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March 31, 2014

**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 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.

Material Changes: There have been no material changes to the Destination Wealth Management ADV during the preceding calendar year.

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Advisory Business

Form ADV Part 2A, Item 4

Destination Wealth Management's registration was granted by the U.S. Securities and Exchange Commission on October 11, 1996. Michael Allen Yoshikami (CRD Number 1929209) is the CEO and Founder of the Firm. Mr. Yoshikami owns between 90% and 100% of the equity of the Firm. George Kung Wai Chin (CRD Number 1113592) is the President of the Firm and owns between 5% and 10% of the equity of the Firm. Alexis Stice (CRD Number 2859882) is the Chief Compliance Officer of the Firm. The Firm is not publicly owned or traded. There are no indirect owners of the Firm or intermediaries, which have any ownership interest in the Firm. Client assets are managed on an individualized basis. Clients may impose restrictions on their accounts. The Firm does not sponsor any wrap programs. As of December 31, 2013, the Firm managed on a discretionary basis \$1,414,027,726 of client assets which represented 3569 accounts and managed on a nondiscretionary basis \$5,411,911 which represented 68 accounts.

INVESTMENT MANAGEMENT

Destination provides discretionary investment management for clients. Portfolios are designed based on client's desire for growth, income and capital preservation preferences. Primary investment management functions include, but are not limited to:

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

Portfolios are designed to meet individual client objectives using a variety of investments. Fundamental analysis utilized by Destination to make an informed decision may include earnings growth, sales growth, price earnings ratio, book value, dividend record etc. Consideration is given to the economic outlook for a particular industry as well as overall economic conditions.

Client Review Process:

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.

Asset Management and Portfolio Review:

Assets are allocated/reallocated on an ongoing basis. Accounts are reviewed as needed in order to assure that any portfolio matches the client's risk tolerance and investment objectives.

FINANCIAL PLANNING

Financial planning services are offered to clients. Written request and engagement by Destination and client is required. Topics may cover:

- Net Worth and Financial Profile Analysis
- Cash Flow Projections
- Income Tax Review

- Education Financing
- Life Insurance Analysis
- Estate Planning Review
- Retirement Planning
- Risk Management Planning

Fees and Compensation

Form ADV Part 2A, Item 5

FEES AND COMPENSATION:

The fee for financial and advisory services is determined by the client's situation 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 research time period. Fees shall be based on a percentage of assets under management at the end of each quarter. Fees are charged in advance for all existing clients, new clients will be billed based on assets under management on the day trading began on their accounts to the end of the quarter. A flat fee between \$1,500 and \$5,000 or an hourly (\$250 per hour with a 6 hour minimum) fee may also be charged as a substitute for the percentage of assets under management fee.

NEW CLIENTS - FEE SCHEDULE

The following table outlines Destination's tiered fee structure in managing portfolios for clients that had assets under management from August 1, 2001. Portfolios that contain all fixed income investments may be charged a lower fee structure. Full disclosure will be made in the advisory agreements outlining specific fee structure for each client.

TIERED FEE SCHEDULE	
PORTFOLIO SIZE (\$)	ANNUAL FEE (payable quarterly)
0-499,999	1.15%
500,000-999,999	0.98%
1,000,000-1,999,999	0.93%
2,000,000-2,999,999	0.88%
3,000,000-3,999,999	0.83%
4,000,000-4,999,999	0.78%
5,000,000+	0.73%

All new clients after May 20, 2013 will not be subject to a minimum fee. Prior to May 20, 2013 and after April 1, 2002 the required minimum account size effective for new clients was \$500,000 in assets under management and a minimum fee of \$1,437.50 per quarter or 2.5% annual fee of total assets, whichever is lower, shall be charged on such accounts. The minimum fee may be waived based on individual client circumstances and all fees are negotiable.

EXISTING CLIENTS - FEE SCHEDULE

The following table outlines Destination's fee structure in managing portfolios for clients that had assets under management prior to August 1, 2001. Full disclosure will be made in advisory agreements outlining the specific fee structure for each client. For those clients with assets under management between August 1, 2001 and April 1, 2002, a minimum fee of \$2,875 annually or 2.5% of total assets, whichever is lower, shall be charged on such accounts. For clients with assets under management prior to August 1, 2001, a minimum fee of \$1,000 annually applies or 2.5% of total assets, whichever is lower, shall be charged on such accounts.

FEE SCHEDULE PRIOR TO 08/01/2001

PORTFOLIO SIZE	ANNUAL FEE	PORTFOLIO SIZE	ANNUAL FEE
0-100,999	1.35%	2,001,000-3,000,999	0.84%
101,000-250,999	1.25%	3,001,000-4,000,999	0.80%
251,000-500,999	1.00%	4,001,000-5,000,999	0.76%
501,000-1,000,999	1.00%	5,001,000-9,000,999	0.68%
1,001,000-2,000,999	0.88%	9,001,000-10,000,000+	0.58%

Right of Rescission

Client has a five (5) business day right of rescission after receiving Destination's Disclosure 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.

Other Fees

Any fees for liquidating existing assets are the responsibility of the client. All assets within the account may not qualify as an actively managed asset. Advisory fees are in addition to the fees charged by mutual fund investments or other transaction fees in a client's account.

Fee Payment

Fees are normally paid in advance on a quarterly basis. Fees are not based on capital appreciation of assets. Destination may debit asset management fees directly from client accounts. In certain circumstances fees may be waived or reduced for the client.

Fee Calculation

Statements received from custodians may have a different amount than what is billed on. Destinations portfolio accounting systems may have different settlement dates, accrued interest calculations and may exclude certain assets from fee calculations.

Renewal and Termination

Any advisory renewal fee will be determined by mutual agreement between the client and Destination Wealth Management. Fee payment timeliness will be discussed prior to any services to be provided. There is a 30 day notification of termination of services requirement by Destination. The client may

terminate the contract with the Firm at his/her discretion with 30 days written notice to Destination.

Layering of Fees

The advisory client will pay two layers of fees when mutual funds are present in the client portfolio. That is, an advisory fee is paid to the Destination, as disclosed herein, and a fee is paid to the fund's investment advisor as well.

Other Fee Arrangements

Destination Wealth Management 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 may receive Destination Wealth Management Advisor negotiated discounted fees and/or commissions. Please see Item 14 for additional information. Destination Wealth Management receives referrals from MedCentric Financial Network. There is no remuneration to the referring party rather Destination provides referrals a Financial Planning service at a discounted planning fee of 10%, this discount does not apply to Asset Management Services or to the Personal Financial Review, or to Collateral Referrals or Collateral Clients.

Performance-Based Fees and Side by Side Management

None

Form ADV Part 2A, Item 6

Types of Clients

Form ADV Part 2A, Item 7

Destination Wealth Management provides investment advisory services to individuals, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. As previously disclosed in Item 5 Destination Wealth Management has a minimum account size, and a tiered fee schedule, each item may be waived based on individual client circumstances and all fees are negotiable.

Destination Wealth Management generally manages accounts with a \$500k household minimum; however, account minimums may be subject to negotiation.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Methods of Analysis

Our investment philosophy is one of 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. 70% of our decision is based on valuation and 30% is based on broader economic themes and trends that tend to be impacted by market psychology. We are a thematic manager, and 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.

We are a theme-based manager; a significant percentage of our allocation strategy is based on broad, thematic decisions, with a five year time horizon. 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.

Investment Strategy

Fundamental research is a significant part of our investment strategy. For this reason, we conduct our own individual asset research on each of our securities. 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 investment committee will 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. Our investment turnover tends to be lower than those of active trader managers but slightly higher than a buy-and-hold investment philosophy. Our time horizon for assets is five years, while Fundamental assessment combined with market sentiment analysis may result in short-term investment decisions. 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. All investments in Destination portfolios have the potential for loss. Client assets are invested into an

asset strategy best suited to their goals, objectives, risk tolerance and time horizon.

Disciplinary Information

Form ADV Part 2A, Item 9

We 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 Wealth Management has no disciplinary events to report.

For the individual Investment Advisor Representatives please refer to the ADV Part 2B for individual Advisor information.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

None

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

Form ADV Part 2A, Item 11

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Destination has adopted a written Code of Ethics in compliance with SEC rule 204A-1. The code sets forth standards of conduct and requires compliance with federal securities laws. Our code 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 Code of Ethics to any client or prospective client upon request.

Pursuant to SEC Release No. IA-1092, the following statements are also made by the Destination:

- 1) Clients are under no obligation to have Destination implement any suggestions made in any financial recommendations.
- 2) Client shall have total freedom to execute securities with any company of their choice.
- 3) Transactions for each client account generally will be effected independently, unless Advisor decides to purchase or sell the same securities for several clients at approximately the same time. Advisor 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 Advisor'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 Advisor's clients in proportion to the purchase and sale orders placed for each client account on any given day.

It is further noted that Destination is in and shall continue to be in total compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, Destination has adopted a Destination wide policy statement, outlining insider trading compliance by Destination and its associated persons and other employees. This statement has been distributed to all associated persons and other employees of Destination and has been signed and dated by each such person. A copy of such original is maintained in employee files. Further, Destination has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm wide policy.

These materials are also distributed to all associated persons and other employees of Destination, are signed, dated and filed with the employee files. There are provisions adopted for (1) restricting access to files, (2) providing continuing education (3) restricting and/or monitoring trading on those securities of which Destination's employees may have non-public information, (4) requiring all of Destination's employees to conduct trading through a specific broker or reporting all transactions promptly to the Firm and (5) monitoring the securities trading of the Firm and its employees and associated persons.

Destination or individuals associated with Destination may buy or sell securities identical to those recommended to customers for their personal account. It is the expressed policy of Destination that no person employed by the Firm, or its associated persons, may purchase or sell any security prior to a transaction(s) in that same security being implemented on an advisory account that in any way affects the client's execution result. This policy is designed to prevent such employees from benefiting from transactions placed on behalf of advisory accounts. 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.

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

- 1) A director, officer or employee of Destination shall not buy or sell securities for their personal portfolio(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.
- 2) Destination maintains a list of all securities holdings for itself, and anyone associated with this Advisory practice. These holdings are reviewed on a regular basis by the Chief Compliance Officer.
- 3) Destination requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- 4) Any individual not in observance of the above may be subject to termination.

Brokerage Practices

Form ADV Part 2A, Item 12

Destination Wealth Management does not maintain custody of your assets that we manage (although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your 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 Charles

Schwab & Co, Inc. or Fidelity Investments, both of which are FINRA-registered broker-dealers, member of SIPC, as the qualified custodian of your assets. We are independently owned and operated and not affiliated with 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 them directly. 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:

- 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, exchange traded funds (ETFs), etc.
- 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, etc)
- reputation, financial strength and stability of provider
- availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from Schwab)

Your Custody and Brokerage Costs

For our clients' accounts it maintains, neither Schwab nor Fidelity charge you separately for custody services but is compensated by charging you commission or other fees on trades that it executes or that settle into your Schwab or Fidelity accounts. Schwab's commission rates applicable to our client accounts were negotiated based our commitment to maintain \$50 million of our clients' assets statement equity in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be if we had not made the commitment. In addition to commissions Schwab charges 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 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 trades in your account. Similarly 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 us. They provide us 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. Schwab/Fidelity 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/Fidelity's support services are

generally available on an unsolicited basis (we do not have to request them).

Services that Benefit You. 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/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/Fidelity's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You. Schwab and Fidelity also makes available to us other products and services that benefit us but may not directly benefit you and 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/Fidelity. In addition to investment research Schwab/Fidelity also makes 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;
- 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 and Fidelity also offers other services intended to help us manage and further develop our business enterprise. Those 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/Fidelity may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab/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/Fidelity may also provide us with other benefits such as occasional business entertainment of our personnel.

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 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 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 potential conflict of interest. We believe, however, that our selection of Schwab and Fidelity as custodians and brokers is in the best interest of our clients. It is primarily supported by the scope, quality and price of Schwab and Fidelity's services (based on factors discussed above) and not Schwab's or Fidelity's services that benefit only us.

Destination manages certain client assets on a discretionary basis, Destination does have the authority to determine, without first obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. All accounts are deemed to be discretionary. Discussions with clients regarding the buying and selling of assets are considered to be informational and Destination Wealth Management will exercise its discretion over timing,

execution and action on portfolio assets.

Destination pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Destination is 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 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 and 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 Fees Advisors generally would pay in a single year. Thus, Destination will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody fees 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.

MISCELLANEOUS:

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).

Review of Accounts

Form ADV Part 2A, Item 13

The investment committee at Destination Wealth Management consists of Michael Yoshikami, CEO, Founder & Chairman of Investment Committee, Craig Gentry, Executive Vice President & Chief Investment Strategist. Mr. Yoshikami and Mr. Gentry meet at least bi-monthly to discuss the investment strategies of the Destination and its client investments. Client accounts are reviewed by the portfolio trading team managed by Mr. Gentry and Mr. Yoshikami. All reviews of accounts are conducted by Destination on an annual basis depending on the client situation and planning needs. Reviews are internal and client may or may not be present when review is conducted. These reviews may occur more frequently triggered by changes in any number of areas such as client objectives, market conditions, income, cash flow, changes in tax law, family status, disposition of assets, inheritance and health. Reviews may include a full statement of current holdings and re-statement of objectives. Clients are offered the opportunity to meet for regular reviews in person or by phone and may choose not to meet.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

From time to time, the principals and associates of the Destination may attend investment related conferences sponsored and paid for by investment companies. This incentive is in addition to fees received by the Destination.

We receive an economic benefit from Schwab/Fidelity 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/Fidelity's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Destination Wealth Management, Inc. ("Destination") receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Destination's participation in the Schwab Advisor Network ("the Service"). The Service is designed to help investors 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 may raise potential conflicts as described in Item 12.

Custody

Form ADV Part 2A, Item 15

Under government regulations, we are deemed to have custody of your assets if you authorize us to instruct Schwab and/or Fidelity to deduct our advisory fees directly from your account. Schwab and/or Fidelity maintain custody of your assets. You will receive account statements directly from Schwab and Fidelity at least quarterly. They will be sent to the email or postal mailing address you provide to Schwab and/or Fidelity. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab's and/or Fidelity's account statements to the periodic portfolio reports you will receive from us. These reports are generated on a quarterly basis, at portfolio review meetings with your advisor and on an as requested basis.

Investment Discretion

Form ADV Part 2A, Item 16

Destination does exercise discretionary authority in most cases. A "Limited Power of Attorney" is signed by the client in favor of the Firm. Because Destination has discretionary authority, it may determine, without first obtaining specific client consent, the securities to be bought and/or sold and the amount of securities to be bought and/or sold.

Voting Client Securities

Form ADV Part 2A, Item 17

In certain circumstances, and in accordance with the client's specific advisory agreement, Destination shall vote proxies related to securities held by any client in a manner that is in the best interest of the client. Destination shall consider only those factors that relate to the client's investment(s) or that are established by the client's written instructions.

Proxy votes generally will be cast in favor of proposals that:

- maintain or strengthen the shared interests of shareholders and management.
- increase shareholder value;
- maintain or increase shareholder influence over the issuer's board of directors and management; and,
- maintain or increase the rights of shareholders.

Proxy votes generally will be cast against proposals having the opposite effect.

In voting on each and every issue, Destination and its employees shall vote in a prudently and timely fashion and only after careful evaluation of the issue(s) presented on the ballot.

In exercising its voting discretion, Destination and its employees shall avoid any direct or indirect conflict of interest raised by such voting decision. Destination will provide adequate disclosure to the client if any substantive aspect or foreseeable result of the subject matter to be voted upon raises an actual or potential conflict of interest to Destination.

Destination reserves the right to use a third party research service to assist us in making decisions we feel are in the best interest of our clients. Voting proxies on behalf of clients whose accounts we manage on discretion is a standard practice of Destination. Paperwork will be executed to allow this to occur including changing proxy and reorganization preferences on accounts currently held at Schwab or Fidelity Investments. Clients do have the opportunity to opt out of Destination's standard practice. Clients are responsible to inform Destination if they desire to make other arrangements outside of Destination's standard practice.