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Firm Name:

Pacific Asset Management, LLC
1590 Bay Street
Port Orchard, WA 98366

Contact Information:

Managing Member: Gary L. Lucy, CPA, CFP
Phone: 360-876-1938
Fax: 360-876-0823
Email: glucy@pacificasset.com
Website: www.pacificasset.com

This brochure provides information about the qualifications and business practices of Pacific Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at 360-876-1938; or glucy@pacificasset.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. Additional information about Pacific Asset Management, LLC is available on the SEC's website at www.advisorinfo.sec.gov. Our CRD number is #115157.

Pacific Asset Management, LLC (PAM) is a Federally Registered Investment Advisory Firm and is registered with the Securities and Exchange Commission (SEC) located at 100 F Street, NE Washington DC. **

**Registration does not imply a certain level of skill or training

Item 2 Material Changes

There have been material changes to this document since our last update, March 31, 2014.

1. Eric McGinnis joined PAM as an Investment Advisor Representative
2. Joshua Morin joined PAM as an Investment Advisor Representative
3. Ryan Hart joined PAM as an Investment Advisor Representative

Please refer to Item 19 of this document for a full description of their background and experience.

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Item 4 Advisory Services

Pacific Asset Management, LLC (hereinafter "PAM" or "the firm") is a registered investment advisor with the United States, Securities and Exchange Commission. PAM has been an established Investment Advisory Firm since 1998.

Gary L. Lucy, Donald F. Cox and Brian W. Cox are the principal owners of the firm; the firm is a Limited Liability Company.

PAM provides investment advisory services on your behalf. These services include the following:

1. Analyze your financial condition.
2. Recommend options to achieve your financial objectives.
3. Document and implement investment strategies with no-load mutual funds
4. Monitor performance of your investments rebalance according to your asset allocation parameters
5. Make changes to investment strategies as deemed necessary and mutually agreed upon with you
6. Routinely meet with you to ascertain changes in life situation and review performance

All the assets PAM manages are managed on a discretionary basis. As of March 12, 2015 PAM had approximately \$152,700,000.00 under direct management.

PAM does not participate in *wrap fee programs*.

Client assets are in custody at Charles Schwab & Co. PAM is deemed to have custody of assets to the extent that PAM has the authority to deduct client fees from client accounts upon PAM's instruction to the custodian

TERMINATION

1. Our agreement is effective beginning on the date of initial deposit into your account.
2. Our agreement with you shall terminate under the following conditions:
 - a. By mutual agreement of both you and your PAM advisor
 - b. By either you or your PAM advisor giving written 30-day notice to the other party specifying the date of termination

*****In the event of termination in the above mentioned manner, PAM fees paid will be refunded to you pro rata based upon the number of days you used PAM services during that period of time.

Item 5 Fees and Compensation

PAM is a fee only investment advisor for our clients. We do not receive any income in connection with acting as your advisor except for the fees we charge as described below. We receive no commissions, referral fees, finder's fees or other cash compensation or benefits.

The following is our standard fee schedule, charged quarterly in advance based upon the value of your account.

Account Value	Annual Fee
First \$500,000	1.00%
Next \$500,000	0.75%
Assets over \$1,000,000	0.50%

1. PAM Charges No Commissions. PAM services are on a fee only basis. PAM does not sell financial products or accept commissions on payments from outside sources.
2. Transaction Expenses. PAM processes trades through Charles Schwab & Co. Some Schwab mutual fund transactions may produce a transaction charge, which will be deducted from your account.
3. Fees. PAM will, on occasion, negotiate different fees based upon an individual's account requirements. All clients do not pay the same fee. The fee schedule listed above is subject to change. Fees based on a percentage of assets under management are calculated on the total account value and in no case is compensation calculated based solely on a share of capital gains or capital appreciation of your account.
4. Accounting of Fees. On a quarterly basis, PAM will supply you with an invoice showing all PAM fees charged against your account.
5. Payment of Fees. Fees are paid quarterly, in advance, on the first day of the month for the upcoming quarter. Fees are paid directly to PAM by Charles Schwab & Co. from your account; this is subject to your preauthorization. Should you decide to pay fees directly to PAM then those fees are due within 30 days of the date of your bill.

In addition to the advisory fees that you pay to PAM in accordance with your Investment Advisory Agreement, fees are charged by the mutual funds you own in the form of internal expenses at the fund level. These fees reduce the net value of the fund's shares. PAM does not share in any of the fees paid to the mutual funds.

The following individuals are not charged a management fee:

- Members of PAM
- Employees of PAM and C&L Professional Service Group, LLC
- Immediate family members of the members of PAM and C&L Professional Service Group, LLC

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

PAM does not accept or assess performance based fees of any kind.

Item 7 Types of Clients

PAM provides investment advisory services to Individuals.

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

Before making any recommendations, a PAM advisor will generally meet with a prospective client in order to understand what the goals and objectives are. This task is accomplished using software to incorporate investable assets, social security, pensions, other sources of income and other investments with their expectation for future spending. The process also requires us to make assumptions regarding inflation, potential rates of return and life expectancies. Our assumptions will be incorrect and might materially affect the results of the plan. The primary software currently used in this process is The Retirement Savings Planner, developed by Torrid Technologies, Inc.

Once we have helped the prospective client incorporate their goals and objectives into an investment plan as described above, we then make specific recommendations, with respect to investments, intended to help achieve their goals and objectives. Our investment philosophy includes the exclusive use of passively managed or index mutual funds to construct a globally diversified portfolio. In other words, we will recommend that our clients own mutual funds that own large stocks, small stocks, growth stocks, value stocks, bonds and other fixed income investments both US and Internationally.

Investing is inherently risky and the potential for loss is real, but we believe our approach to investing using passively managed and index mutual funds will be a risk worth taking.

We believe that it is time in the market not timing the market that will increase the likelihood of investment success, accordingly, we will not practice any form of market timing. Client behavior will have a bigger impact on their investment success than anything we can do for them. Equity markets are volatile and one needs to focus on long term results and not allow their behavior to be influenced by short term swings in the markets.

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 PAM, and your account's performance could trail that of other investments.

Item 9 Disciplinary Information

Neither PAM nor any of its employees have any disciplinary history to report.

Item 10 Other Financial Industry Activities and Affiliations

The principals of Pacific Asset Management, LLC (Gary Lucy and Donald Cox) were CPAs and principals of the accounting firm Cox & Lucy CPAs until they sold the practice on October 1, 2010. The terms of the sale call for a stream of payments over a 10 year period.

Cox & Lucy CPAs, now C & L Professional Service Group LLC (CLPSG), shares office space with Pacific Asset Management (PAM). PAM may recommend CLPSG to advisory clients in need of accounting services. Accounting services provided by CLPSG are separate and distinct from the advisory services of PAM.

PAM receives no referral fees for these recommendations. No PAM client is obligated to use CLPSG for any accounting services.

David Rhine, an Investment Advisor Representative with PAM, owns and operates the above referenced accounting firm, C&L Professional Service Group LLC. Mr. Rhine handles some PAM client's tax needs.

Joshua Morin, an Investment Advisor Representative with PAM, works for above referenced accounting firm, CLPSG, as a CPA. Mr. Morin handles some PAM client's tax needs.

Donald Gardner, an Investment Advisor Representative with PAM, owns and operates a full service accounting firm, Gardner Accounting, located in Shelton, WA. PAM's Shelton office and Gardner Accounting share the same office space. Mr. Gardner handles some PAM client's tax needs.

Ryan Hart, an Investment Advisor Representative with PAM, works for accounting firm Rauch, Hermanson, Everroad & Rentschier as a CPA. The accounting firm is located in Scottsdale, AZ. Mr. Ryan handle some PAM client's tax needs.

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

We will provide a copy of the Pacific Asset Management, LLC Code of Ethics to any client or prospective client upon request.

PAM does not have any material arrangement with any companies in which we recommend investment or otherwise; therefore PAM and its employees hold no material interest in client transactions.

We invest on behalf of our qualified retirement plan.

PAM or individuals associated with PAM may buy or sell securities identical to those recommended to customers for their personal accounts. Each individual client need is unique; therefore PAM may make recommendations or take action with respect to investments for its clients that may differ in nature or timing from recommendations made to or actions taken for other clients or its employees.

As these situations represent a potential conflict of interest, PAM has established the following restrictions in order to ensure its fiduciary responsibilities:

1. No member or employee of PAM shall prefer his or her own interest to that of the advisory client, and client transactions always take precedence.
2. PAM maintains a list of all securities holdings, for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate member/individual of PAM.
3. PAM requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
4. Any individual not in observance of the above may be subject to termination.

Item 12 Brokerage Practices

PAM has established a long term relationship with Charles Schwab & Co., since our inception in 1998 that would be difficult to replace. The factors considered in selecting Charles Schwab as our broker-dealer for clients are excellent responsiveness by the dedicated service team, transaction fees, precise reporting/statements, execution, accurate and easy- to -use web trading accompanied with an automatic error checking feature which greatly reduces transaction errors.

PAM does not receive any soft dollar benefits or client referrals from Charles Schwab & Co. in exchange for PAM clients using Charles Schwab as their custodian. Charles Schwab & Co. does provide us with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services. The availability of these services from Schwab benefits us because we do not have to produce or purchase them.

We don't have an agreement with Schwab or any other broker-dealer where securities transactions are directed to particular broker-dealers in exchange for client referrals.

Item 13 Review of Accounts

In accordance with our investment advisory agreement, we review your portfolios at a minimum of once a quarter. The review is performed by the investment advisor representative that is responsible for your account. Should economic or financial conditions necessitate a more frequent review; your investment advisor representative will do so.

Quarterly reports are provided for all clients. These reports show all position and holdings detail, provide a breakdown of all costs and fees on the account and an overall performance in the increments of recent quarter, year to date, and since inception. In addition, our custodian, Charles Schwab & Co. provides monthly statements, trade confirmations, and annual tax documents to you.

Item 14 Client Referrals and Other Compensation

PAM does not provide investment advice to non-clients. PAM does not receive compensation for any client referral and does not provide any form of compensation in exchange for referrals.

Item 15 Custody

Client assets are in custody at Charles Schwab & Co. PAM is deemed custody of assets to the extent that PAM has the authority to deduct client fees from client accounts upon PAM's instruction to the custodian

PAM mails quarterly statements to all clients, in addition, Charles Schwab & Co sends monthly statements to all clients. Clients are urged to compare both statements to ensure they reconcile.

Item 16 Investment Discretion

You grant PAM a limited power of attorney that permits us to buy and sell investments in accordance with your stated objectives and asset allocation agreed upon in your Investment Policy Statement without obtaining your approval for each transaction. Clients may place any limitations or restrictions on this authority by providing those restrictions to us in writing.

Item 17 Voting Client Securities

PAM does not vote proxies for you. All proxies are to be voted on by you. You will receive any proxy notices directly from your account custodian, Schwab.

Item 18 Financial Information

PAM does not meet the criteria to require disclosure of PAM financial information (specifically PAM balance sheet). The criteria are:

1. Maintaining custody of client funds or securities
2. Requires prepayment of more than \$1,200 in fees per client and 6 months or more in advance

PAM does not maintain custody of your funds or securities or require you to prepay more than \$1,200 in fees 6 months or more in advance.

Item 19 Advisor Brochure Supplement

Gary L. Lucy – Investment Advisor Representative, Born 1948

Education:

- Emporia State University, Emporia, KS: B.S in Business - Major in Accounting, 1970
- Certified Public Accountant (CPA)* designation earned 1976
- College for Financial Planning, Denver, CO: Certified Financial Planner (CFP)**designation, 1985

Business Background: Mr. Lucy has been a Certified Public Accountant (CPA* since 1976 and a Certified Financial Planner (CFP)** since 1985). He was partner and principal of Cox & Lucy CPAs LLC from October 1984 to October 2010. He has been the managing member of Pacific Asset Management, LLC, since its formation in November, 1998.

Donald F. Cox Jr. – Investment Advisor Representative, Born 1952

Education:

- Central Washington University, Ellensburg, WA: B.A. in Business Administration - Major in Accounting, 1974
- Certified Public Accountant (CPA)* designation earned 1976

Business Background: Mr. Cox has been a Certified Public Accountant (CPA)* since 1976. He has practiced as a CPA in Port Orchard, WA since 1978 and was the principal and partner of Cox & Lucy CPAs LLC from October 1984 to October 2010. He has been a member of Pacific Asset Management, LLC since its formation in November, 1998.

Donald R. Gardner – Investment Advisor Representative, Shelton, WA - Born 1953

Education:

- Oregon State University, Corvallis, OR - 1973
- Bellevue Community College, Bellevue, WA: 1974. A.A. Accounting
- University of Washington, Seattle, WA: 1976 B.A. in Accounting
- IRS Enrolled Agent Designation, 1979
- Certified Public Accountant (CPA)* designation earned 1980
- Supplanting Enrolled Agent Designation
- College for Financial Planning, Denver, CO: Certified Financial Planner (CFP)** designation earned 1994.

Business Background: Mr. Gardner has owned and operated a full service CPA firm in Shelton, WA since 1990. It is solely owned with seven to nine employees. He was a partner in Stoltenberg and Gardner Financial from 1995 to 1999. He has been an investment advisor representative for Pacific Asset Management, LLC since January 2001.

Brian W. Cox - Investment Advisor Representative, Born 1985

Education: University of Portland, Portland, OR - 2007 B.A. in Finance.

Business Background: Mr. Cox joined Pacific Asset Management in 2007 as an Operations Associate and became an Investment Advisor Representative in 2009.

Alison Fong - Operations, Born 1971

Education: Purdue University, West Lafayette, IN - 1994 B.S. Management School of Technology

Alison rejoins Pacific Asset Management in October 2011 as Operations Manager and became an Investment Advisor Representative in 2014.

Eric McGinnis- Investment Advisor Representative, Born 1971

Education: University of Southern Maine, Portland, MA – 1994 B.A. Business Administration

Business Background: Mr. McGinnis began his career as an underwriter in the insurance and employee benefit field in 1996 with UNUM in Portland, Maine. Beginning in 2007 he worked as a Regional Business Director for American Fidelity Assurance Co. In 2013 he worked as an Investment Advisor with Ameriprise and in January of 2015 became a member of Pacific Asset Management, LLC. Mr. McGinnis hold his Series 7, Series 66, Life & Health and Variable lines licenses.

Joshua Morin – Investment Advisor Representative, Born 1984

Education: University of Portland, Portland, OR – 2007 B.A. in Finance & Accounting

Business Background: Josh began his career at Ras Operating, Inc in Tigard, OR in 2007 as an accountant. Over the past few years Josh has worked locally at one of the Nation's largest accounting firms. Josh brings over seven years of assurance and financial accounting expertise to Pacific Asset Management. He is a Washington Board Certified CPA and a member of Washington State Society of CPAs and member of the American Institute of CPAs. Josh joins Pacific Asset Management in January 2015.

David Rhine – Investment Advisor Representative, Born 1969

Education: University of Washington, Seattle, WA – 2001 B.A. in Business Administration: Accounting

- Master in Public Accounting (Taxation
- Personal Financial Specialist ***
- Accredited in Business Valuation ****

Business Background: David started his career with PricewaterhouseCoopers in Seattle, and subsequently was recruited to work in Kitsap, a move that brought him closer to home. David has joined our team in October of 2010. David owns and operates the accounting firm, C&L Professional Service Group LLC.

Ryan Hart – Investment Advisor Representative, Born 1981

Education: Northern Arizona University, Flagstaff, AZ – 2006 BS in Accounting & BS in Business Administration: Economics

Designations:

- Certified Public Accountant
- Certified Financial Planner (R)
- Personal Financial Specialist

Business Background: Ryan began his career in Tacoma, WA at Dwyer, Pemberton & Coulson PC in 2006 as a staff/senior accountant. Ryan has worked at the accounting firm Guest, Schutte & Casper in Flagstaff, AZ as a CPA and owned his own accounting firm, Hart & Assoc. in Gig Harbor, WA. Ryan brings over seven years of assurance and financial accounting expertise to Pacific Asset Management. Ryan joins Pacific Asset Management in January 2015.

*CPA designation description name is CPA (Certified Public Accountant) licensed in the state of Washington. The CPA designation is issued by the Washington Board of Accountancy. A CPA candidate must meet specific education and experience requirements. CPA candidates must also pass a four part examination, in addition to an ethics exam. CPAs must complete 130 hours of continuing education every three years.

** CFP designation description name is also a CFP (Certified Financial Planner). The CFP designation is issued by the Certified Financial Planner Board of Standards, Inc. A CFP candidate must have a bachelor's degree or higher from an accredited college or university, and 3 years full-time personal financial planning experience. The candidate must complete a CFP-board registered program or hold one of the following: CPA, ChFC, CLU, CFA, Ph.D. in business or economics, Doctor of Business Administration or an Attorney's License. CFP candidates must pass the CFP Certification Examinations. To maintain the designation s/he must attend at least 30 hours of continuing education every two years.

***Personal Financial Specialist designation is a specialty credential awarded by the American Institute of Certified Public Accountants (AICPA) to CPAs who specialize in helping individuals plan all aspects of their wealth.

**** Accredited in Business Valuation is a professional designation awarded by the American Institute of Certified Public Accountants (AICPA) to CPAs who are also business valuation service providers.

Additional Disclosure: Neither Gary Lucy, Donald Cox, Donald Gardner, or Brian Cox have ever been involved with or found liable in an arbitration claim of any kind or the subject of a bankruptcy proceeding. Neither PAM nor its affiliated persons have been found liable in a civil, self-regulatory organization or administrative proceeding.