash, US Fixed Income, Global Fixed Income, US Large Cap Stocks, US Small Cap Stocks, Foreign Stocks and Real Estate. Careful attention is paid to our client's risk tolerance, diversification, liquidity needs and taxes. Not all asset classes, especially real estate, are suitable for all clients. All factors enumerated in Item 8 are taken into account when constructing and managing each client's portfolio.

All mutual funds utilized entail manager risk, that is, the manager performing poorly versus the stated objective of the fund. Private Asset monitors the funds on a quarterly basis and performs a complete mutual fund review in May and November of each year.

Each asset class utilized involves risk. The major risks by asset classes are

- Cash - purchasing power risk.
- US Fixed Income - purchasing power, interest rate and credit risk.
- Global Fixed Income - same as US Fixed Income and currency risk.
- US Large Cap Stocks - business risk, geopolitical risk and valuation risk.
- US Small Cap Stocks - same as US Large Cap Stocks, but should be considered riskier on an overall basis.
- Foreign Stocks - All risks of US Stocks, currency risk and emerging country risk.
- Real estate - Use of single purpose LLCs increases risk. Specific property investment risk is higher, illiquidity increases risk, plus the need to coordinate multiple parties over an extended period of time increases risk.

The three stock asset classes have another risk factor. Private Asset utilizes value and growth funds. These funds can perform poorly versus their discipline and may experience style drift.

PLG Fund 1 involves specific risk. The fund is in liquidation. PLG Fund 1 is a limited liability company formed for the purpose of investing in mortgages secured by real property. PLG Fund 1 is affiliated through common ownership and control with Private Asset Management, Inc. Future values and the timing of full liquidation cannot be determined with total certainty.

Private Asset does not recommend primarily a particular type of security. Refer to Item 8B for a discussion of the risks involved for the main types of investments we recommend.

Investing is not without risk, and involves the risk of loss of principal which you should be prepared to bear. We use several strategies to try to reduce risk, including diversifying a portfolio across multiple asset classes and monitoring the portfolio and the markets for changes in fundamentals. Despite these strategies, historical evidence clearly shows that every asset class has experienced severe declines in value—sometimes sustained over many years—throughout several periods of time in history. In addition, each of our strategies to minimize risk may not achieve that goal as the benefits of diversification decline if asset classes become more correlated. As with any investment, you could lose

all or part of your investments managed by us, and your account's performance could trail that of other investments.

Item 9 - Disciplinary Information

Neither Private Asset Management nor any of our owners or management team members has been involved in any material civil or criminal investment-related events that must be disclosed by SEC Registered Advisors in this document.

Item 10 - Other Financial Industry Activities and Affiliations

Other than the two relationships described below, Private Asset does not have any material business relationships with the financial services industry.

Management persons at Private Asset have two relationships to identify: PLG Fund 1 and PAM Real Estate Group. Both relationships create the potential for material conflicts of interest.

PLG Fund 1 is managed by Private Lenders Group. Michael Thayer, the owner of Private Asset Management, Inc., is also a minority owner of Private Lenders Group. PLG Fund 1 is a limited liability company formed for the purpose of investing in mortgages secured by real property. PLG Fund 1 is affiliated through common ownership with Private Asset Management, Inc.

PLG Fund 1 is in liquidation. Future values and the timing of full liquidation cannot be determined with total certainty. The main potential conflict during liquidation is that Mr. Thayer will choose to liquidate the fund quickly instead of in a manner more beneficial to the note holders. The owners of Private Lenders Group strive to maximize the value of each holding. This may be done through platting changes, rentals, timing of sales and marketing. This process will continue until the fund is totally liquidated.

PAM Real Estate Group was formed in 2007 to focus on multifamily real estate acquisitions. The owners of PAM Real Estate Group include Michael Thayer, the owner of Private Asset. Please refer to Item 6 for the disclosure that performance-based fees could be paid to Mr. Thayer. This creates the incentive to spend more time on investments made by PAM Real Estate Group at the expense of other investments and to spend more time on clients with investments through PAM Real Estate Group than on other clients. To address this issue, supervised personnel of Private Asset who are not owners of PAM Real Estate Group review all client portfolios on a regular basis to ensure that all clients have their needs attended to the best of our ability.

PAM Real Estate II, LLC was formed in September 2014 with the same mission as PAM Real Estate Group, but with the addition of two more members. Michael Thayer, the owner of Private Asset, is an owner in PAM Real Estate Group II. Please refer to Item 6 for the disclosure that performance-based fees could be paid to Mr. Thayer. This creates the incentive to spend more time on investments made by PAM Real Estate Group II at the expense of other investments and to spend more time on clients with

investments through The Group than on other clients. To address this issue, supervised personnel of Private Asset who are not owners of PAM Real Estate Group II review all client portfolios on a regular basis to ensure that all clients have their needs attended to the best of our ability.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Private Asset has adopted a Code of Ethics for all access personnel. All access personnel must acknowledge the terms of the code annually. A copy of our code of ethics will be provided to any client or prospective client upon request.

It is the responsibility of all members or employees to ensure that the Company conducts its business with the highest level of ethical standards and in keeping with its fiduciary duties to clients. The code, which access personnel attest to yearly, includes sections dealing with:

- Prohibited acts including, but not limited to fraud, untrue statements of a material facts and deceitful or manipulative practices,
- Conflicts of interests- disclosure of potential and actual conflicts plus a gift limit,
- Use of disclaimers,
- Suitability of investments for clients,
- Duty to supervise: includes, but not limited to establishing procedures, analyzing operations, review of procedures,
- Prohibition of acting upon material non-public information,
- Personal trading procedures including quarterly and yearly reporting requirement.

Proper reviews of all sections are carried on in an ongoing manner.

Private Asset recommends the purchase of pooled investments for which we are compensated. This creates a conflict of interest. We strive to serve our clients varied needs to the best of our ability. Each pooled investment is reviewed at the client level for overall suitability which includes, but is not limited to, risk, liquidity, time horizon and percentage of portfolio.

Employees may own mutual funds recommended to clients and may own the same common stocks that clients have instructed Private Asset to purchase for them. Restrictions are placed on the timing of employee trades to ensure that client transactions have priority.

Occasionally a client will direct Private Asset to purchase or sell a common stock in their account. If an employee owns the same security, the employee must wait until the next trading day to trade the security.

Item 12 - Brokerage Practices

Private Asset and clients are free to choose the broker dealer used to execute transactions. However, we generally recommend using Charles Schwab & Co. Inc. (Charles Schwab) to execute transactions. Given our mutual fund focus, the mutual fund fee structure at our custodian and the competitive rates provided on client directed common stock trades, we believe Charles Schwab to be competitive.

Charles Schwab provides research and support services as a part of our relationship. This creates a conflict of interest. These services have a value though their exact value cannot be determined. We address this conflict through a periodic review of our current custodial relationship and the alternatives. Through this process we attempt to provide clients with a competitive solution for our brokerage needs.

Charles Schwab provided substantial support during the process when we changed custodians to them in October 2012.

Sub advisors that manage individual sub advised accounts choose the brokers they use.

Item 13 - Review of Accounts

Private Asset reviews all accounts on a quarterly basis. Richard Meagley conducts the reviews. Though we do not use titles, it can be deemed that Mr. Meagley is the firm's Co-Chief Investment Officer along with Michael Thayer.

The focus is to ensure that the client's portfolio remains structured consistent with the clients goals and objectives which include asset allocation and liquidity needs. Recommendations are made if adjustments are required.

We encourage clients to meet with us quarterly to review their portfolio.

Goals and objectives are reviewed quarterly with a formal review (signature required) performed as needed, but not to exceed three years.

Private Asset does review accounts other than on a periodic basis. Examples that would trigger a review are as follows:

- A change in a client's goals and objectives,
- A material market swing could trigger the review of all accounts,
- A major deposit would trigger a review of a specific account,
- An major unplanned expenditure or withdrawal would trigger a review of a specific account,
- A real estate investment opportunity would trigger the review of accounts where the investment is suitable.

Quarterly, clients receive written bound report and/or an electronic version of the same report. Data included in the report includes:

- Performance by account and on a combined basis for both the quarter and year to date periods.
- Performance by security for the quarter and year to date periods.
- Relevant benchmarks for indices and mutual fund categories so a meaningful performance comparison can be made.
- Asset appraisal for each security by account and on a combined basis.
- Income and expense figures by account and on a combined basis for the period and year to date periods.
- An overview letter about the stock and bond markets for the quarter and year to date periods.

Monthly, clients receive an electronically delivered newsletter. Topics are chosen to aid clients in making sound investment decisions. Clients who do not use the internet are mailed copies.

Yearly, Private Asset provides material needed for tax preparation. This includes income and expenses, capital gains and losses and the coordination of the receipt of K-1's for real estate investments.

Some outside real estate investment provide quarterly updates directly to investors. Others do not. For those, a verbal update is provided at clients meetings or over the phone on an as needed basis.

Item 14 - Client Referrals and Other Compensation

Private Asset has not entered into any agreements with third parties to give or receive referrals for compensation.

Item 15 - Custody

We have custody on a limited amount of assets due to Michael Thayer's affiliation with PAM Real Estate Group, PAM Real Estate Group II, LLC and single purpose real estate LLCs. This represents less than 1% of our assets.

In connection with advisory services, Private Asset does not have custody of advisory client funds or securities.

You have authorized us to deduct periodic investment advisory fees directly from one or more of your accounts managed by Private Asset. These deductions from your account are shown on the periodic statements sent by your qualified custodian directly to you. You are encouraged to review these statements carefully and compare the amounts on the custodian statements with any statements we send and the fee schedule outlined in your Investment Advisory Agreement.

Item 16 - Investment Discretion

Prior to November 10, 2014, Private Asset did not accept discretionary authority to manage accounts on the behalf of clients. For clients who engaged the firm prior to November 10, 2014 we will contact you and receive your consent before every security transaction placed in your account.

David Giannini has discretionary authority on those accounts he managed when he joined Private Asset. This discretionary authority will continue on the vast majority of those accounts.

Item 17- Voting Client Securities

Private Asset allows clients to choose if they want us to vote their securities. The initial choice is made in writing when the Investment Management Consulting Agreement is signed, but the choice can be changed at the client's request.

Policies, procedures and monitoring exist for Proxy Voting. They are designed to ensure that Private Asset fulfills its fiduciary obligation to clients. Private Asset will generally support company management on proposals on routine matters regarding corporate administration, election of directors, approval of independent auditors and on matters relating to corporate structure and takeover defenses. Fee or cost increases recommended by Mutual Fund management are generally voted against. On all other matters, Private Asset reviews each matter on a case-by-case basis to determine to proper vote.

Private Asset monitors for situations that pose a conflict of interest. If a conflict is found, the client will be contacted. After a discussion, the proper course of action and vote will be taken.

Clients have the right to obtain information on our proxy voting policies and procedures plus any voting actions taken on their behalf. Upon written request, the information will be provided.

All clients have chosen to have Private Asset vote client securities.

Item 18 - Financial Information

Private Asset does not require or solicit prepayment of any fees.

We have custody on a limited amount of assets due to Michael Thayer's affiliation with PAM Real Estate Group, PAM Real Estate Group II, LLC and single purpose real estate LLCs. This represents less than 1% of our assets.

Private Asset has discretionary authority on certain accounts.

Private Asset has not been the subject of a bankruptcy petition at any time in the past ten years.

Item 19 - Requirements for State-Registered Advisers

Michael Thayer

Born in 1960. B.A. in Finance and a Minor in Economics from Seattle University.

Mr. Thayer has over 25 years in the investment business. He started his investment career in the brokerage business. He then worked for an investment advisory firm. He founded Private Asset in 1996. Throughout his career he has been active in real estate investing.

Mr. Thayer is involved in Private Lenders Group, PAM Real Estate Group and PAM Real Estate Group II. Mr. Thayer spends an estimated 33% of his time working for these entities.

Richard Meagley

Born in 1955. B.A. in Economics from Wake Forest University, M.B.A. in Finance from University of Washington. He is a member of the CFA Institute and has earned the right to use the Chartered Financial Analyst (CFA) designation. Mr. Meagley spent over 20 years in the investment department at Safeco Corporation as an analyst and portfolio manager. Mr. Meagley managed over \$1 billion in assets.

Richard Meagley is a CFA (Chartered Financial Analyst) charter holder. The CFA designation is issued by the CFA Institute. A CFA candidate must meet one of the following education or experience requirements: Undergraduate degree and four years of professional experience involving investment decision-making, or four years qualified work experience (full time, but not necessarily investment related). CFA candidates must successfully complete three levels of examinations. There is no continuing education or ongoing experience requirements to maintain the designation.

David Giannini

Born in 1960. B.A. in Philosophy from University of Washington.

Mr. Giannini has over 15 year in the investment business. He started his career with RBC Wealth Management. He has worked other firms in the financial industry, most recently with Trutina Financial.

David is an Investment Advisor Representative.