

Private Asset Management, Inc.

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This brochure provides information about the qualifications and business practices of Private Asset Management, Inc. (Private Asset). If you have questions about the contents of this brochure, please contact Michael Thayer at our main phone number, 425-213-1600 or Mike@PrivateAsset.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.

Private Asset Management, Inc. is a registered investment adviser under the Investment Advisers Act of 1940. Such registration does not imply a certain level of skill or training.

Additional information about Private Asset Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 - Material Changes.

We use this section to notify clients and potential clients of material changes in our business activities or practices since our last annual updating amendment. Since our last annual update in February 2019 we have added additional disclosure In *Item 12 Brokerage Practices* relating to our relationship with Schwab as the recommended broker-dealer and custodian for our clients, including services they provide to us as an investment adviser on their institutional platform.

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Item 4 - Advisory Business

Private Asset Management, Inc. (Private Asset) is an investment management consulting firm founded in July 1996. Michael Thayer is the sole owner of the firm.

We are primarily a wealth advisory firm for high net worth individuals and families. Our goals are to protect and increase wealth, and assist clients in addressing matters that affect their lifestyles. An example of the latter is that we can aid in coordinating the wealth management process with the client's CPA and/or estate planning lawyer.

Private Asset's main service is wealth management. This process begins with the development of client objectives and investment constraints. Constraints include risk tolerance, time horizon, cash flow requirements and taxes. From this we design a portfolio strategy and determine the proper investments and investment allocations. The objectives, constraints, strategy and allocations are documented in a Wealth Strategy Summary and the asset allocation is also documented in an Investment Policy Report and Recommendations summary page. These are utilized in the ongoing management of the relationship in accordance with the client's goals. Once the initial strategy is implemented we perform ongoing investment reviews and make investment recommendations as needed. We encourage client participation and encourage clients to meet with us quarterly. Throughout the process we provide portfolio performance measurement relative to appropriate benchmarks.

Coupled with the process we provide money manager evaluation, access to suitable direct real estate investments and coordination with other professionals as directed (accountants, attorneys, bankers, etc.).

We encourage our clients to involve us in other wealth management related services. For example, we will review company retirement plans not managed by Private Asset Management, help clients set up and review of 529 accounts, discuss refinancing options on personal real estate and design gifting strategies.

Private Asset tailors its services to each client. For example, clients have different risk tolerances, time horizons, mix of qualified and non-qualified assets, cash flow needs from their portfolio and needs and constraints in their affairs outside of the relationship with Private Asset Management. This requires each relationship to be handled differently and structured to meet the client's goals and objectives.

Clients can impose restrictions on investing in certain types of securities. The most common constraint, sometimes imposed by Private Asset, is the exclusion of direct real estate investments. These single purpose LLC's can have an expected duration of a decade or more with the potential of minimal to zero liquidity.

Private Asset does not participate in wrap fee programs.

Assets under management as of December 31, 2019 are as follows:

- We managed \$10.6 million on a discretionary basis.
- We managed \$116.3 million on a non-discretionary basis.

Item 5 - Fees and Compensation

Private Asset is compensated on a fee basis. The standard fee schedule, per annum, for Investment Management Consulting is as follows:

Assets Under Management	Annual Fees
First \$3 million	1.00%
Next \$1 million	0.85% up to a total of \$4 million
Next \$1 million	0.70% up to a total of \$5 million
Next \$5 million	0.50% up to a total of \$10 million
Next \$10 million	0.35% up to a total of \$20 million
Over \$20 million	Negotiable

The minimum annual fee is \$10,000. This can be waived at management's discretion. Unless the minimum annual fee is waived, accounts under \$1 million will be charged an annual rate of greater than 1%.

Fees are negotiable. For example, a portfolio that is primarily a bond portfolio might have a lower fee.

Private Asset also provides investment advice on an hourly basis not included in the percent of asset fee schedule. Hourly rates will not exceed \$300. Usually these services are for investment advice involving assets not supervised on an ongoing basis.

Fees are deducted from the clients' assets. Billing is done monthly, in arrears. Clients do not have the option to prepay fees.

Clients incur other fees and expenses in connection with our advisory services. These are as follows:

- The mutual funds we utilize charge fees,
- The outside sub-advisor managers we utilize charge fees,
- The majority of the mutual funds we utilize charge a transaction fee,
- Direct real estate investments might charge a fee to the LLC,
- Brokerage commissions are incurred when an individual security is traded for a client.

These fees and expenses are separate from and in addition to the investment advisory fees you will pay us.

A discussion of our brokerage operations is found under Item 12.

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

Supervised persons, through PAM Real Estate Group II, receive acquisition and due diligence fees plus can earn performance-based fees.

Conflicts of interest are created by the above arrangement. Supervised persons have the incentive to spend time and resources on the above investment at the expense of other investment activities of the firm. Also, supervised persons have the incentive to spend more time and resources on the clients that own the above investment at the expense of clients that do not own the above investment.

We provide investment advisory services to other clients in addition to you. Not all clients receive the same investment advice, nor do they pay the same fee. We strive to act in the best interests of each of our clients at all times.

Private Asset has procedures designed and implemented to ensure that all clients are treated fairly and equally. For example, a supervised person not party to the affiliated company reviews all portfolios on an ongoing basis, is responsible for determining client suitability for an investment and for determining the prudent investment amount for each client.

Item 7 - Types of Clients

Over 90% of our clients are individuals. Clients have a variation of qualified and non-qualified accounts, trust accounts, cash accounts, partnerships, LLCs, etc. Two relationships are foundations.

Private Asset has no minimum account opening fees, but does have a \$10,000 minimum annual fee. The minimum fee could result in a client paying higher percentage of their assets under management. This minimum fee is negotiable and may be waived.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss. No assurances are made or implied regarding the achievement of clients' stated goals.

Private Asset formulates investment strategies. We perform our own research, rely on research material prepared by others and utilize material written in the financial press.

Private Asset's principal strategy is to construct and manage diversified portfolios for each client based on their needs. We utilize seven major asset classes- cash, US Fixed Income, Global Fixed Income, US Large Cap Stocks, US Small Cap Stocks, Foreign Stocks and Real Estate. For the first six asset classes, our focus is to utilize mutual funds. Attention is paid to our client's risk tolerance, diversification, liquidity needs and taxes. Not all asset classes, especially real estate, are suitable for all clients. All factors enumerated in Item 8 are taken into account when constructing and managing each client's portfolio.

All mutual funds utilized entail manager risk, that is, the manager performing poorly versus the stated objective of the fund. Private Asset monitors the funds and performs a complete mutual fund review in May and November of each year.

Each asset class utilized involves risk. The major risks by asset classes are

- Cash - purchasing power risk.
- US Fixed Income - purchasing power, interest rate and credit risk.
- Global Fixed Income - same as US Fixed Income and currency risk.
- US Large Cap Stocks - business risk, geopolitical risk and valuation risk.
- US Small Cap Stocks - same as US Large Cap Stocks, but should be considered riskier on an overall basis.
- Foreign Stocks - All risks of US Stocks, currency risk and emerging country risk.
- Real estate - Use of single purpose LLCs increases risk. Specific property investment risk is higher, illiquidity increases risk, plus the need to coordinate multiple parties over an extended period of time increases risk.

The three stock asset classes have another risk factor. Private Asset utilizes value and growth funds. These funds can perform poorly versus their discipline and might experience style drift.

PLG Fund 1 involves specific risk. The fund is in liquidation. PLG Fund 1 is a limited liability company formed for the purpose of investing in mortgages secured by real property. PLG Fund 1 is affiliated through common ownership and control with Private Asset Management, Inc. Future values and the timing of full liquidation cannot be determined with total certainty.

Private Asset does not recommend a particular type of security, though we mainly utilize mutual funds in multiple asset classes.

Investing is not without risk, and involves the risk of loss of principal which you should be prepared to bear. We use several strategies to try to reduce risk, including diversifying a portfolio across multiple asset classes and monitoring the portfolio and the markets for changes in fundamentals. Despite these strategies, historical evidence shows that asset classes experience declines in value—sometimes severe and sustained over many years. In addition, each of our strategies to minimize risk might not achieve that goal as the benefits of diversification decline if asset classes become more correlated. As with any investment, you could lose all or part of your investments managed by us, and your account's performance could trail that of other investments.

Item 9 - Disciplinary Information

Neither Private Asset Management nor any of our owners or management team members has been involved in any material civil or criminal investment-related events that must be disclosed by SEC Registered Advisors in this document.

Item 10 - Other Financial Industry Activities and Affiliations

Management persons at Private Asset have two material business relationships to identify: PLG Fund 1 and PAM Real Estate Group II. Both relationships create the potential for material conflicts of interest.

PLG Fund 1 is managed by Private Lenders Group. Michael Thayer, the owner of Private Asset Management, Inc., is also a minority owner of Private Lenders Group. PLG Fund 1 is a limited liability company formed for the purpose of investing in mortgages secured by real property. PLG Fund 1 is affiliated through common ownership with Private Asset Management, Inc.

PLG Fund 1 is in liquidation. Future values and the timing of full liquidation cannot be determined with total certainty. The main potential conflict during liquidation is that Mr. Thayer will choose to liquidate the fund quickly instead of in a manner more beneficial to the note holders. The owners of Private Lenders Group strive to maximize the value of each holding. This may be done through platting changes, rentals, timing of sales and marketing. This process will continue until the fund is totally liquidated.

PAM Real Estate II, LLC was formed in September 2014 to focus on real estate acquisitions. Michael Thayer, the owner of Private Asset, is an owner in PAM Real Estate Group II, which means he has a material financial interest in PAM Real Estate II and incentive for it to do well. Private Asset recommends the purchase of these outside investments for clients for whom such an investment is suitable and appropriate for their particular objectives and risk tolerance. This creates a conflict of interest because Michael Thayer receives compensation in these outside investments.

Please refer to Item 6 for the disclosure that performance-based fees could be paid to Mr. Thayer. This creates the incentive to spend more time on investments made by PAM Real Estate Group II at the expense of other investments and to spend more time on clients with investments through PAM Real Estate Group II than on other clients.

To address the inherent conflicts of interest present in Michael Thayer's relationship with the outside entity, supervised personnel of Private Asset who are not owners of PAM Real Estate Group II review all client portfolios on a regular basis to ensure that all clients have their needs attended to the best of our ability.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Private Asset has adopted a Code of Ethics for all access personnel. All access personnel must acknowledge the terms of the code annually. A copy of our code of ethics will be provided to any client or prospective client upon request.

It is the responsibility of all members or employees to ensure that the Company conducts its business with the highest level of ethical standards and in keeping with its fiduciary duties to clients. The code, which access personnel attest to yearly, includes sections dealing with:

- Prohibited acts including, but not limited to fraud, untrue statements of a material facts and deceitful or manipulative practices,
- Conflicts of interests- disclosure of potential and actual conflicts plus a gift limit,
- Use of disclaimers,
- Suitability of investments for clients,
- Duty to supervise: includes, but not limited to establishing procedures, analyzing operations, review of procedures,
- Prohibition of acting upon material non-public information,
- Personal trading procedures including quarterly and yearly reporting requirement.

Proper reviews of all sections are carried on in an ongoing manner.

Private Asset recommends the purchase of pooled investments in which our owner, Michael Thayer, has a material financial interest. This creates a conflict of interest because we have incentive. We strive to serve our clients varied needs to the best of our ability. Each pooled investment is reviewed at the client level for overall suitability which includes, but is not limited to, risk, liquidity, time horizon and percentage of portfolio.

Employees may own the same securities recommended to clients or that clients have instructed Private Asset to buy or sell for them. If an employee owns the same security, client transactions have priority.

Item 12 - Brokerage Practices

Selecting a Brokerage Firm

Your assets must be maintained in an account at a qualified custodian, typically a broker-dealer or bank. We never hold or otherwise safekeep client funds or securities. We are deemed to have custody in certain instances, such as where you give us authority to withdraw assets from your account or where you have a standing letter of authorization on file with the custodian to allow us to direct funds to a third party on your behalf (see *Item 15 – Custody* of this brochure). We recommend our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab. Schwab will hold

your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend you use Schwab as your custodian/broker-dealer, you will decide whether to open an account with them by entering into an account agreement directly with them. Even when your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we can still use other brokers to execute trades for your account, as described in the next paragraph.

How We Select a Broker-Dealer/Custodian to Recommend

We seek to recommend a custodian/broker-dealer that will hold your assets and execute transactions on terms that are the most advantageous overall when compared to other available providers and their services. We consider a wide range of factors, including among other things:

- Combination of transaction execution services along with asset custody services
- Capability to execute, clear and settle trades
- Capability to facilitate transfers and payments to and from accounts
- Breadth of available investment products
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability of the provider
- Prior service to us and our clients
- Services delivered or paid by Schwab
- Availability of other products and services that benefit us, as discussed below under the heading, "Products and Services Available to Us from Schwab."

Brokerage Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. Schwab will charge you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. Because of this and in order to minimize your trading costs, we have Schwab execute most trades for your account.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most

favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”). By using another broker or dealer you may pay lower transaction costs.

Products and Services Available to Us from Schwab

Schwab Advisor Services is Schwab’s business serving independent investment advisory firms like us. They provide Selkirk and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Here is a more detailed description of Schwab’s support services:

Services that Benefit You

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or some substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients’ accounts; and
- assist with back-office functions, recordkeeping and client reporting

Services that Generally Benefit Only Us

Schwab offers other services intended to help us manage and further develop our business enterprise. Schwab may provide some of these services via a third-party vendor. Schwab may discount or waive its fees to us for some of these services or pay all or a part of a third party’s fees. These services include:

- educational conferences and events;
- consulting on technology, compliance, legal, and business needs;
- consulting on legal and related compliance needs
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select a Broker-Dealer/Custodian to Recommend") and not Schwab's services that benefit only us.

Directed Brokerage

Because we recommend Schwab as custodian and choose to execute our transactions through Schwab, we are effectively requiring clients to "direct" their brokerage to Schwab. Only on a case-by-case basis will we accept instruction from you to direct transactions to a broker dealer other than Schwab.

Not all advisers execute through a single broker-dealer or request their clients to do so. Because we are not typically selecting a broker on a trade-by-trade basis, we may not be able to achieve the most favorable execution of client transactions and this practice may cost clients more money. As disclosed above, however, Schwab permits trade aggregation, and is itself obligated to seek best execution for the trades executed through Schwab.

Sub-advisors that manage individual sub-advised accounts choose the brokers they use.

Item 13 - Review of Accounts

Private Asset reviews accounts on a quarterly basis. David Giannini conducts the reviews. Though we do not use titles, it can be deemed that Mr. Giannini is the firm's Co-Chief Investment Officer along with Michael Thayer.

The focus is to ensure that the client's portfolio remains structured consistent with the client's goals and objectives which include asset allocation and liquidity needs. Recommendations are made if adjustments are required.

We encourage clients to meet with us quarterly to review their portfolio.

Goals and objectives have formal reviews.

Private Asset does review accounts other than on a periodic basis. Examples that would trigger a review are as follows:

- A change in a client's goals and objectives,
- A material market swing could trigger the review of all accounts,
- A major deposit would trigger a review of a specific account,
- A major unplanned expenditure or withdrawal would trigger a review of a specific account,
- A real estate investment opportunity would trigger the review of accounts where the investment is suitable.

Quarterly, clients receive written bound report and/or an electronic version of the same report. Data included in the report includes:

- Performance by account and on a combined basis for both the quarter and year to date periods.
- Performance by security for the quarter and year to date periods.
- Relevant benchmarks for multiple indices so a meaningful performance comparison can be made.
- Asset appraisal for each security by account and on a combined basis.
- An overview letter about the stock and bond markets for the quarter and year to date periods.

We typically sent monthly newsletters to clients. Clients who do not use the internet are mailed copies if they desire a copy.

Yearly, Private Asset provides clients assistance with preparing the documents needed for their own tax preparation. This can include assembling income and expenses, capital gains and losses, and the coordination of the receipt of K-1's for real estate investments.

Some outside real estate investments provide quarterly updates directly to investors. Others do not. For those, updates are provided at meetings or on an as needed basis.

Item 14 - Client Referrals and Other Compensation

Private Asset has not entered into any agreements with third parties to give or receive referrals for compensation.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 – Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Item 15 - Custody

We have custody on a limited amount of assets due to Michael Thayer's affiliation with PAM Real Estate Group II, LLC and single purpose real estate LLCs. This typically represents less than 5% of our assets.

In connection with advisory services, Private Asset does not have custody of advisory client funds or securities, except through the following agreements.

When our clients enter agreements with their custodian where the client requests the custodian transfer funds to a third-party, we are considered to have custody of client funds. To assure that our client's funds are safeguarded we take the following steps:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes us, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
4. The client can terminate or change the instruction to the client's qualified custodian.
5. We don't have the authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
6. We maintain records showing that the third party is not a related party of ours or located at the same address as us.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Clients authorize us to deduct periodic investment advisory fees directly from one or more of their accounts managed by Private Asset. These fee deductions are shown on the periodic statements sent by your qualified custodian directly to you. You are encouraged to review these statements carefully and

compare the amounts on the custodian statements with any statements we send, and the fee schedule outlined in your Investment Advisory Agreement.

Item 16 - Investment Discretion

Our standard practice for new clients and for most of our existing clients is not to accept discretionary authority. That means we will contact you and receive your consent before every security transaction placed in your account. We do have discretionary authority on a limited number of accounts of where clients have specifically granted us that authority in their advisory agreement with us.

Item 17- Voting Client Securities

Private Asset allows clients to choose if they want us to vote their securities and that is our typical business practice. The initial choice is made in writing when the Investment Management Consulting Agreement is signed, as well as on the custodial account opening paperwork, but the choice can be changed at the client's request.

We maintain proxy voting guidelines designed to ensure that proxies are voted in the best interests of the clients and that Private Asset fulfills its fiduciary obligation to clients. Private Asset will generally support company management on proposals on routine matters regarding corporate administration, election of directors, approval of independent auditors and on matters relating to corporate structure and takeover defenses. Fee or cost increases recommended by Mutual Fund management are generally voted against. On all other matters, Private Asset reviews each matter to determine to proper vote.

If we find that Private Asset or their advisory representatives have a conflict of interest in a particular vote, we will contact the client to discuss, and either request the client vote the proxy, or abstain from the voting.

Clients have the right to obtain information on our proxy voting policies and procedures plus any voting actions taken on their behalf. Upon written request, the information will be provided.

Item 18 - Financial Information

Private Asset does not require or solicit prepayment of any fees.

We have custody on a limited amount of assets due to Michael Thayer's affiliation with PAM Real Estate Group II, LLC and single purpose real estate LLCs, which typically represents less than 5% of our total client assets.

Private Asset has not been the subject of a bankruptcy petition at any time in the past ten years.

In the ordinary course of business, Private Asset Management and its affiliated companies are the recipient of questions or parties to complaints that sometimes result in legal actions. In accordance with applicable accounting guidance, we establish reserves when those matters present loss contingencies that are both probable and estimable. No such reserves exist at this time.