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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](mailto:Mike@PrivateAsset.com). 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.

Private Asset Management, Inc. is a registered investment adviser. Registration as an investment adviser 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](http://www.adviserinfo.sec.gov)

## **Item 2 – Material Changes**

We use this section to notify clients and potential clients of material changes in our business activities or practices since our last annual update. Since our last annual update in March 2023, we have moved to a new office, the address of which is listed on the cover page.

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## 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. We assist clients in addressing financial matters that affect their lifestyles. An example of this 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 wealth management. 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 a Wealth Strategy Summary and the asset allocation is also documented in an Investment Policy Report and Recommendations summary page. These are utilized in the ongoing management of the relationship 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 encourage clients to meet with us quarterly. Throughout the process we provide portfolio performance measurement relative to appropriate benchmarks.

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

We encourage our clients to involve us in other wealth management related services. 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 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 client's goals and objectives.

Clients can impose restrictions on investing in certain types of securities. The most common constraint, sometimes 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.

When we recommend that you rollover retirement assets or transfer existing retirement assets such as a 401(k) or an IRA to our management, we have a conflict of interest. This is because we will generally earn additional revenue when we manage more assets. In making the recommendation, however, we do

so only after determining that the recommendation is in your best interest. Further, in making any recommendation to transfer or rollover retirement assets, we do so as a “fiduciary,” as that term is defined in ERISA or the Internal Revenue Code, or both. We also acknowledge we are a fiduciary under ERISA or the Internal Revenue Code with respect to our ongoing investment advisory recommendations and discretionary asset management services, as described in the advisory agreement we execute with you. To the extent we provide non-fiduciary services to you, those will be described in the advisory agreement.

As of January 24, 2024, we managed approximately \$39.9 million on a discretionary basis and \$128.9 million on a non-discretionary basis.

## Item 5 - Fees and Compensation

Private Asset is compensated through asset-based fees. Our standard fee schedule for our wealth management services, is as follows:

Assets Under Management	Annual Fee
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

Our minimum annual fee is \$10,000. This means that accounts under \$1 million will be charged an annual fee of greater than 1%. Our minimum annual fee is negotiable and may be waived at our discretion.

Our fees are negotiable. For example, we may charge a lower fee for a portfolio that is primarily a bond portfolio.

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.

Wealth management fees are deducted from the clients’ account at their custodian. Billing is done monthly after services have been provided (in arrears). Clients do not have the option to prepay fees.

Clients incur other, third-party fees and expenses in connection with our advisory services. We do not receive any part of these fees. Examples of these fees include:

- 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.
- Direct real estate investments might 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. See Item 12 of this brochure for additional discussion of brokerage practices.

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

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in client accounts (“performance-based fees”). This item is not applicable to our business.

## **Item 7 - Types of Clients**

We provide services to individuals, high net worth individuals and charitable foundations.

Private Asset has no minimum account opening fees, but does have a \$10,000 minimum annual fee. The minimum fee could result in a client paying higher percentage of their assets under management. This minimum fee is negotiable and may 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 formulates investment strategies. We perform our own research, rely on research material prepared by others and utilize material written in the financial press.

Private Asset’s principal strategy is to construct and manage diversified portfolios for each client based on their needs. We utilize seven major asset classes- cash, Core Fixed Income, Other Fixed Income, US Large Cap Stocks, US Small/Mid Cap Stocks, Foreign Stocks and Real Estate. For the first six asset classes, our focus is to utilize mutual funds. 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 considered 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 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.
- Core Fixed Income - purchasing power, interest rate and credit risk.
- Other Fixed Income - same as US Fixed Income and potentially risk specific to the investment.
- US Large Cap Stocks - business risk, geopolitical risk and valuation risk.
- US Small/Mid 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 might experience style drift.

Private Asset does not recommend a particular type of security, though we mainly utilize mutual funds in multiple asset classes.

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 shows that asset classes experience declines in value—sometimes severe and sustained over many years. In addition, each of our strategies to minimize risk might 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**

Michael Thayer, the owner of Private Asset Management, has an ownership stake in PAM Real Estate Group II, which is the Managing Member of Solaire Phoenix, LLC, a private real estate fund formed for the sole purpose of acquiring an apartment complex in Scottsdale, Arizona. This fund was closed to investors in 2014. While Mr. Thayer does not participate in the day-to-day management of PAM Real Estate Group II, he does have some influence related to maintaining the property itself. However, he

has no direct access to, or custody of, the assets of Solaire Phoenix, LLC. Through his ownership in the management company, he participates in the operating profits and profit participation in any profits for the ultimate sale or refinancing of the property held in Solaire Phoenix, LLC.

## **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 is 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 out in an ongoing manner.

Private Asset may recommend the purchase of pooled investments in which our owner, Michael Thayer, has a material financial interest. This creates a conflict of interest because we have incentive. 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 the same securities recommended to clients or that clients have instructed Private Asset to buy or sell for them. If an employee owns the same security, client transactions have priority.

## **Item 12 - Brokerage Practices**

### **Selecting a Brokerage Firm**

Your assets must be maintained in an account at a qualified custodian, typically a broker-dealer or bank. We never hold or otherwise safekeep client funds or securities. We are deemed to have custody in



certain instances, such as where you give us authority to withdraw assets from your account or where you have a standing letter of authorization on file with the custodian to allow us to direct funds to a third party on your behalf (see *Item 15 – Custody* of this brochure). We recommend our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend you use Schwab as your custodian/broker-dealer, you will decide whether to open an account with them by entering into an account agreement directly with them. Even when your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we have the ability to use other brokers to execute trades for your account, but given the costs of that for our clients versus any price benefit, we do not typically trade away from Schwab as described in the following section.

### **How We Select a Broker-Dealer/Custodian to Recommend**

We seek to recommend a custodian/broker-dealer that will hold your assets and execute transactions on terms that are the most advantageous overall when compared to other available providers and their services. We consider a wide range of factors, including among other things:

- Combination of transaction execution services along with asset custody services
- Capability to execute, clear and settle trades
- Capability to facilitate transfers and payments to and from accounts
- Breadth of available investment products
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability of the provider
- Prior service to us and our clients
- Services delivered or paid by Schwab
- Availability of other products and services that benefit us, as discussed below under the heading, “Products and Services Available to Us from Schwab.”

### **Brokerage Costs**

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program. Schwab will charge you 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 or the funds from the securities sold are

deposited (settled) into your Schwab account. Because of this and in order to minimize your trading costs, we have Schwab execute most trades for your account.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”). By using another broker or dealer you may pay lower transaction costs.

### **Products and Services Available to Us from Schwab**

Schwab Advisor Services is Schwab’s business serving independent investment advisory firms like us. They provide Private Asset and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. 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 are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Here is a more detailed description of Schwab’s support services:

#### Services that Benefit You

Schwab’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 include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

#### Services that May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or some substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client 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 Us

Schwab offers other services intended to help us manage and further develop our business enterprise. Schwab may provide some of these services via a third-party vendor. Schwab may discount or waive its fees to us for some of these services or pay all or a part of a third party's fees. These services include:

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

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment for our personnel. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources.

### **Our 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. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively 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 taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select a Broker-Dealer/Custodian to Recommend") and not Schwab's services that benefit only us.

### **Directed Brokerage**

Because we recommend Schwab as custodian and choose to execute our transactions through Schwab, we are effectively requiring clients to "direct" their brokerage to Schwab. Only on a case-by-case basis will we accept instruction from you to direct transactions to a broker dealer other than Schwab.

Not all advisers execute through a single broker-dealer or request their clients to do so. Because we are not typically selecting a broker on a trade-by-trade basis, we may not be able to achieve the most favorable execution of client transactions and this practice may cost clients more money. As disclosed above, however, Schwab permits trade aggregation, and is itself obligated to seek best execution for the trades executed through Schwab.

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

## Item 13 - Review of Accounts

Private Asset reviews accounts on a quarterly basis and we encourage clients to talk with us at least quarterly. David Giannini conducts the ongoing account reviews. Though we do not use titles, it can be deemed that Mr. Giannini 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 client's 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.

Private Asset also 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,
- A 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 multiple indices so a meaningful performance comparison can be made.
- Asset appraisal for each security by account and on a combined basis.
- An overview letter about the stock and bond markets for the quarter and year to date periods.

We occasionally send newsletters to clients. Clients who do not use the internet are mailed copies if they desire a copy.

Yearly, Private Asset provides clients assistance with preparing the documents needed for their own tax preparation. This can include assembling 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 investments provide quarterly updates directly to investors. Others do not. For those, updates are provided at meetings or 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.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 – Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

## **Item 15 - Custody**

All client funds and securities are maintained with a qualified custodian; we don't take physical possession of client assets. You will receive account statements and transaction confirmation notices directly from the custodian at least quarterly, which you should carefully review. We urge you to carefully compare the custodian's account statements with the periodic statements and reports they receive from us and to notify us promptly of any discrepancies.

We have the ability to deduct our advisory fees directly from client accounts based on your written authorization to do so, and this ability is technically considered "custody" but doesn't require separate reporting or surprise audits of Private Asset Management. In addition, in some cases clients execute standing letters of authorization ("SLOAs"), which are written directives from the client authorizing us to initiate payments from their custodial accounts to client-specified third parties. Although SLOAs are client-initiated and client-authorized, our ability to facilitate the payments covered by the SLOAs is considered "custody" under SEC guidance and requires us to report that we have custody over these account assets on our ADV 1A. To the extent the SLOAs comply with certain conditions, however, including that clients have the right to terminate the SLOA, and that the qualified custodian will confirm the status of the SLOA annually directly with the client, Private Asset Management is not subject to a surprise custody audit.

## **Item 16 - Investment Discretion**

Our standard practice for new clients and for most of our existing clients is not to accept discretionary authority. That means we will contact you and receive your consent before every security transaction placed in your account. We do have discretionary authority on a limited number of accounts of where clients have specifically granted us that authority in their advisory agreement with us.

## **Item 17- Voting Client Securities**

Private Asset allows clients to choose if they want us to vote their securities and that is our typical business practice. The initial choice is made in writing when the Investment Management Consulting Agreement is signed, as well as on the custodial account opening paperwork, but the choice can be changed at the client's request.

We maintain proxy voting guidelines designed to help ensure that proxies are voted in the best interests of the clients and 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 to determine to proper vote.

If we find that Private Asset or their advisory representatives have a conflict of interest in a particular vote, we will contact the client to discuss, and either request the client vote the proxy, or abstain from the voting.

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.

## **Item 18 - Financial Information**

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

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

In the ordinary course of business, Private Asset Management and its affiliated companies are the recipient of questions or parties to complaints that sometimes result in legal actions. In accordance with applicable accounting guidance, we establish reserves when those matters present loss contingencies that are both probable and estimable. No such reserves exist at this time.

Private Asset has no financial condition that could impair our ability to meet our contractual obligations to our clients.