

# NORTHWEST ASSET MANAGEMENT

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NWAM Choice Solutions  
Wrap Fee Program Brochure  
Form ADV: Part 2 A Appendix 1

This wrap fee program brochure provides information about the qualifications and business practices of Northwest Asset Management, an SEC registered investment advisory firm. Being registered is neither an endorsement nor an indication of expertise. If you have any questions about the contents of this brochure, please contact us at (206) 838-3680. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any states securities authority.

Additional information about NWAM, LLC dba Northwest Asset Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**ITEM 1 – COVER PAGE**

APRIL 28, 2014

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## ITEM 2 – MATERIAL CHANGES

This brochure, dated April 28, 2014, is a supplement to our annual update amendment. It has changed materially since the document filed March 27, 2014 during the annual update in the following ways:

- Item 9: Updated to include Charles Schwab & Co., Inc.
- Item 9: Update to include specific regarding TD Ameritrade

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## ITEM 4 – SERVICES, FEES AND COMPENSATION

### 4a: Services and Fees

Northwest Asset Management is the sponsor and portfolio manager of the wrap fee program titled NWAM Choice Solutions Program (“CSP”). CSP provides the client with advisory and brokerage execution services for one all-inclusive fee. The client is not charged separate fees for the respective components of the total service.

The CSP program is offered only through accounts held at one of our partner custodians. Northwest Asset Management and the client will select a custodian and mutually agree on the investment strategy used by Northwest Asset Management to manage the account.

We will assist the client in determining their current financial situation, financial goals and attitudes toward risk, which will allow NWAM to implement appropriate asset allocations. We will continuously monitor client portfolios based on the individual needs of the client.

### Fee Schedule

The program charges an asset-based fee for advisory services, which include the cost of executing securities transactions. There is no separate charge for brokerage commissions; however, clients normally will be charged any mark-ups or mark-downs with respect to fixed income securities and other fees as described in the section titled “Brokerage Commission” on page 5. In certain circumstances, fees may be negotiable.

Assets Under Management	Annual Fee (%)
Less than \$500,000	2.00%
\$500,000 to \$1,000,000	1.75%
\$1,000,001 to \$2,500,000	1.50%
\$2,500,001 to \$5,000,000	1.25%
\$5,000,001 and above	Negotiable

Fees are paid quarterly in advance or arrears, as specified in the client contract. Either NWAM or our client may terminate the investment advisory relationship by providing 30 days' written notice. When an agreement is terminated, we will refund any pre-paid, unearned fees based on the number of days remaining in the quarter after termination. Refunds will be made at the end of the current quarter in which the contract was terminated.

When an agreement is terminated, all assets may need to be transferred from the current custodian. You will be responsible for paying all fees including full quarterly custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. Custodian may assess additional fees for transfer of illiquid investments. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees. Prior to termination of an agreement, we can provide a good-faith estimate of these fees.

### 4b: Relative Cost of Services

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include portfolio management and/or advice concerning selection of other advisers, and the fee is not based directly upon transactions in your account. Your fee is bundled with our costs for executing transactions in your account(s). This may result in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

#### **4c: Additional Fees**

The program's quarterly fee does not include: (i) annual account fees or other administrative fees, such as wire fees, charged by custodians; (ii) underwriting or dealer concessions or related compensation in connection with securities acquired in underwritten offerings; (iii) certain odd-lot differentials, transfer taxes, transaction fees mandated by the Securities Act of 1934, postage and handling fees, and charges imposed by law with regard to transaction in the client's account; and (iv) advisory fees and expenses of mutual funds (including money market funds), ETFs, closed-end investment companies or other managed investments, if any are held in client's accounts.

When NWAM acts as the client's agent in purchasing securities (except in purchases in underwritten offerings other than for open-end mutual funds), the client should be aware that the quarterly fee does not cover certain cost associated with securities transactions in the over-the-counter market where NWAM must approach a dealer or market maker to purchase or sell the security. Such cost includes a mark-up, mark-down or spread and odd lot differentials or transfer taxes imposed by law. Because NWAM will be paying to the Custodian the transaction and execution costs of securities transactions a potential conflict of interest may arise creating a disincentive for NWAM to trade securities in client accounts.

#### **4d: Referrals and Compensation**

Our advisors receive a portion of the advisory fee that you pay us, either directly as a percentage of your overall fee. This may create an incentive to recommend that you participate in a wrap fee program rather than a non-wrap fee program (where you would pay for trade execution costs) or brokerage account where commissions are charged. This is because, in some cases, we may stand to earn more compensation from advisory fees paid to us through a wrap fee program arrangement if your account is not actively traded.

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### **ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

Northwest Asset Management caters primarily to affluent individuals and their retirement accounts, family offices and family investment vehicles who seek an approach to capital appreciation by investing in established stocks, exchange traded funds, mutual funds and fixed income. Northwest Asset Management investment programs are also suitable for institutional investors such as pension and profit sharing plans, trust, estates and/or charitable organizations and corporations. While there is no account minimum, NWAM may decline to accept accounts smaller than \$500,000.

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### **ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION**

#### **6a: Selection of Managers**

NWAM does not use outside portfolio managers. We use our in-house professionals to manage our Choice Solutions Program.

#### **6b: Related Persons**

As we provide our own portfolio managers, we do use related persons to act as portfolio managers.

#### **6c: Additional Information**

##### ***Types of Advisory Services***

Northwest Asset Management offers a wide range of investment advisory, planning and consulting services tailored to our clients' needs.

##### **Investment Management and Consulting**

We provide a customized approach to investment management. Our process includes defining goals, assessing risk, developing a strategy, implementing the strategy, monitoring progress. We provide ongoing reporting that can be accessed via the internet or provided through monthly statements. We understand that every client has unique goals and risk tolerance and we design an investment strategy for those unique circumstances. These may include a traditional and time tested strategic asset allocation approach or new and innovative active asset allocation strategies or a mix of other strategies.

### Retirement Plans (ERISA, 401(k))

We understand the challenges employers face in providing retirement plan benefits (401K, Profit Sharing, SIMPLE, SEP, etc.) for employees. Our goal is to simplify our clients' lives through a responsive, integrated approach and deliver to you the level of service and expertise that you need, no matter the size or complexity.

### Retirement Planning

Comprehensive retirement planning involves a complete financial review and the development of short-term and long-term strategies for financial success. We review your current situation, explore alternatives, analyze social security choices, and determine how best to structure your assets to help meet your goals.

### Financial Planning

Whether you are saving for a particular goal, or planning for future college expenses, trying to determine if you need more insurance, or trying to figure out how to make the most of charitable contributions, you need to review your complete financial situation first. We will help you understand where you are and will develop a strategy that will help you meet your objectives.

### Turnkey Asset Management Program

NWAM provides services to other advisors through our Turnkey Asset Management Program (TAMP.) Through our TAMP program we provide the following areas of expertise and the ability for investment advisors to use in delivering world class services to their clients:

- Client management: CRM technologies, client profiling and asset allocation review
- Investment management: Research, rebalancing, trade order and portfolio management
- Performance monitoring: Data aggregation, reconciliation, performance reporting
- Operational support: Back office support, billing, compliance tools, websites and consultants

### Client Tailored Relationships and Restrictions

As a fiduciary, Northwest Asset Management always acts solely in the Client's best interests. Each Client's portfolio is customized based on the Client's investment objectives. Clients may make requests or suggestions regarding the investments made in their portfolio. Restrictions on trading that, in the Advisor's expert opinion, are not in the Client's best interest cannot be honored.

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

NWAM does not charge advisory fees on the performance of funds or securities in your account.

### ***Methods of Analysis, Investment Strategies and Risk of Loss***

#### Strategies and Analysis

NWAM uses multiple strategies in order to best meet the diverse needs of our clients. We use multiple sources of information in performing our research, including sources such as reports and articles in financial media, financial magazines, research prepared by others, industry publications, corporate rating services, prospectuses, company press releases and annual reports and filings with the SEC. NWAM generally uses fundamental analysis to evaluate securities and market conditions. Fundamental analysis does not attempt to anticipate market movements. Using this method of analysis presents a potential risk as prices of securities can move up or down due to company-specific circumstances as well as in line with the overall market regardless of the economic factors considered in evaluation.

We believe it is important that each client know that our strategy is tailored to best meet their goals and needs. Each client presents a unique profile, and we may employ one or more strategies or methods to meet their goals.

### Modern Portfolio Theory

NWAM generally adheres to the principles of Modern Portfolio Theory, which advocates investing across different asset classes to increase diversity and reduce risk. Based on our research and the research of others, we will generally diversify your assets among cash equivalents (money market funds); high-quality, short-term bonds; large and small company stocks; and growth (higher-priced) and value (lower-priced) stocks in the U.S. and foreign developed markets. In certain circumstances, large, small, growth, and value stocks in select emerging markets and/or shares of real estate investment trusts (REITs) and commodity indexes will be included in diversified portfolios.

### Asset Allocations

NWAM recommends a mix of asset classes for your portfolio based on an assessment of your long-term financial objectives. Where appropriate, we will recommend an allocation to high-quality, short-term bonds (within a broadly diversified index or asset class mutual fund) to reduce overall portfolio risk, generate a more predictable cash flow (interest income), facilitate portfolio rebalancing, and provide a hedge against inflation.

If your objective is a higher annual expected return and you are willing to accept a higher degree of risk, we will recommend a portfolio with greater allocations to stocks in general and small company and value stocks specifically (using index or asset class mutual funds). Recommended stock allocations will generally be globally diversified among the U.S. and foreign developed markets. In certain circumstances, we may include emerging markets and REITs in limited percentages. Our recommended asset allocation is not influenced by current market conditions. This asset allocation (which becomes your written "Investment Policy") is altered only when your long-term investment objectives have changed.

### Rebalancing

Asset allocations for your portfolio will change as financial markets rise and fall and the specific assets of different parts of your portfolio change. This creates the opportunity to selectively rebalance your portfolio in order to bring asset class percentages back to your policy targets. Asset classes that have risen beyond predetermined limits are sold by an amount that brings the allocation back in line with policy targets, and those that have fallen in value are purchased in the same way. This is a method of buying low and selling high that is not based on trying to predict the direction of markets or asset returns.

This rebalancing has the effect of enhancing portfolio returns while maintaining the agreed-upon risk. In order to limit rebalancing transactions and the costs associated with buying and selling mutual funds through the chosen custodian, NWAM has pre-determined ranges in which allocations may vary and at which rebalancing is initiated.

### Specific Investments

While we generally select ETFs, mutual funds or similar securities, we may at times select individual securities for client portfolios. In these cases, NWAM examines each securities management, financial condition, and market position and ensures that any purchases of individual securities work towards the clients' portfolio goals, investment horizons and exposure to risk.

### Investment Strategy Risks

As recent global and domestic economic events have indicated, performance of any asset or asset class is not guaranteed, and can indeed be unpredictable. As a result, there is a risk of loss of the assets we manage as a result of both allocation and the status of the markets when we rebalance.

While all current research, academia and data allow us to understand and map asset classes and their risk and return, there is a risk that they, or our analysis, are wrong and will lead to losses. Additionally, correlations among asset classes may be judged incorrectly, which also may incur risk of loss as diversification may not be properly balanced. Additionally, minor or severe market conditions may significantly drive gains or losses in one asset class over another, causing unexpected losses. There is a risk that rebalancing at any moment in time will not match current market directions, leading to risk of loss.

### Risk of Loss

All investments include a risk of loss. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We use our best efforts as fiduciary to manage your assets. However, we cannot guarantee any level of performance or that you will not experience financial loss.

NWAM will use our best judgment and act as fiduciary in rendering services to you. We cannot warrant or guarantee any particular level of account performance, or that the account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. You assume all market risk involved in the investment of account assets under the agreement and understand that investment decisions made for any accounts are subject to various market, currency, economic, political and business risks. Except as may otherwise be provided by law, we will not be liable to you for (a) any loss that you may suffer by reason of any investment decision made or other action taken or omitted in good faith by NWAM with that degree of care, skill, prudence and diligence under the circumstances that a prudent person

acting in a fiduciary capacity would use; (b) any loss arising from our adherence to your instructions; or (c) any act or failure to act by a custodian of your account. Nothing in this document shall relieve us from any responsibility or liability we may have under state or federal statutes.

#### ***Voting Client Securities***

NWAM does not vote proxy for any of its client. Each client is responsible for receiving and voting proxies for any and all securities maintained in their account. However, do not hesitate to contact us if you need any help or clarification regarding proxies.

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### **ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

Since Northwest Asset Management is both the sponsor of the program and the portfolio manager, all information provided to Northwest Asset Management will be available to the portfolio manager.

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### **ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS**

Client access to Northwest Asset Management portfolio managers is not restricted in any way.

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### **ITEM 9 – ADDITIONAL INFORMATION**

#### **9.a: Disciplinary information**

We do not have any legal, financial or other “disciplinary” items to report to you. We are obligated to disclose any disciplinary event that would be material to you when evaluating our Firm and its associated persons.

#### **9.b: Broker Dealers, Registered Representatives and other Relationships**

##### ***Broker Dealers and Registered Representatives***

Certain associated persons of Northwest Asset Management are registered representatives of Purshe Kaplan Sterling Investments (PKS), a FINRA broker-dealer firm. Employees who are registered representatives are paid fees/commissions based on sales of securities. When acting in the capacity of a registered representative, the Advisor and/or associated persons may place clients in investment products sold through this broker/dealer and may receive the usual and customary commissions or fees on the products that the client purchases. Receiving commissions on products may cause a conflict of interest. Therefore, the advisory client is free to select any broker dealer company the client desires for implementation of Advisor's recommendations. Northwest Asset Management, LLC is not affiliated with PKS.

##### ***Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor***

Some of the principals and associated persons of the firm may be a Futures commission merchant, commodity pool operator, or commodity trading advisor. When acting in the capacity of any of those, the Advisor and associated persons may receive the usual and customary commissions or fees associated with those registrations. Receiving commissions may cause a conflict of interest. Therefore, the advisory client is free to select any commission merchant, commodity pool operator, or commodity trading advisor the client desires for implementation of Advisor's recommendations.

##### ***Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests***

The principal business of Advisor is that of a registered investment advisor and provider of financial planning services. Some of the principals and associated persons of the firm may be licensed as insurance agents and consultants. When acting in the capacity of an insurance agent, the Advisor and associated persons may receive the usual and customary commissions or fees associated with the insurance products that the client purchases. Receiving commissions on insurance products may cause a conflict of interest. Therefore, the advisory client is free to select any insurance company the client desires for implementation of Advisor's insurance recommendations.

Northwest Asset Management may execute transactions with broker-dealers that pay a portion of 12b-1 fees to our principals or advisors. This interest may conflict with your interest of obtaining the lowest commission rate available. Therefore, we must determine in good faith, based on the “best execution” policy stated below that such commissions are reasonable in relation to the value of the services provided by such executing broker-dealers.



### ***Selection of Other Advisors and How this Advisor is Compensated for those Selections***

Northwest Asset Management may select outside money managers or sub-advisors. We are not compensated for that selection. A portion of the fees you pay us are used to compensate the third party or money manager. The fees paid and parties involved are clearly set forth in the agreements between Northwest Asset Management, our client and the third party money manager or sub-advisor.

## **9c: Code of Ethics, Participation or Interest in Client Transactions**

### ***Code of Ethics Description***

We have adopted a Code of Ethics to which all investment advisor representatives and employees are bound to adhere. The key component of our Code of Ethics states that NWAM and its investment advisor representatives and employees shall always:

- Act with integrity, competence, dignity, and ethically when dealing with the public, clients, prospects, employers, and employees.
- Exercise its authority and responsibility for the benefit and interest of its clients first and to refrain from having outside interests that conflict with the interests of its clients. NWAM must avoid any circumstances that might adversely affect or appear to affect its duty of complete loyalty to its clients.
- Refrain from disclosing any nonpublic personal information about a client to any nonaffiliated third party unless the client expressly gives permission to NWAM to do so. All client information will otherwise be treated as confidential.
- Maintain the physical security of nonpublic information, including information stored on computers.

This Code of Ethics is in place to guide the personal conduct of our team and embodies our fiduciary duties and responsibilities to you and sets forth our practice of supervising the personal securities transactions of employees with prior or concurrent access to client trade information. A copy of the NWAM Code of Ethics is available upon request.

### ***Securities in Which We May Have a Financial Interest***

We will not recommend securities or other investment products to our clients in which NWAM or any related person has an ownership or proprietary interest.

### ***Types of Personal Trading***

Neither NWAM nor its advisors may not buy or sell securities (other than block trades, mutual funds or ETFs) for their own accounts within 24 hours of its clients' accounts. Additionally, NWAM may buy or sell specific securities that it does not buy or sell for its clients' accounts, as the strategies defined for the clients account may not warrant it. NWAM does not buy or sell between NWAM, our employee or our clients' accounts.

There are possible conflicts of interest, which our Code of Ethics addresses. These conflicts arise when we buy or sell the same security as our clients and are:

- front running: using the order's market effect to benefit ourselves
- insider information: using information that gives us an unfair advantage (which is illegal)
- bunching orders: which may gain a lower brokerage cost, acting as an incentive to include clients' accounts in orders

### ***Personal Trading and Timing***

NWAM always tries to get the best price for the client. We will always trade client account before we trade NWAM or employee accounts. Our internal controls and processes are in place to prevent contemporaneous trading (submitting NWAM or employee orders at the same time as client order) except in the case of unaffiliated mutual funds.

## **9d: Review of Accounts**

### ***Periodic Reviews***

Investment management and consulting accounts, and retirement ERISA plans are reviewed by Gregory Headrick, CFP or qualified staff members. All reviews are either conducted or supervised by Gregory Headrick, CFP. The frequency of reviews is determined based on the client's investment objectives or plan, but no less than quarterly. More frequent reviews may also be triggered by a change in the client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in macro-economic climate.

Financial planning clients receive their financial plans and recommendations at time service is completed. Depending on the type of financial planning service requested, Advisor will meet on a regular basis with clients to discuss any potential changes to their financial plan.

TAMP advisor's clients' accounts are reviewed by the TAMP advisor. Our TAMP program makes available a wide range of reporting options for our TAMP advisors to reviews their clients' accounts.

### ***Review Triggers***

More frequent reviews are triggered by a change in client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in economic climate.

### ***Regular Reports***

All investment advisory clients receive reports as needed, but no less than annually, on representative investments recommended specifically by the NWAM. Investment advisory clients also receive standard account statements from the custodian of their accounts on a monthly basis.

Financial planning clients do not normally receive investment reports. TAMP advisor's clients' accounts are reviewed by the TAMP advisor. Our TAMP program makes available a wide range of reporting options for our TAMP advisors to provide to their clients.

## **9.e: Client Referrals and Other Compensation**

### ***Economic Benefits Provided by Third Parties for Advice Rendered to Clients***

NWAM and our client will specify which of our brokerage custodians will be used for account custody and transactions. In cases where clients have no preference, NWAM will suggest one or more possibilities. NWAM will select such brokers that can effect transactions at the best price and execution, service requirements, fees and levels of service.

#### Fidelity Investments and Charles Schwab & Co., Inc.

Northwest Asset Management may recommend Fidelity Investments or Charles Schwab & Co., Inc. ("Charles Schwab"), as part of its NWAM Choice Solutions program.

Some of the products and services made available by either brokerage custodian through the program may benefit Adviser but may not benefit its Client accounts. These products or services may assist Adviser in managing and administering Client accounts, including accounts not maintained at the custodian. Other services made available are intended to help Adviser manage and further develop its business enterprise. The benefits received by Adviser or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to Fidelity Investments or Charles Schwab.

As part of its fiduciary duties to clients, the firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Adviser or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Adviser's choice for custody and brokerage services.

#### TD Ameritrade

Advisor participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts;

access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

Advisor also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include Tamarac.

TD Ameritrade provides the Additional Services to Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to TD Ameritrade for the Additional Services. Advisor and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Advisor's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Advisor, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Advisor's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Advisor, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Advisor may have an incentive to recommend to its Clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Advisor's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

#### ***Prime Broker Services***

Northwest Asset Management may offer to certain qualified clients, trading services which gives us the ability to execute trades through broker dealers. Certain affiliated persons of NWAM may, in their capacities as registered representatives of PKS, receive commissions or other compensation for these transactions. A conflict of interest may exist when, as a PKS registered representative, an NWAM advisor receives commissions or additional compensation from their own or other advisor recommendation to the client.

#### ***Compensation to Non-Advisory Personnel for Client Referrals***

NWAM does not compensate anyone for client referrals.

#### **9.f: Financial Information**

##### ***Financial Information***

NWAM does not solicit prepayment of more than \$1,200, six or more months in advance.

##### ***Bankruptcy Petition***

NWAM has not been the subject of a bankruptcy petition in the last ten (10) years.

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## **ITEM 10 – REQUIREMENTS FOR STATES REGISTERED ADVISERS**

NWAM is currently registered with the SEC and only notice files with state regulatory agencies.