

Form ADV, Part 2A (“Brochure”)

Private Income Capital Management, LLC (“PICM”)

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This brochure is dated March 1, 2011

This brochure provides information about the qualifications and business practices of Private Income Capital Management, LLC (“PICM”).

If you have any questions about the contents of this brochure, please contact us at (206) 224-1654 or JAV@first-wash.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 PIMC also is available on the SEC's website at www.adviserinfo.sec.gov.

Note: The terms “registered” and “registered investment adviser” appear in this brochure. Registration does not imply a certain level of skill or training. PICM's level of skill comes from years of experience and training.

Material Changes from the Previous PICM Brochure

This Brochure contains no material changes in content from the previous Form ADV other than it is now formatted in the prescribed new SEC format.

Table of Contents

Cover Page and Contact Information	Page 1
Material Changes to this Brochure	Page 2
Table of Contents	Page 3
Description of Advisory Business	Page 4
Fees and Compensation	Page 5 - 6
Types of Clients	Page 6
Methods of Analysis, Investment Strategies and Risk of Loss	Pages 6 - 7
Disciplinary Information	Page 7
Financial Industry Affiliations	Page 7
Code of Ethics, Participation in Client Transactions and Personal Trading	Pages 8 - 9
Brokerage Practices	Page 9
Review of Accounts	Page 10
Client Referrals and Other Compensation	Page 10
Custody	Page 10
Investment Discretion	Page 10
Voting Client Securities	Page 11

Description of PICM Advisory Business

Ownership of PICM

PICM was formed in 1991 and is wholly owned by Dean G. Amundson.

Types of Advisory Services and Client Imposed Restrictions

PICM provides investment supervisory management services for the following types of investment products:

- Municipal and U.S. government securities;
- Corporate debt securities;
- Equity securities*, including exchange listed securities, over-the-counter; and
- Commercial paper*.

*Note: PICM is principally a fixed income manager. It is rare and under unusual circumstances that equity securities or commercial paper is held in any portfolio.

PICM offers a client continuous investment advice including making investment decisions based upon the individual investment needs of a client in accordance with the client's account documentation, management agreement, or other client questionnaire or statement of policy. Clients may impose restrictions on investing in certain securities or types of securities.

Assets under Management

As of December 31, 2010, Private Income Capital Management, LLC had a total of \$279,401,824.00 under management, all of which is managed on a discretionary basis.

Fees and Compensation

PICM is compensated by a fee charged to clients for portfolio management services based upon assets under management. Fees are negotiated with the client and agreed to in the Investment Management Agreement and shall not exceed 2%. Typically, fees will range from 15 basis points (“bps”) to 25bps depending upon account size. The client pays an all-inclusive management fee per annum calculated quarterly on the gross value of their account portfolio, payable quarterly within 15 days of the statement date.

Fees are negotiable and fully disclosed with each Client Investment Advisory Agreement. PICM may modify its fee schedule prospectively on at least 30 days prior written notice to the client. Fees are paid quarterly, in advance. Fees for new accounts are prorated for the initial calendar quarter. Fees are paid to PICM by the brokerage firm or custodian maintaining custody of an account from funds in the account. The custodian does not verify the correctness of the fee calculation; it is the responsibility of each client to verify the correctness of the fee and is so stated on each fee notice to each client. A notice of fee invoices will be mailed to each client. The custodian will send a statement no less frequently than quarterly indicating all amounts disbursed from the account including the amount of advisory fees paid to PICM.

Payment of fees may result in the liquidation of securities if sufficient cash in the account is not available. Fees are charged on funds or securities added to a previously established account during any period at marginal percentage rate using the client’s fee schedule and prorated to reflect the number of days remaining in the billing period. If the calculated fee is less than \$100, the fee shall be waived for the remainder of the current billing period.

The net equity of an account is determined for each fee period as of the closing date occurring during the month preceding the fee period. In the case where the closing date is not a regular business day of the New York Stock Exchange, the net equity is computed as of the last prior business day of the New York Exchange. Net equity is calculated by valuing each security held by an account on the basis of the closing price, or if not traded on an exchange the last bid price.

In most cases, ticket charges are absorbed by PICM and not charged to the client.

In certain cases, brokerage commissions, service charges, stock transfer fees, and other similar charges incurred in connection with transactions are not considered part of management fees and will be paid separately from the assets in a client’s account. Such charges are paid directly to the executing broker-dealer or custodian. PICM does not share in those fees.

From time-to-time, PICM may buy and hold certain securities in a proprietary account located at First Washington and sell those positions at a later date. Sales may be made to clients or outside broker-dealers. Sales will be made at market prices and may result in a profit or a loss to PICM.

An investment advisory agreement may be terminated at any time by either party by written notice to the other party at their primary address. Client shall receive a refund of all unearned fees prorated as of the date of termination.

PICM does not manage portfolios on a performance basis and does not accept performance based fees.

Types of Clients

PICM provides investment supervisory management services to individuals, pension and profit sharing plans, trusts, estates, corporations and similar organizations including charitable.

Methods of Analysis, Investment Strategies and Risk of Loss

Method of Analysis, Sources of Information and Investment Strategies

PICM utilizes a fundamental and technical approach to investment analysis. Its method of evaluating a security includes measuring its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. PICM attempts to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and company-specific factors (like financial condition and management).

PICM seeks to use real data to evaluate a security's value. For example, with bonds, by performing analysis by looking at economic factors, such as interest rates and the overall state of the economy, and information about the bond issuer, such as potential changes in credit ratings. For stocks, an analysis is made using revenues, earnings, future growth, return on equity, profit margins and other data to determine a company's underlying value and potential for future growth.

The end goal of performing a fundamental/technical analysis is to produce a value that an investor can compare with the security's current price, with the aim of determining what position to take with that security (underpriced = buy, overpriced = sell).

Investment Strategies

PICM's investment strategies include utilizing long term strategies, short term strategies as appropriate to the client's needs and suitability. PICM offers a client continuous investment advice based upon the individual investment needs of a client in accordance with the PICM account documentation or client statement of policy.

The methods PICM uses to invest money will vary with time frame, size of account, investment objective, and risk tolerance.

It shall be the PICM goal is to purchase quality, favorably priced, securities that have a promising long-term outlook. When market prices rise to the level of full valuation, the company shall be considered a candidate to be replaced with a more attractively priced issue. This process is generally long term however; there are some occasions when a price increase can occur quickly, realizing profits in a shorter term (less than a year).

PICM believes quality to be the first consideration in selecting bonds and income-producing investments. PICM also looks for situations where there can be an increase in the value of the issues as well as a safe income. For example, PICM searches for

investments that may have improving credit qualities or convertible securities issued by growing companies that could become more valuable in the future.

Client Risk

Past performance of any security is not indicative of future results. Investments in the securities markets are subject to market fluctuation and financial risk, which may include loss of capital.

Disciplinary Information

PICM is not and has never been subject to any disciplinary action by the SEC or any state.

Other Financial Industry Affiliations

PICM's President, Dean Amundson is currently registered with First Washington Corporation ("First Washington"), a registered broker-dealer and investment adviser as a Registered Representative. Approximately 10% of his time is spent in that capacity. PICM's primary office is located within the offices of First Washington under a lease agreement. PICM is not affiliated in any other manner.

Mr. Amundson maintains a small number of accounts that are purely brokerage in nature and are housed at First Washington. They are not managed accounts and a normal brokerage commission is charged for such transactions. Mr. Amundson does not participate in First Washington's investment advisory business.

Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics

A Code of Ethics (the “Code”) has been established by PICM in compliance with SEC Rule 204A-1 under the Investment Adviser’s Act of 1940 to establish “best practices” and create the highest standards of ethical conduct supporting PICM’s fiduciary responsibility to its clients. The Code is designed to and requires that PICM and its personnel:

- > Promote honest and ethical conduct, including the ethical handling of actual or perceived conflicts of interest between personal and professional relationships;
- > Effect full, fair, accurate, timely, and understandable disclosures in reports and documents that are provided to clients or filed or submitted to the U.S. Securities and Exchange Commission (“SEC”), state securities regulators, and in other public communications made by PICM;
- > Never place the personal interests of PICM or its employees, improperly, before the interests of clients;
- > Comply with the Compliance policy of PICM;
- > Comply with applicable federal and state laws, rules, and regulations;
- > Promptly report any known or perceived violations of the Code.

The Code memorializes PICM’s commitment to ethical conduct premised on fundamental principles of openness, integrity, honesty, and trust. PICM is further committed to not only live up to the letter of the law but also the ideals stated within this Code and to actively work with its Associated Persons to always do the right thing and act in the client’s best interest.

Material Nonpublic Information - Under its Code, the protection of material nonpublic information is most important to PICM and the PICM Code of Ethics establishes the fact that the improper use of material nonpublic information for an employee’s own gain is not only unethical and in fact, illegal. The PICM Code prohibits the improper use or dissemination of material nonpublic information regarding the business of PICM, its securities recommendations, and client securities holdings and recommendations.

Securities Trading of PICM Personnel - The PICM Code calls for the reporting of all personal securities transactions to PICM management and for the careful review of personal securities transactions by BBH management. Additionally, the PICM Code requires that employees seek the permission of the PICM President to engage in certain types of investments where a potential conflict of interest may exist.

Reporting and Accountability - The Code of Ethics of PICM establishes a clear responsibility for employees to fully adhere to the Code and to immediately report perceived or real violations of the Code to the President

Confidentiality - Confidentiality is essential to the operations of PICM and the PICM

Code of Ethics establishes an adamant prohibition regarding the inappropriate disclosure of client and business information to inappropriate persons.

Questions about the PICM Code of Ethics may be directed to the President at (206) 224-1654.

PICM does not recommend to clients nor buy or sell from clients any securities in which it maintains a material financial interest.

Participation or Interest in Client Transactions – PICM may buy the same securities as recommended to clients.

PICM and its employees may invest in the same securities as it recommends to clients or that may be held in a client account. PICM will not cause any purchase or sale for its own portfolio to be made to or from a client account.

It is the policy of PICM that when securities are being initially purchased for, or sold from, a client's portfolio, orders for the same securities from PICM and its employee's accounts will be included in aggregated trades if the size and volume is large and the market is liquid, and purchased last and sold last if the market is thin and illiquid so as to not disadvantage clients. Neither PICM nor its staff will trade ahead of a client.

Brokerage Practices

Directed Brokerage

PICM does not direct brokerage. PICM shall endeavor to seek best execution for client transactions, i.e., seeking to obtain the best all-around qualitative execution. As part of PICM's policy, best execution practices include gathering relevant information, seeking best pricing and availability, evaluating the services provided by various broker-dealers and assessing the quality of executions, overall relationship, among other things.

Aggregation of Client Purchases and Sales

In an effort to achieve the best possible price for clients and to not negatively impact the market price, PICM will utilize what are known as aggregated or "bunched trades" through various dealers. When a purchase or sale of an individual issue is effected for multiple accounts, PICM will total the amount required and use its best judgment considering market conditions and size, liquidity, and trading volume. These transactions can result in a block trade being executed at different prices and in that case an average price will be used for the multiple accounts even though some of the shares may have been traded higher and lower than the average. Generally speaking, PICM strives by aggregating transactions to achieve prices that are more favorable for the client than the average daily price for the same issue.

Principal Transactions

From time-to-time, PICM may buy and hold certain securities in its inventory account located at First Washington and sell those positions out to clients at a later date. Sales will be made at market prices and may result in a profit or a loss to PICM.

Review of Accounts

Account reviews occur at various times and encompass transactions, fees, and portfolio valuations.

Following each transaction, PICM's President carefully reviews trade confirmations for accuracy.

Quarterly statements, portfolio valuations and fee calculations are reviewed as issued.

Additionally, PICM's President will complete a review, at any time, as may be requested by a client.

Client Referrals and Other Compensation

PICM does not provide investment advice or other advisory services to any party who is not a client of PICM.

PICM does not compensate any party for referrals of business.

Custody

Qualified custodians utilized by PICM, whether selected by PICM or the client will provide quarterly statements directly to the client. PICM urges the client to carefully review statements provided by custodians.

Investment Discretion

Clients shall grant PICM with full power and authority to purchase or sell bonds, stocks and other securities and to execute all related transactions to purchases and sales of securities without the client's approval, unless specifically directed otherwise in writing by the client. Discretionary authority shall include the exercise of any voting or consent rights pertaining to any assets held in the clients account.

Discretionary authority shall be authorized by the client through the execution of a contract or agreement containing a limited power of attorney.

Discretionary payments from a client's account to PICM are limited to the fees listed in the client investment advisory agreement.

Except to the extent the Client directs otherwise, PICM will use its discretion in recommending a broker or dealer and in effecting transactions in securities and all transactions related to the purchase and sale of securities.

Voting Client Securities

PICM has established the policy, through its advisory agreement that it will vote proxies on behalf of the client with few exceptions.

PICM shall only vote proxies in the best interest of the client. In the unlikely event that a potential conflict of interest may exist, PICM will forward the proxy to the client for voting. PICM does not maintain an affiliation with any product sponsor, issuer, or custodian.

PICM shall maintain a record of proxy votes and will furnish voting details of specific situations to a subject client upon request.