

Firm Brochure
(Part 2A of Form ADV)

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C.

Investment Advisory

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This brochure provides information about the qualifications and business practices of AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. If you have any questions about the contents of this brochure, please contact us at: 253-815-6564, or by email at: INFO@AMERICANNW.COM. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. is available on the SEC's website at www.adviserinfo.sec.gov

03/01/2011

Material Changes

Annual Update: 03/01/2011

The Material Changes section of this brochure will be updated 03/01/2011 annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update: 03/01/2011

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 253-815-6564 or by email at: INFO@AMERICANNW.COM.

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Advisory Business

Firm Description

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. began operations in 1996.

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. provides personalized confidential investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses.

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. is strictly a fee-only investment management firm.

Principal Owners

Thomas L. Oakes is the principal owner of AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C.

Types of Advisory Services

AMERICAN NORTHWEST ADVISORY SERVICES L.L.C. provides investment supervisory services, also known as asset management services.

On more than an occasional basis, AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of 03/01/2011, AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. manages approximately \$ 203,000,000 in assets for approximately 120 clients. Approximately \$ 13,000,000 is managed on a discretionary basis, and \$ 190,000,000 is managed on a non-discretionary basis.

Types of Agreements

The following agreements define the typical client relationships.

Advisory Service Agreement

Most clients choose to have AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. manage their assets. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. The

annual Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

- 1.00% on the first \$5,000,000;
- 0.80% on the next \$5,000,001 (from 5,000,001 to 10,000,000);
- and
- 0.65% on the assets above \$10,000,001

Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. in writing and paying the rate for the time spent on the investment advisory engagement. If the client made an advance payment, AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. will refund any unearned portion of the advance payment.

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. will refund any unearned portion of the advance payment.

Fees and Compensation

Description

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. bases its fees on a percentage of assets under management.

Fee Billing

Investment management fees are billed quarterly, in advance, meaning that invoicing is done at the beginning of the three-month billing period. Payment in full is expected upon invoice presentation. Fees are deducted from a designated client account to facilitate billing. The

client must consent in advance to direct debiting of their investment account.

Other Fees

Custodians may charge transaction fees on purchases or sales of investments. These transaction charges are small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid to AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. reserves the right to stop work on any account that is more than thirty (30) days overdue.

Types of Clients

Description

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. generally provides investment advice to individuals, banks or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

Performance-Based Fees

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. does not use a performance-based fee structure.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the

investment's originating country. This is also referred to as exchange rate risk.

- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. does not perform any other financial industry activities and/or have any other affiliations.

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

Code of Ethics

The employees of AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. *Compliance Manual*.

Brokerage Practices

Selecting Brokerage Firms

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. does not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. recommends discount brokerage firms and trust companies (qualified custodians), such as Schwab Institutional.

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. does not receive fees or commissions from any of these arrangements.

Best Execution

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. reviews the execution of trades at each custodian each quarter. The review is documented in the AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. *Compliance Manual*. Trading fees charged by the custodians is also reviewed on a quarterly basis. AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. does not receive any portion of the trading fees.

Soft Dollars

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. receives no soft dollar compensation. Any research that is made available is consistent with other information that is available through the various discount brokerages and benefits all accounts managed by AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C.

Review of Accounts

Periodic Reviews

Account reviews are performed on an on going basis by advisory staff and Thomas L. Oakes, Principal and Managing Director.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Clients receive periodic communications on a quarterly basis.

Client Referrals and Other Compensation

Incoming Referrals

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

Account Statements

All assets are held at qualified custodians which mean the custodians provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C.

Investment Discretion

Discretionary Authority for Trading

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. accepts discretionary authority to manage securities accounts on behalf of clients. AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used and the commission rates paid to the custodian. AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. recommends Schwab Institutional as the custodian of individual clients. AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades on behalf of the client so we may promptly implement the investment policy that was approved in writing for the client.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. A client will execute a limited power of attorney so that we may execute the trades that have been approved.

Voting Client Securities

Proxy Votes

AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

If AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. maintains discretionary authority over an account, it will vote proxies unless the

client designates otherwise. AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. votes proxies consistent with its proxy voting policy. A copy of AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C.'s proxy voting policy is available upon request.

Financial Information

Financial Condition

A balance sheet is not required to be provided because AMERICAN NORTHWEST ADVISORY SERVICES, L.L.C. does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client six months or more in advance.