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**FORM ADV PART 2A.
BROCHURE**

This brochure provides information about the qualifications and business practices of Destination Wealth Management. If you have any questions about the contents of this brochure, please contact us at 925-935-2900. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Destination Wealth Management is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Destination Wealth Management is 110365.

Destination Wealth Management is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2: Material Changes

This disclosure brochure ("Brochure"), dated March 30, 2017, provides you with a summary of Destination Wealth Management's ("Destination" or the "Firm") advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item 2 provides a summary of material changes made to this Brochure since the Firm's previous filing, which was dated March 9, 2016. Accordingly, Destination strongly encourages clients and prospective clients to review this Brochure in its entirety and to call the Firm with any questions you may have. Particular attention should be paid to the following material changes:

- Item 4 – updated information and added disclosures regarding the services offered by the Firm.
- Item 5 – updated information and added disclosures relating to the fees charged by the Firm.
- Item 7 – added details regarding minimum account size for investment management accounts.
- Item 10 – added information relating to other activities and affiliations of the Firm's management.
- Item 11 – added clarification relating to the Firm's Code of Ethics and agency cross transactions and principal trades.
- Item 12 – updated details regarding best execution, client referrals and soft dollar practices.
- Item 13 – added information relating to review of client accounts and reporting.
- Item 15 – included clarifications relating to custody.
- Item 16 – added information and disclosures regarding investment discretion.
- Item 17 – updated information about the Firm's proxy voting practices.

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Item 4: Advisory Business

A. Description of Firm

Destination Wealth Management ("Destination," the "Firm" or "we"), a Delaware corporation, is an SEC-registered investment adviser with its principal place of business located in Walnut Creek, California. Destination's registration became effective on October 11, 1996.

The Firm's principal shareholder (i.e., those individuals and/or entities controlling 25% or more of this company) is Michael Allen Yoshikami (CRD Number 1929209). Mr. Yoshikami is the CEO and Founder of the Firm.

B. Types of Advisory Services Offered

Destination provides discretionary investment advisory and financial planning services (as more fully described below) to individuals, high net worth clients, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

The Firm offers the following advisory services to our clients:

1. Investment Management Services

Our Firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment strategy and create and manage a portfolio based on that strategy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

A review of a client's circumstances will occur as needed to assess the appropriateness of the strategy for each client. Arrangements for meeting time and location will be arranged by Destination and the client. Clients are required to inform Destination of any change in their financial condition, risk tolerance, needs, goals, time horizon or other objective in a timely manner.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

We manage client accounts on a discretionary basis. Account supervision is guided by the client's desired objectives (e.g., capital appreciation, preservation, growth and/or income), as well as other considerations. Primary investment management functions include, but are not limited to the following:

- Asset Allocation Design
- Investment Research and Asset Selection
- Portfolio Monitoring and Rebalancing

Assets are allocated/reallocated on an ongoing basis to assure that any portfolio matches the client's risk tolerance and investment objectives. Portfolios are designed to meet individual client objectives using a variety of investments. Our investment recommendations are not limited to any specific product or service offered by a broker-dealer and may generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers

- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- Exchange Traded Funds ("ETFs")
- United States governmental securities
- Options contracts on securities
- Options contracts on commodities
- Futures contracts on tangibles
- Futures contracts on intangibles
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

2. Financial Planning Services

Destination may provide financial planning services to clients if requested by the client. Financial planning is an evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans.

Financial planning services are provided pursuant to a separate written agreement between Destination and the client, and such services may include:

- Net Worth and Financial Profile Analysis;
- Cash Flow Projections;
- Income Tax Review;
- Education Funding;
- Life Insurance Analysis;
- Estate Planning Review; and
- Retirement Planning.

We gather required information through in-depth personal interviews. Information gathered may include the client's current financial status, tax status, future goals, return objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

Financial planning recommendations made by Destination are not limited to any specific product or service offered by any particular broker-dealer or insurance company.

C. Information Related to the Firm's Services

1. Information Received from Individual Clients

The Firm will not assume any responsibility for the accuracy of the information provided by the client. The Firm is not obligated to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Under all circumstances, clients are responsible for promptly notifying the Firm in writing of any material changes to the client's financial situation, investment objectives, time horizon, or risk tolerance. In the event that a client notifies the Firm of changes in the client's financial circumstances, the Firm will review such changes and recommend any necessary revisions to the client's portfolio.

2. Advisory Services, Agreements and Disclosures

Prior to engaging the Firm to provide investment management or financial planning services, the client will be required to enter into one or more written agreements with the Firm setting forth the terms and conditions under which the Firm shall render its services. In accordance with applicable laws and regulations, the Firm will provide a Brochure and one or more brochure supplements to each client or prospective client prior to or contemporaneously with the execution of an agreement. The agreement between the Firm and the client will continue in effect until terminated by either party pursuant to the terms of the agreement. Neither the Firm nor the client may assign the agreement without the consent of the other party.

3. Restrictions/Guidelines Imposed by Clients

Clients may impose reasonable guidelines and/or restrictions on investing in certain securities or types of securities. All such guidelines and restrictions must be communicated to the Firm in writing. There may be times when certain restrictions are placed by a client, which prevents the Firm from accepting or continuing to manage the account. The Firm reserves the right to not accept and/or terminate management of a client's account if it feels that the client's imposed restrictions would limit or prevent the Firm from meeting and/or maintaining its investment strategies.

D. Participation in Wrap Programs

The Firm does not participate in any wrap programs at this time.

E. Assets Under Management

As of December 31, 2016, the Firm managed on a discretionary basis \$1,851,436,276 of client assets which represented 4,038 accounts and \$0.00 of client assets on a non-discretionary basis.

Item 5: Fees and Compensation

A. Advisory Fees

Destination charges fees based on the particular type(s) of advisory service to be provided. The specific fees charged by Destination for such services will be set forth in each client's written agreement(s). Although the Firm believes its fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

Generally, the fee for investment management services is determined based on a client's assets under management with the Firm and is established after the first meeting (held at no cost). Issues examined will include investment objective, trading frequency, client special requests, number of accounts, size of portfolio and estimated transition time period. The fee for Financial Planning services are fixed at an hourly or project-based rate, and subject to waiver at the discretion of Destination.

1. Investment Management Fees

Fees are charged quarterly in advance, based on a percentage of the market value of the assets under management at the end of the previous calendar quarter. Fees are negotiable at the discretion of Destination, and fee arrangements with any particular client may differ from those described in this Brochure.

Billing for new clients begins when asset management begins, unless special arrangements have otherwise been made. Billing generally occurs in advance so that the first invoice will include pro-rated fees for a partial quarter during which asset management begins and a full quarter's fees for the following quarter.

Payment of Destination's investment management fees will be deducted from each client's account on a quarterly basis by their custodian and paid directly to us, unless otherwise directed in writing by a client. The consent for deduction of fees is generally contained in the written agreement the client enters into with Destination. Clients' custodians will deliver a periodic (at least quarterly) account statement directly to clients. The statements will include all transactions that took place in the account during the period covered and reflect any fees deducted and paid to us. Clients are encouraged to review their account statements for accuracy and compare them to the reports received from Destination. It is the responsibility of the client and not the custodian to ensure the fees are calculated correctly.

Destination's standard annual fee for investment management services is tiered, based upon a percentage (%) of the market value of the assets under our management as outlined in the table below and may be negotiated, at the sole discretion of the Firm.

TIERED FEE SCHEDULE

PORTFOLIO SIZE (\$)	ANNUAL FEE (payable quarterly)
\$0-500,000	1.15%
\$500,000+ to \$1,000,000	0.98%
\$1,000,000+ to \$2,000,000	0.93%
\$2,000,000+ to \$3,000,000	0.88%
\$3,000,000+ to \$4,000,000	0.83%
\$4,000,000+ to \$5,000,000	0.78%
\$5,000,000+	0.73%

Client portfolios that contain only fixed income investments are typically charged a lower fee structure, as determined at the discretion of the Firm.

The Firm may group certain related client accounts for the purposes of achieving the minimum account size requirements (see Item 7: Types of Clients below) and determining the applicable investment management fee.

For certain family and friends of Destination's associated persons, Destination, in its sole discretion, may reduce or waive fees in their entirety.

Client has a five (5) business day right of rescission after receiving this Brochure/ADV to terminate services. Any and all unearned or unapplied fees shall be refunded. Fees are negotiable and may be adjusted according to client's specific circumstances.

The investment management agreement between Destination and client will continue until terminated. A client agreement may be terminated at any time, by either party, for any reason upon receipt of written notice. Upon termination of a client agreement, any prepaid, unearned fees will be promptly refunded to the client. In calculating fees to be returned to a client, we will pro rate the reimbursement according to the number of days remaining in the billing period from the effective date of termination.

2. Financial Planning Fees

Destination offers financial planning services to clients, who do not engage the Firm for investment management services, on a flat fee or hourly basis. The Firm's hourly fee is \$250.00 per hour with a six (6) hour minimum. Flat fees for financial planning services are determined at the Firm's discretion, and generally based on the nature of the financial planning services provided and the complexity of each client's circumstances. Financial planning fees are negotiable, and all such fees are agreed upon prior to entering into a financial planning contract with any client.

We may request a retainer upon completion of our initial fact-finding session with the client; however, any

advance payment will not exceed \$1,200 for work that will not be completed within six months. In the event that Destination requests a retainer, the retainer will be applied to the costs of financial planning services, and the remaining financial planning fees owed to the Firm (if any) will be due upon completion of the financial planning services.

Financial Planning Fee Offset: Destination has in the past and may in the future waive the financial planning fees if a financial planning client chooses to become an investment management client of Destination.

3. Other Fees and Expenses

Destination's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment management and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and ETFs also charge internal management fees and operating fees, which are disclosed in a mutual fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the Firm's fee(s), and the Firm does not receive any portion of these commissions, fees, and costs. If the mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the investment management services provided by our Firm which are designed, among other things, to assist the client in determining which mutual funds are most appropriate to each client's financial condition and objectives.

Clients should review the fees being charged to their account(s) to fully understand the total amount of all fees being assessed. Clients should understand that lower fees for comparable services may be available from other investment advisory firms.

Please refer to the "Brokerage Practices" section (Item 12) of this Brochure for additional information.

a. ERISA Accounts

Destination is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Destination may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Destination's advisory fees.

b. Fee Arrangements with Custodians

Destination recommends, but does not direct, clients to use Charles Schwab & Co., Inc. or Fidelity Investments as custodians of their assets. Clients who use these custodians receive the fees and/or commissions negotiated by Destination. Please see Item 12 (Brokerage Practices) and Item 14 (Client Referrals and Other Compensation) within this Brochure for additional information.

Destination receives referrals from MedCentric Financial Network. There is no direct remuneration to the Firm, but Destination provides referrals a Financial Planning service at a discounted planning fee of 10%. This discount does not apply to investment management services.

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

Destination does not charge performance-based fees.

Item 7: Types of Clients

Destination provides investment advisory services to individuals, high net worth clients, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

Destination normally requires a minimum account size of \$500,000 to establish a new investment management account; however, the minimum may be reduced or waived at the sole discretion of the Firm.

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

A. Methods of Analysis

Our investment philosophy is one of core and tactical allocation. Multiple tiers of assessment are utilized as we develop portfolio investment strategy. We assess trends in the global economy, and take those findings into consideration as we invest client's portfolios. We research individual assets while taking into account the bigger picture and adjust investment strategy accordingly. Our macro perspective requires that we have an economic view of the U.S. economy as well as Europe, Asia, South America, and other global investment opportunities such as the Middle East and Africa. Political and policy decisions impact markets, and for that reason we assess developments around the world on a regular basis.

Our focus is not just on U.S. based equities or U.S. based fixed income positions alone. We invest based on a long-term perspective with the understanding that short-term anomalies may require adjustment on a shorter-term basis, utilizing fundamental analysis and an assessment of current market dynamics. Our decision process is based on valuation, economic themes, trends, market psychology, and other factors. Our broad allocation strategy is a core part of our investment perspective. Our investment strategy is derived from combining individual analysis with closely monitored economic and market conditions on a macro level using a bottom-up and top down perspective.

Themes play a part in our investment process and our focus tends to be on longer-term trends that we see having a financial impact on investable assets. Our allocations may or may not include investing in stocks, bonds, ETF's, mutual funds (load and no-load), ex-U.S. positions, commodity assets, options and other classes. We have thematic views that we adjust on a regular basis that form the overall macro adjustments made to core allocation strategies. These thematic views provide a tailwind or headwind for certain asset decisions and help us adjust our allocations according to the current conditions.

B. Investment Strategies

Fundamental research is a significant part of our investment strategy. For this reason, we employ a dedicated research team whose primary role is to conduct security and asset allocation. This proprietary research is combined with the perspective of other investment analysts and strategists in order to arrive at a triangulated investment outlook. Internal research focuses on the assessment of attractiveness of individual stocks in a number of ways namely by analyzing the quality of the company's management, the sustainable advantages the company enjoys, and the competitive environment of the company. We then make our own projections of the company's ability to generate free cash flow.

In addition to this type of analysis, the Firm's investment committee may also seek out the opinions of other market participants such as Wall Street analysts and buy-side investors, and evaluate the recent trading activity of a stock to understand the technical trends that may be affecting a stock price. Typically, we seek to provide advisory services so that investment turnover tends to be lower than in accounts managed by active trader managers but slightly higher than advisers employing a buy-and-hold investment philosophy. Our time horizon is longer-term and includes fundamental assessment combined with market analysis. Conditions may impact the

holding period of assets and result in investment time horizons that are shorter-term in nature. Risk is an important part of our overall portfolio management philosophy. We monitor traditional metrics, such as beta and standard deviation, and try to avoid having too many investments in a portfolio geared to the same themes and markets. In some allocations buying more cash-flow generating names as part of the portfolio can help to mitigate volatility. Diversification is fundamental to our overall investment strategy. We diversify not just by asset class, but by geography, capitalization size, as well as by types of positions. It's important that investors acknowledge that given the global nature of financial markets, correlations among assets, and even asset classes, have moved higher than they have been in the past.

We look at a variety of viewpoints, and we invest based on our assessment of what is appropriate at the time for our clients with consideration given to risk factors and the comfort level of each client.

C. Risk of Loss

Securities investments are not guaranteed and you may lose money on your investments. Client assets are invested into an asset strategy best suited to their goals, objectives, risk tolerance and time horizon. We ask that clients work with us to help us understand their tolerance for risk.

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Margin transactions

In some cases, we may purchase securities in a portfolio with money borrowed from a brokerage account (where express written authorization has been granted by client). This allows for the purchase of more stock than one would be able to with available cash, and allows us to purchase stock without selling other holdings.

A risk in margin trading is that securities prices can fall very quickly. If the value of the securities in an account minus what is owed the broker falls below a certain level, the broker will issue a "margin call", and one will be required to sell a position in the security purchased on margin or add more cash to the account. In some circumstances, one may lose more money than originally invested.

Option writing

We may use options as part of an overall investment strategy (or, in certain instances when consistent with client investment objectives, as a primary investment strategy). An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We may use options to speculate on the possibility of a sharp price swing. We may also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the

potential upside and downside of a security we have purchased for your portfolio.

We may use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We may use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

Item 9: Disciplinary Information

Registered investment advisers such as the Firm are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Destination has no such disciplinary events to report.

Item 10: Other Financial Industry Activities and Affiliations

Michael Yoshikami created the KeKokua Foundation ("KeKokua"), a charitable organization, formed to support and foster community charities that provide socially responsible education services, advocacy, compassionate help and resources to those in need. Destination is the primary source of funding for KeKokua, and operates KeKokua, including, among other things, providing management, accounting and marketing services to the foundation. Mr. Yoshikami heads KeKokua's Charity Committee. Clients of Destination have the opportunity, but are not required, to donate to KeKokua. Mr. Yoshikami spends less than 5% of his work time performing his duties for KeKokua. Please refer to Mr. Yoshikami's Form ADV Part 2B for complete details.

Item 11: Code of Ethics, Participation/Interest in Client Transactions & Personal Trading

A. Code of Ethics Summary

Destination has adopted a written Code of Ethics ("COE") in compliance with SEC rule 204A-1. The COE sets forth standards of conduct and requires compliance with federal securities laws. Our COE also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the Firm. We will provide a copy of our COE to any client or prospective client upon request.

B. Participation or Interest in Client Transactions

Destination or individuals associated with Destination may buy or sell securities for their personal accounts identical to those recommended to clients. It is the policy of Destination that no person employed by the Firm, or its associated persons, may transact in any security prior to a transaction(s) in that same security on behalf of a client that in any way affects the client's execution result. This policy is designed to prevent

the Firm and its employees from benefiting from transactions placed on behalf of advisory clients. Destination or any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the Firm's policy that the Firm will not affect any principal transactions or agency cross transactions on behalf of client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

As these situations may represent conflicts of interest, Destination has established the following restrictions in order to ensure its fiduciary responsibilities:

- A director, officer or employee of Destination shall not buy or sell securities for their personal account(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No associated person of Destination shall prefer his or her own interest to that of the advisory client.
- Destination requires its employees to obtain pre-approval of securities transactions for their personal accounts.
- Firm employees provide reports relating to their personal securities trading on a quarterly basis that are reviewed by the Chief Compliance Officer.
- Destination requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- Any individual not in observance of the above may be subject to discipline by the Firm, including, among other things, suspension or termination.

Item 12: Brokerage Practices

The following discussion summarizes the material aspects of Destination's practices for the recommendation of custodians and the selection of broker-dealers to execute client transactions.

A. Selection Criteria

Destination does not maintain physical custody of client assets although we are deemed to have custody of client assets where the client has given us authority to debit fees from their account (see Item 15 Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use as the qualified custodian of your assets Charles Schwab & Co, Inc. ("Schwab") or Fidelity Investments ("Fidelity"), both of which are FINRA-registered broker-dealers, and members of SIPC. We are independently owned and operated and not affiliated with either Schwab or Fidelity. Schwab or Fidelity will hold your assets in a brokerage account and buy and sell securities when we or you instruct them to. While we recommend that you use Schwab or Fidelity as a custodian/broker, you will decide whether to do so and open your account with Schwab or Fidelity by entering into an account agreement with one of them directly. Although we do not open the account for you, we can assist in this process. Even though your account is maintained at Schwab or Fidelity, we can still use other brokers to execute trades for your account as described in the next paragraph.

How We Select Brokers/Custodians

We seek to use a custodian who will hold your assets and execute transactions on terms that are overall

most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among other things:

- combination of transactions execution services along with asset custody services;
- capability to execute, clear and settle trades (buy and sell securities for your account);
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check request, bill payment, etc.);
- breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.);
- availability of investment research and tools that assist us in making investment decisions;
- quality of services;
- price of services (commission rates, margin interest rates, etc.);
- reputation, financial strength and stability of provider;
- their prior service to us and our other clients; and
- availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from Schwab and Fidelity).

Your Custody and Brokerage Costs

Neither Schwab nor Fidelity generally charge a client separately for custody services, but instead the custodian is compensated by charging a client commissions or other fees on trades that the custodian executes or that settle into your Schwab or Fidelity accounts.

Schwab's commission rates applicable to our client accounts were negotiated based on our commitment to maintain \$50 million of our clients' assets statement equity in accounts at Schwab. This commitment benefits Destination's clients because the overall commission rates a client pays are lower than they would be if we had not made the commitment. In addition to commissions, Schwab charges custodial clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought of the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading cost, we have Schwab execute most trades for accounts custodied at Schwab.

Destination has a substantially similar arrangement in place with Fidelity, which does not require a minimum amount of client assets to be maintained, and we place trades through Fidelity for accounts held with them.

Products and Services Available to Us from Schwab and Fidelity

Schwab Advisor Services (formerly called Schwab Institutional) and Fidelity Institutional Wealth Services are in the business of serving independent investment advisory firms like Destination. They provide the Firm and our clients with access to institutional brokerage-trading, custody, reporting and related services-many of which are not typically available to Schwab/Fidelity retail customers. Both Schwab and Fidelity also make 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. Both Schwab and Fidelity's support services are generally available on an unsolicited basis (we do not have to request them).

Services that Benefit You, the Client. Schwab and Fidelity's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab or Fidelity include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab and Fidelity's services described in this paragraph generally benefit you and your account.

Services that Do Not Directly Benefit You. Schwab and Fidelity also make available to Destination other products and services that benefit the Firm but do not directly benefit our clients or client accounts. These products and services assist the Firm in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We can use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab or Fidelity. In addition to investment research, Schwab and Fidelity also make available software and other technology that:

- provide access to client account data (such as duplicate trade confirms and statements);
- facilitate trade execution and allocate aggregated trade orders for multiple accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Destination. Schwab and Fidelity also offer other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab and Fidelity provide some of these services themselves. In other cases, Schwab or Fidelity will arrange for third-party vendors to provide the services to us. Schwab and Fidelity may also discount or waive its fees for some of these services or pay all or part of a third party's fees. Schwab and Fidelity may also provide us with other benefits such as occasional business entertainment of our personnel.

Destination's Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as we keep \$50 million of client assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$50 million minimum may give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interest of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on factors discussed above) and not Schwab's services that benefit only us.

Our Interest in Fidelity's Services

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of Destination's clients and satisfies our client obligations, including our duty to seek best execution (discussed below).

B. Best Execution

Except as otherwise provided in the client's investment advisory agreement, Destination has full discretion to place buy and sell orders with or through such brokers or dealers as it deems appropriate. Destination's general policy is to place client trades with their broker custodian (e.g., Fidelity or Schwab) and Destination will continue to do so as long as the Firm believes that the broker custodian is providing the best overall deal for the client and they remain competitive in relation to executions and the cost of each transaction ("best execution").

A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while Destination will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Destination is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (*i.e.*, "soft dollars") provided by

the broker which are included in the commission rate. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

C. Research and Other Soft Dollar Benefits

Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)") allows investment advisers to use client commissions to pay for brokerage and research services under certain circumstances without breaching their fiduciary duties to clients. This practice is commonly referred to as "soft dollars." Brokerage and research services can include, among other things, effecting securities transactions and performing services incidental thereto (such as clearance, settlement and custody) and providing research information regarding the economy, industries, sectors of securities, individual companies, statistical information, taxation; political developments, legal developments, technical market action, pricing and appraisal services, credit analysis; risk measurement analysis and performance analysis. Such research information can be received in the form of written reports, telephone conversations, personal meetings with security analysts and/or individual company management, and attending conferences. The research services provided by a broker may be proprietary (*i.e.*, provided by the broker providing the execution services) and/or provided by a third party (*i.e.*, originates from a party independent from the broker providing the execution services). Under Section 28(e), advisers may cause clients to pay brokerage commissions that are in excess of commissions that another broker might have charged for effecting the same transaction, so long as such adviser makes a good faith determination that the amount of commissions paid are reasonable in relation to the value of the brokerage and research services received. This must be viewed in terms of either the specific transactions or an adviser's overall responsibility to the accounts for which it exercises investment discretion. Section 28(e) also permits advisers to use the research services provided by brokers to service any or all of the adviser's clients, and the services also may be used in connection with clients other than those making the payment of commissions.

As outlined above, Schwab and Fidelity provide Destination with access to its institutional trading and custody services, which are typically not available to Schwab or Fidelity retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them, and with respect to Schwab, so long as a total of at least \$50 million of the adviser's clients' assets are maintained in accounts at Schwab. Since the products and services received by Destination under the Schwab and Fidelity arrangements are currently provided at no cost other than clients paying transaction fees, they could be considered paid for with soft dollars. Importantly, clients should understand that the use of soft dollars (if they are so considered) by Destination may be deemed to be an indirect economic benefit to Destination, which creates a conflict of interest between Destination and its clients. To address this conflict of interest, Destination performs periodic reviews of the quality of execution and services provided by Schwab and Fidelity (to both the client and Destination) to help ensure that clients are receiving the best overall deal (also known as "best execution").

In addition, from time to time, Destination transacts in certain investment company products through the Schwab or Fidelity platforms, and receives research and other benefits directly from the investment company in connection therewith. Since the products and services received by Destination under this arrangement are provided at no additional cost to clients other than clients paying associated management and transaction fees, they could be considered paid for with soft dollars. (See additional information in Item 14).

D. Client Referrals from Schwab

Destination receives client referrals from Schwab through the Schwab Advisor Network ("the Service"), and Destination compensates Schwab for such referrals as described below. This service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Destination. Schwab does not supervise Destination and has no responsibility for Destination's management of clients' portfolios or other advice or services. Destination pays Schwab fees to receive client referrals, and Destination's participation in the Service may raise potential conflicts of interest

described below.

Pursuant to a written agreement, Destination pays Schwab a participation fee ("Participation Fee") relating to clients referred by Schwab who custody their account(s) at Schwab, and Destination pays a different fee (the "Non-Schwab Custody Fee") on all such accounts referred by Schwab that are maintained at, or transferred to, another custodian. The Participation Fee is calculated as a percentage of the fees the client owes to Destination or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Destination pays Schwab the Participation Fee for so long as the referred client's account(s) remains in custody at Schwab. The Participation Fee is billed to Destination quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Destination and not by the client. Destination has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Destination charges clients with similar portfolios who were not referred through the Service.

Destination generally pays Schwab a Non-Schwab Custody Fee when custody of a referred client's account is not maintained by, or assets in the account are transferred from, Schwab. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fee that Destination would pay if client accounts were custodied at Schwab.

For accounts of Destination's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Destination's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Destination may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Destination nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Destination's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

The Participation Fee and Non-Schwab Custody Fee will be based on assets in accounts of Destination's clients who were referred by Schwab and those referred client's family members living in the same household. Thus, Destination will have incentive to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit the Firms fees directly from the accounts.

Destination's referral arrangement with Schwab creates a conflict of interest since Destination has an incentive to recommend that client accounts are held in custody at Schwab and that clients execute transactions through Schwab. To mitigate this conflict, Destination reviews and monitors execution and services provided to all such Destination clients to help ensure that the client's accounts are managed as effectively as possible and are receiving best execution.

E. Trade Errors

From time-to-time Destination may make an error in submitting a trade order on your behalf. When this occurs, Destination may place a correcting trade with the broker-dealer which has custody of your account. Should you sustain any economic detriment as a result of an error it is our legal obligation to make you whole.

At Schwab if an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain or we confer with you and you decide to forego the gain (e.g. due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co. Inc. (Schwab) is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. As stated above, if a loss occurs greater than \$100, Advisor will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account)

if it is under \$100 to minimize and offset its administrative time and expense. Generally if related trade errors result in both gains and losses in your account, they may be netted.

At Fidelity Investments the advisor will correct the trade in its own account and keep any profits or losses in its own account. In the event there is a profit the firm will donate the proceeds to charity. However, the client will be made whole in the event of having sustained any loss(es).

F. Trade Aggregation / Batch Trades

Transactions for each client account generally will be effected independently, unless Destination decides to purchase or sell the same securities for numerous clients at approximately the same time. Destination may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among Destination's clients in proportion to the purchase and sale orders placed for each client account on any given day.

Generally, Destination does not block client trades, implementing client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block all client trades.

Item 13: Review of Accounts

A. Periodic Reviews

Investment Management Accounts

The Investment Policy Committee at Destination consists of Michael Yoshikami, CEO and Founder, and Craig Gentry, President, Institutional Division & Chief Investment Strategist. Mr. Yoshikami and Mr. Gentry meet at least bi-monthly to discuss the investment strategies of Destination and its client investments. Other parties are involved in the analysis of portfolio strategy based on the discretion of the leadership in the investment team. Mr. Yoshikami and Mr. Gentry meet on a periodic basis to discuss the investment strategies of Destination and its client investments. Review of client accounts, including portfolios and strategies, is dependent on conditions and circumstances specific to each client. In general, on an annual basis, Destination seeks meetings, telephonic or in person, with clients designed to review their accounts, to provide the clients with additional information relating to their accounts and to confirm client needs, but that time frame may be longer or shorter, and, where an in person meeting is conducted to review a client's account, such timing will depend on a client's availability.

Financial Planning Accounts

Financial Planning clients will receive a completed financial plan. While reviews may occur at different stages depending on the nature and terms of the specific financial planning engagement, typically no formal reviews will be conducted and no additional reports will be provided for financial planning clients unless otherwise agreed to in a client's financial planning agreement.

B. Other Reviews and Triggering Factors

In addition to periodic reviews described above, reviews may be triggered by changes in any number of areas such as a client's personal, tax or financial status, client objectives, market conditions, income, cash flow, changes in tax law, family status, disposition of assets, inheritance and health. Other events that can trigger a review of an account are material changes in market conditions as well as macroeconomic and company-specific events. Clients are encouraged to notify Destination and its advisory representatives of any changes in a client's personal financial situation that might affect a client's investment needs, objectives,

or time horizon.

C. Regular Reports

Custodian account statements are generated no less than quarterly and are sent directly from the account custodian. The account statement lists the account positions, activity in the account over the covered period, and other related information, including all additions and withdraws from the account. Generally, clients also receive confirmations following each account transaction.

In addition to the quarterly statements and confirmations that clients receive from their custodian, Destination provides quarterly reports summarizing account performance, balances and holdings. Clients are urged to compare the statements received from Destination to those received from the account custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Received

From time to time, the principals and associates of Destination may attend investment related conferences and events sponsored and paid for by investment companies or Schwab. These conferences and events cover a variety of topics related to the operation of an advisory firm, research content and other items. Additionally, in connection with such conferences and events, access to research from the conference sponsor may be provided to Destination that benefits Destination in managing investment portfolios and in operating the Firm.

Destination generally recommends that clients use Fidelity or Schwab as their custodian and broker of record. While there is no direct link between the investment advice given to clients and Destination's recommendation to use Fidelity or Schwab, certain benefits are received by the Firm due to these arrangements. Fidelity and Schwab make available to Destination other products and services that benefit Destination but do not benefit its clients. Some of these other products and services assist the Firm in managing and administering clients' accounts. While as a fiduciary, Destination endeavors to act in its clients' best interests, Destination has an incentive to recommend that clients maintain their assets in accounts at Fidelity or Schwab due to the benefit to the Firm and the availability of some of the products and services provided, which create a conflict of interest. Please refer to Item 12 above for further details.

B. Compensation for Client Referrals

Destination receives client referrals from Schwab through Destination's participation in the Schwab Advisor Network ("the Service"). The Service is designed to help clients seeking advisory services find an independent investment advisor. Schwab is a broker-dealer independent and unaffiliated with Destination. Schwab does not supervise Destination and has no responsibility for Destination's management of client's portfolios or Advisor's other advice or services. Destination pays Schwab fees to receive client referrals through the Service. Destination's participation in the Service creates conflicts of interest. See discussion of the Service and additional important details described in Item 12 above.

Destination receives referrals from MedCentric Financial Network ("MedCentric"); however, Destination does not remunerate MedCentric for such referrals. Rather, Destination provides clients referred by MedCentric with discount of 10% for financial planning services. This discount does not apply to investment management services.

Item 15: Custody

As discussed in Item 5 - "Fees and Compensation" of this Brochure, Destination directly debits advisory fees from client accounts. As a result, the Firm is deemed to have custody of your assets. All Destination client

account assets will be maintained with an independent qualified custodian. Generally, Destination recommends Schwab or Fidelity for custodial services, but from time to time, other custodians may be accepted by Destination for custody of client assets.

Clients will receive account statements on at least a quarterly basis directly from the qualified custodian that holds and maintains a client's assets. The custodian is advised of the amount of the fees to be deducted from a client's account, and the custodian does not calculate the fee amount. Clients are urged to carefully review all custodial statements, including, among other things, the calculation of the fee amount, promptly when you receive them, and to compare such custodial statements to the periodic portfolio reports clients receive from Destination. Clients should contact the Firm directly if they believe that there may be an error in their statement. Please refer to Item 12 for additional important disclosure information relating to Destination's practices and relationships with custodians.

Item 16: Investment Discretion

A. Discretionary Authority; Limitations

All Investment Management Services are performed by Destination on a discretionary basis. In exercising its discretionary authority, Destination has the ability to determine the type and amount of securities to be transacted and whether a client's purchase or sale should be combined (aggregated) with those of other clients and traded as a "block." Such discretion is to be exercised in a manner consistent with each client's stated investment objectives, risk tolerance, and time horizon. In addition, the Firm's authority to trade securities can be limited in certain circumstances by applicable legal and regulatory requirements. Clients are permitted to impose reasonable limitations on the Firm's discretionary authority, including restrictions on investing in certain securities or types of securities. All such limitations, restrictions, and investment guidelines must be provided to Destination in writing.

B. Limited Power of Attorney

By signing Destination's advisory agreement, clients authorize Destination to exercise full discretionary authority with respect to all investment transactions involving the client's account. Pursuant to such agreement, Destination is designated as the client's attorney-in-fact with discretionary authority to effect investment transactions in the client's account which authorizes the Firm to give instructions to third parties in furtherance of such authority.

Item 17: Voting Client Securities

It is Destination's standard practice to vote proxies on behalf of client account(s). Generally, Destination will vote proxies and reorganizations relating to the client account(s) in a manner that Destination believes will be consistent with a client's best interests. Client will complete paperwork required by the custodian to allow proxy voting by Destination. Client does have the opportunity to opt out of the Firm's standard practice of voting proxies by opting out directly with the custodian or by providing written notice to Destination. Destination utilizes third party vendors to assist in researching proxy decisions and managing its proxy voting process. A copy of the Firm's written proxy voting policies and procedures is available upon request.

In exercising its proxy voting authority, Destination and its employees shall seek to avoid any direct or indirect conflict of interest raised by a particular voting decision.

Item 18: Financial Information

As an advisory firm that maintains discretionary authority for client accounts, Destination is required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Destination has no such financial circumstances to report.

Destination does not require or solicit payment of fees in excess of \$1,200 per client for more than six months in advance of services rendered. Therefore, Destination is not required to include a financial statement.

Destination has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19: Privacy Policy

At Destination, we value the privacy of clients' personal financial information. When we start our advisory relationship, the Firm typically collects nonpublic personal information about clients to open accounts. This facilitates our ability to provide financial advice and asset management, and to process transactions. We want you to be clear that we protect this information and do not sell your personal information to anyone.

We believe that the trust you place in us is one of the greatest assets we manage. We understand that you desire to keep your financial information private and we take significant steps to ensure this. The Firm's Privacy Policy is set forth below.

Destination's privacy policy applies to consumers who are current or former clients or have registered with Destination or its predecessors for our services.

- A. We collect and use information to administer our business, to advise you in financial planning and asset management, and to provide you with outstanding customer service. We may collect several types of customer information needed for these purposes, including those mentioned below:
 - 1. Application and registration information, including your address, phone number, social security number, and investment and financial objectives.
 - 2. Transaction information, including balances, positions, and history that may include your name and account number that reflects your activities with Destination.
- B. We do not sell any customer information.
- C. We do not share customer information with third parties, except under the limited circumstances listed below:
 - 1. We disclose nonpublic personal information to third parties only for the purposes of purchasing, processing, or managing your financial accounts in accordance with your investment objectives or your established financial plan.
 - 2. We may disclose nonpublic personal information to third parties contracted to provide specific services to Destination to help us process or service your account(s).
 - 3. We may disclose nonpublic personal information in limited circumstances where we believe in good faith that disclosure is required or permitted under the law. For example, we will use this information to cooperate with regulators or law enforcement officials when required.
- D. We protect your nonpublic personal information by restricting access to the information and maintaining its confidentiality.
 - 1. Those companies that Destination hires to provide support services are not allowed to use your nonpublic personal information for their own purposes.
 - 2. We restrict access to nonpublic personal information to our employees and agents for business purposes only. All employees are required to safeguard such information.
 - 3. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.
- E. We periodically review our policies and practices to protect your nonpublic private information and will provide notice of changes in our information sharing practices.