

Item 1 – Cover Page

CPCM, LLC  
(Columbia Pacific Capital Management)  
1910 Fairview Ave E Suite 101  
Seattle, WA 98102  
(206)453-0287  
www.col-pac.com  
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This Brochure provides information about the qualifications and business practices of CPCM (Columbia Pacific Capital Management). If you have any questions about the contents of this Brochure, please contact us at (206)453-0287. 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.

CPCM, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with the information with which you determine to hire or retain an Adviser.

Additional information about Columbia Pacific Capital Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated [January 13, 2011](#) is a new document prepared according to the SEC’s new requirements and rules.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may also provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting [A. Douglas Johnson - COO](#) at [206-453-0287](#) or [dougj@col-pac.com](mailto:dougj@col-pac.com).

Additional information about [Columbia Pacific Capital Management](#) is available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with [CPCM](#) who are registered, or are required to be registered, as investment adviser representatives of [CPCM](#).

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## Item 4 – Advisory Business

CPCM provides wealth management services. CPCM charges clients a fee based on a percentage of assets under management. Fees are payable in advance on a quarterly basis. Wealth management is tailored to each client's unique situation.

## Item 5 – Fees and Compensation

All fees are subject to negotiation.

The specific manner in which fees are charged by CPCM is established in a client's written agreement with CPCM. We will generally bill our fees on a quarterly basis in advance each calendar quarter. Clients may also elect to be billed directly for fees or to authorize CPCM to directly debit fees from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception contributions and withdrawals less than 10% of the account value).

Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

CPCM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to CPCM's fee, and CPCM shall not receive any portion of these commissions, fees, and costs.

The CPCM fee schedule is roughly as follows:

AUM	Annual Percentage Fee
< \$1,000,000	1.25% - 1.75%
\$1,000,001 - \$3,000,000	0.75% - 1.50%
\$3,000,001 – \$6,000,000	0.75% - 1.25%
\$6,000,000+	Negotiable

Item 12 further describes the factors that CPCM considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

CPCM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

CPCM provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, defined contribution plans, charitable institutions, foundations, and endowments.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. We believe asset allocation is the primary driver of investment returns; that diversification is an important tool for risk reduction; and that investment portfolios should be as low cost and tax efficient as possible. CPCM uses historical and style analysis, as well as economic, fundamental, and technical analysis to create custom portfolios according to a client's unique risk capacity and risk tolerance. Our investment approach emphasizes risk-adjusted returns and our portfolios are well diversified across markets, asset classes, and managers. We may use a manager of manager approach where CPCM controls the asset allocation decision and specialized, third party investment managers conduct sector and security selection.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of CPCM or the integrity of CPCM's management. CPCM has no information applicable to this Item.

## Item 10 – Other Financial Industry Activities and Affiliations

Certain owners of CPCM have an affiliation with another investment adviser. In addition to an ownership stake in CPCM, these owners also have an ownership interest in Columbia Pacific Advisors, LLC (CPA). CPA is (i) the general partner of Columbia Pacific Opportunity Fund, L.P. a Washington limited partnership and (ii) the investment manager to Columbia Pacific Distressed Fund, L.P. and CPDFCI, L.P. (“CPDFCI” and, together with the Opportunity Fund and the Distressed Fund, the “Funds”), each of which is a Delaware limited partnership. Columbia Pacific Distressed GP, LLC (the “Distressed GP”), a Washington limited liability company whose sole member is CPA, serves as the general partner of the Distressed Fund and CPDFCI.

CPCM is a separate entity with a separate office. The owners of CPA will not have any direct involvement (except from an ownership basis) in the daily management of client accounts at CPCM.

## Item 11 – Code of Ethics

CPCM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at CPCM must acknowledge the terms of the Code of Ethics annually, or as amended.

CPCM anticipates that, in appropriate circumstances, consistent with clients’ investment objectives, it will cause accounts over which CPCM has management authority to effect and recommend to investment advisory clients, the purchase or sale of securities in which CPCM, its affiliates and/or clients, directly or indirectly, have a position of interest. CPCM’s employees and persons associated with CPCM are required to follow CPCM’s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of CPCM and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for CPCM’s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of CPCM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated

as exempt transactions, based upon a determination that these would not materially interfere with the best interest of CPCM clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between CPCM and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with CPCM's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. CPCM will retain records of the trade order (specifying each participating account) and its allocation. Partially filled orders will usually be allocated on a pro rata or random basis.

CPCM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting A. Douglas Johnson at (206)453-0287.

It is CPCM's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. CPCM will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

CPCM will not be utilizing soft dollar arrangements. CPCM may trade with other brokers when a block price may be advantageous to the client.

### **Item 13 – Review of Accounts**

Columbia Pacific Capital Management continually monitors client accounts regarding the investments and the appropriateness of the investments. CPCM will provide its clients with a minimum of an annual review. This review is conducted by the Chief Investment Officer and one of the Relationship Managers.

### **Item 14 – *Client Referrals and Other Compensation***

Columbia Pacific Capital Management does not have any referral arrangements for compensation and does not intend to establish any.

### **Item 15 – Custody**

Clients will receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. CPCM urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

CPCM chooses to custody its client assets at Fidelity and/or Charles Schwab & Co. CPCM does not receive any compensation from either custodian and believes that both firms provide adequate service for reasonable fees.

### **Item 16 – Investment Discretion**

CPCM usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, CPCM observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, CPCM's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.



Investment guidelines and restrictions must be provided to CPCM in writing.

**Item 17 – Voting *Client* Securities**

CPCM has adopted a policy that the voting of proxies will be done by the individual client. CPCM will not vote any client proxies.

**Item 18 – Financial Information**

CPCM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

**Item 19 – Requirements for State-Registered Advisers**

Not applicable to CPCM.