

## **PACIFIC POINT ADVISORS, LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Pacific Point Advisors, LLC (hereinafter “Pacific Point” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

In this Item, Pacific Point is required to discuss any material changes that have been made to the brochure since the last annual amendment. The Firm has no such material changes to disclose.

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## Item 4. Advisory Business

Pacific Point is a full-service wealth management firm offering a comprehensive suite of financial planning, consulting and investment portfolio management services. Prior to Pacific Point rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Pacific Point setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Pacific Point was formed and registered as an investment adviser in 2016. The Firm is principally owned and managed by Norman Weaver Jr. As of March 17, 2017, Pacific Point had \$37,258,650 of assets under management, all of which was managed on a discretionary basis.

While this brochure generally describes the business of Pacific Point, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Pacific Point’s behalf and is subject to the Firm’s supervision or control.

### Financial Planning Services

Pacific Point offers its clients a broad range of financial planning and consulting services, which are customized to accommodate the needs of each individual client and may address a broad range of matters, including, but not limited to:

- Cash Flow & Budgeting
- Bill Pay
- Tax Planning
- Tax Preparation
- Retirement Planning
- Executive Compensation
- Mortgages
- Lending
- Credit Analysis
- Protection Planning
- Financial Reporting
- Wealth Transfer
- Charitable Planning
- Estate Planning
- Trust Administration
- Business Planning
- Succession Planning
- Family Financial Planning
- Educational Funding
- Employee Benefits

In performing these services, Pacific Point is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.), and is expressly authorized to rely on such information. Pacific Point recommends certain clients engage the Firm for additional related

services, its Supervised Persons in their individual capacities as insurance agents and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Pacific Point or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients are under no obligation to act upon such recommendations and clients retain absolute discretion over all such implementation decisions. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Pacific Point's previous recommendations and/or services.

### **Investment Management Services**

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Pacific Point manages client investment portfolios on a discretionary or non-discretionary basis by primarily allocating client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, listed options, real estate investment trusts ("REITs"), master limited partnerships ("MLPs", business development companies, managed futures, and independent investment managers ("Independent Managers") in accordance with their stated investment objectives. In addition, Pacific Point also recommends that certain eligible clients invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds, private equity funds, funds of funds, etc.).

Where appropriate, the Firm may also provide advice about various types of legacy holdings, as well as certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans) and executive compensation plans (deferred compensation, employee stock options, etc.). In the latter situation, Pacific Point may direct or recommend the allocation of client assets among the various investment options available within the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Pacific Point tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Pacific Point consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Pacific Point if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Pacific Point determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

**Sponsor and Manager of Wrap Program**

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Pacific Point provides substantially all investment management services as the sponsor and manager of the Pacific Point Advisory Services Program (the “Wrap Program”), a wrap fee program (i.e., an arrangement where brokerage commissions and transaction costs are absorbed by the Firm). Accounts managed through the Wrap Program are done so in substantially the same manner as those managed under a non-wrap arrangement. Participants in the Wrap Program may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. Additional information about the Wrap Program is available in Pacific Point’s Wrap Brochure, which appears as Part 2A Appendix 1 of the Firm’s Form ADV.

**Selection and Analysis Independent Managers**

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As mentioned above, Pacific Point selects certain Independent Managers to actively manage a portion of its clients’ assets. The Firm generally reviews a variety of different resources, which may include the Independent Managers’ public disclosure documents, materials supplied by the Independent Managers themselves, and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers’ investment strategies, past performance and risk results in relation to its clients’ individual portfolio allocations and risk exposures. Pacific Point also takes into consideration each Independent Manager’s management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other related factors.

Pacific Point generally monitors the performance of those accounts being managed by Independent Managers by reviewing the account statements produced by the Financial Institutions, as well as other performance information furnished by the Independent Managers and/or other third-party providers. The Firm does not verify the accuracy of any such performance information and does not ensure its compliance with presentation standards. Clients are advised that any performance information they receive from the Independent Managers may not be calculated on a uniform and consistent basis. Clients should compare all supplemental materials with the account statements they receive from their respective financial institutions.

The terms and conditions under which the client engages an Independent Manager are set forth in a separate written agreement between Pacific Point or the client and the designated Independent Manager. In addition to this brochure, the client also receives the written disclosure brochure of the designated Independent Managers engaged to manage their assets.

## Item 5. Fees and Compensation

Pacific Point offers services on a fee basis, meaning clients pay a single annualized fee based upon assets under management and advisement, or in the alternative, a negotiated fixed fee.

### Investment Management Fees

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Pacific Point offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee varies between 50 and 125 basis points (0.50 % – 1.25 %), depending upon the size and composition of a client's portfolio and the type of services rendered. The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Pacific Point on the last day of the previous billing period.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not adjusted to reflect the interim change in portfolio value. Since the asset-based fee is determined by average daily account balance, if assets are deposited into or withdrawn from an account after the inception of a quarter, the base fee payable with respect to such assets is adjusted accordingly. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Pacific Point may negotiate a fee rate that differs from the range set forth above.

### Fee Discretion

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Pacific Point may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

### Additional Fees and Expenses

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In addition to the advisory fees paid to Pacific Point, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, fees charged by the

Independent Managers, fees attributable to alternative assets, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (*e.g.*, fund management fees and other fund expenses), 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. The Firm's brokerage practices are described at length in Item 12, below.

### **Direct Fee Debit**

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Clients provide Pacific Point and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Pacific Point.

As required under Washington state securities laws, Pacific Point obtains written authorization from its clients to directly deduct advisory fees from client accounts. Each time a fee is directly deducted from an account of a client, the Firm sends to the client a written invoice itemizing the fee, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based. Concurrently with sending a written invoice to the client, the Firm sends to the qualified custodian a notice of the amount of the fee to be deducted from the client's account.

### **Use of Margin**

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Pacific Point can be authorized to use margin in the management of the client's investment portfolio. In these cases the fee payable will be assessed gross of margin such that the market value of the client's account and corresponding fee payable by the client to Pacific Point will be increased.

### **Account Additions and Withdrawals**

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Clients may make additions to and withdrawals from their account at any time, subject to Pacific Point's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Pacific Point, subject to the usual and customary securities settlement procedures. However, Pacific Point designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Pacific Point may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (*e.g.*, contingent deferred sales charge) and/or tax ramifications.



## Item 6. Performance-Based Fees and Side-by-Side Management

Pacific Point does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## Item 7. Types of Clients

Pacific Point offers services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

### Minimum Account Fee

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As a condition for starting and maintaining an investment management relationship, Pacific Point imposes a minimum annual fee of \$2,000. This minimum fee will cause clients with smaller portfolios to incur an effective fee rate that is higher than the Firm's stated fee schedule. Pacific Point may, in its sole discretion, elect to waive its minimum fee based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities.

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

The Firm takes a holistic, global approach to portfolio management and each client has an investment strategy tailored to their particular needs and risk tolerance. Pacific Point's investment discipline is rooted in broad asset allocation across multiple asset classes, diversification in an effort to reduce portfolio risk and rebalancing to maintain target allocations.

### Risk of Loss

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#### *General Risk of Loss*

Investing in securities involves the risk of loss and clients should be prepared to bear potential losses.

*Market Risks*

The performance of a significant portion of Pacific Point's recommendations may depend to a great extent on the future course of price movements of stocks, bonds and other asset classes. There is no assurance that Pacific Point will be able to predict the markets and security price movements.

*Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

*Use of Independent Managers*

As stated above, Pacific Point may select certain Independent Managers to manage a portion of its clients' assets. In these situations, Pacific Point continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Pacific Point generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

*Options*

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

*Use of Private Collective Investment Vehicles*

Pacific Point recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

*Real Estate Investment Trusts (REITs)*

Pacific Point may recommend an investment in, or allocate assets among, various real estate investment trusts ("REITs"), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

**Item 9. Disciplinary Information**

Pacific Point has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## Item 10. Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations.

### Licensed Insurance Agents

Certain of Pacific Point's employees, in their individual capacities, are licensed insurance agents and may affect the purchase of certain insurance products on a fully-disclosed commission basis. A conflict of interest exists to the extent that the Firm recommends the purchase of insurance products where employees receive insurance commissions or other additional compensation. The client is not obligated to purchase insurance through Pacific Point employee agents and may elect to direct a purchase through another insurance agent and agency. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

## Item 11. Code of Ethics

Pacific Point has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. Pacific Point's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Pacific Point's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or

- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Pacific Point to request a copy of its Code of Ethics.

## **Item 12. Brokerage Practices**

### **Recommendation of Broker-Dealers for Client Transactions**

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Pacific Point recommends that clients utilize the custody, brokerage and clearing services of Charles Schwab & Co, Inc. through its Schwab Advisor Services division ("Schwab")

Factors which Pacific Point considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. In seeking best execution in recommending Schwab, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist Pacific Point in its investment decision-making process. The receipt of investment research products and/or services poses a conflict of interest because Pacific Point does not have to produce or pay for the products or services.

### **Software and Support Provided by Financial Institutions**

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Pacific Point may receive without cost from Schwab computer software and related systems support, which allow Pacific Point to better monitor client accounts maintained at Schwab. Pacific Point may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit Pacific Point, but not its clients directly. For example, Pacific Point may receive from Schwab national, regional or firm-specific educational events organized or sponsored by Schwab, as well as occasional business entertainment of personnel of the Firm by Schwab personnel. These services may

include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available directly or by arranging such from a third party, the following benefits: (i) receipt of duplicate client confirmations and bundled duplicate statements; (ii) access to a trading desk that exclusively services its institutional traders; (iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and (iv) access to an electronic communication network for client order entry and account information. Many of these services generally may be used to service all or some substantial number of Pacific Point's accounts, including accounts not maintained at Schwab. In fulfilling its duties to its clients, Pacific Point endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Pacific Point's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

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**Brokerage for Client Referrals**

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Pacific Point does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

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**Trade Aggregation**

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Transactions for each client generally will be effected independently, unless Pacific Point decides to purchase or sell the same securities for several clients at approximately the same time. Pacific Point may (but is not obligated to) combine or "batch" such orders to obtain best execution or to allocate equitably among the Firm's clients differences in prices that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Pacific Point's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Pacific Point's Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Pacific Point does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which

are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## **Item 13. Review of Accounts**

### **Account Reviews**

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Pacific Point monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's Principals and investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Pacific Point and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time to time or as otherwise requested, clients may also receive written or electronic reports from Pacific Point and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. In accordance with the state of Washington's securities laws, the Firm also sends certain clients duplicate fee statements, as discussed in Item 5. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Pacific Point or an outside service provider.

## Item 14. Client Referrals and Other Compensation

### Client Referrals

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The Firm does not currently provide compensation to any third-party solicitors for client referrals. In the event a client is introduced to Pacific Point by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from Pacific Point's investment management fee and does not result in any additional charge to the client. In these situations, clients will be advised of the solicitation relationship with Pacific Point and will be provided with this brochure prior to or at the time the Agreement is executed. Additionally, any third-party solicitors who are not supervised by the Firm will also provide clients with a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement.

## Item 15. Custody

Custody is a term used to describe the role of the entity that safeguards and reports on investment assets held in client accounts. These services are typically provided by brokerage firms or banks. The role of a qualified custodian, like Schwab, is highly specialized, independently protecting each client's assets in a role that complements the advisory services of Pacific Point. Clients should receive at least quarterly statements directly from the custodian that holds and maintains their investment assets. Pacific Point urges clients to carefully review these statements and compare them to the reports provided by Pacific Point.

There are instances where Pacific Point is deemed to have custody even though the assets are held with a qualified custodian:

### Direct Fee Debit

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Clients generally provide Pacific Point and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Pacific Point.

As required under Washington state securities laws, Pacific Point obtains written authorization from its clients to directly deduct advisory fees from client accounts. Each time a fee is directly deducted from an account of a client, the Firm sends to the client a written invoice itemizing the fee, including the formula



used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based. Concurrently with sending a written invoice to the client, the Firm sends to the qualified custodian a notice of the amount of the fee to be deducted from the client's account.

#### **Authority Relating to Annuities**

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With respect to certain assets held within annuities at Ameriprise Financial Service, Inc. ("Ameriprise"), the Firm or its related persons have been granted additional authority to cause the assets held within these annuities to be liquidated and disbursed to the owner of the annuity, which could trigger additional costs or surrender charges. The Firm has inquired and has a reasonable belief that Ameriprise sends account statements, at least quarterly, to each of the Firm's clients for which Ameriprise maintains funds or securities, within a reasonable period of time after the end of the statement period, identifying the amount of funds and of each security in the account at the end of the period and setting forth all transactions during that period.

### **Item 16. Investment Discretion**

Pacific Point is given the authority to exercise discretion on behalf of clients. Pacific Point is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Pacific Point is given this authority through a power-of-attorney included in the agreement between Pacific Point and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Pacific Point takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

### **Item 17. Voting Client Securities**

#### **Declination of Proxy Voting Authority**

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Pacific Point does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the

Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

## Item 18. Financial Information

Pacific Point is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$500 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

## Item 19. Requirement for State Registered Advisers

### Principal Executive Officer and Management Person

**NORMAN WEAVER, JR.**

Born 1947

### **Post-Secondary Education**

Franklin University | Bachelor of Business Management | 1969

### **Recent Business Background**

Pacific Point Advisors, LLC | Investment Adviser Representative and Managing Member | September 2016 – Present

UBS Financial Services, Inc. | Advisor | July 2015 – September 2016

Ameriprise Financial Service, Inc. | Advisor | June 1977 – July 2015

### **Additional Information**

Neither the Firm nor its Supervised Persons are compensated for advisory services with performance-based fees. Neither the Firm nor its Supervised Persons have been the subject of the type of disciplinary event

that warrants disclosure pursuant to this Item. Neither the Firm nor its Supervised Persons have a material relationship or arrangement with any issuers of securities.