



P A C I F I C   G L O B A L  
*I n v e s t m e n t   M a n a g e m e n t   C o m p a n y*

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**March 31, 2021**

Pacific Global Investment Management Company is a registered investment adviser. Registration as an Investment Adviser does not, by itself, imply a specific level of skill or training.

This brochure provides information about the qualifications and business practices of Pacific Global Investment Management Company. If you have any questions about the contents of this brochure, please contact us at 1-800-989-6693. 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 Pacific Global Investment Management Company also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site using a CRD, a unique identifying number; our firm's CRD number is 106962.

**Item 2 Material Changes**

Our brochure, dated March 31, 2021, replaces the version dated August 18, 2020. We made the following material changes to our brochure since our last annual amendment dated April 30, 2020:

**Item 12. Brokerage Practices and Item 14. Client Referrals and Other Compensation:** These items were updated to disclose the benefits and potential conflicts of interest from the firm's participation in the TD Ameritrade Institutional program. The firm receives economic benefits from its participation in the program which may include discounts on compliance, technology, and practice management products or services provided by third parties. The benefits received by the firm do not depend on the amount of brokerage transactions directed to TD Ameritrade and there is no direct link between the firm's participation in the program and the investment advice the firm provides to its clients.

We will ensure that clients receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year on December 31<sup>st</sup>. Furthermore, we will provide clients with other interim disclosure information about any material changes.

Clients or prospective clients may request a copy of our brochure, free of charge, by contacting Pacific Global Client Services at (800) 404-6693 or [clientservices@pgimc.com](mailto:clientservices@pgimc.com). Our brochure is also available on our website at [www.pacificglobal.us](http://www.pacificglobal.us).

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**Item 4    Advisory Business**

Pacific Global Investment Management Company (“Pacific Global” or “we” or the “firm”), a privately held California corporation established in 1991, provides **investment management services** to individuals, institutions, retirement plans and others as Separately Managed Accounts (SMAs). The firm also provides **financial planning services** related primarily to retirement, cash flow and investment planning. From 1993 to early 2020, the firm also managed the Pacific Advisors family of mutual funds. Pacific Global is registered with the SEC under the Investment Advisers Act of 1940 (Advisers Act). This registration does not imply a certain level of skill or training.

**A.        Ownership Structure**

George A. Henning, Chairman and President of Pacific Global, is a principal owner of the firm.

**B.        Advisory Services**

Pacific Global provides investment advisory services to various types of SMA clients as described below and in Item 7.

**1.        SMA Clients**

Pacific Global provides investment advisory services to high net worth individuals and institutional investors. When providing such services, each client account is governed by a written Investment Management Agreement (IMA) which reflects any circumstances specific to the account. In the IMA, the client selects one investment management style for the account. Our management styles, all of which are offered exclusively on a discretionary basis, include equity (*value*-oriented or *core*, a combination of *value* and *growth*), fixed income and balanced (fixed income and equity mix) options. For individuals, the client’s financial situation, risk tolerance and needs are considered. The client makes the final determination as to which of the management styles is appropriate and desired.

Subject to Pacific Global’s approval, the client may impose reasonable restrictions on investments or the management style selected in the IMA. Restrictions are permissible provided that, in Pacific Global’s view, they do not present a significant handicap to the management style. If we determine that the restrictions would present a significant handicap, we would not accept the prospective client, or the IMA would be terminated.

Periodically, an officer or authorized representative of Pacific Global seeks to determine if any changes in a client’s financial situation or needs might affect the client’s account or make continuation of management services inappropriate.

**2.        Financial Planning Services**

We utilize currently known variables to assess future cash flows, asset values, and withdrawal plans in our comprehensive evaluation of a client’s current and anticipated future financial state. Through the financial planning process, we consider and analyze all information and variables which may impact, or be impacted by, the entire financial and life situation of the client. Each client who enters into a Financial Planning Agreement will receive a written report which provides a detailed financial plan designed to assist the client in achieving his or her financial goals and objectives.

We offer financial planning in the following subject areas:

- *Retirement Planning:* We analyze a client’s current strategies and investment plans to help assess future asset values, cash flows and withdrawal plans. For retirees, we analyze the impact of varying income and expenses, gifting, and risk tolerance with the objective of maintaining financial independence.
- *Cash Flow Planning & Income:* We review a client’s family records, budgets, assets, liabilities, and cash flow to create a clear picture of the current financial status to determine opportunities and priorities.

- *Investment Planning:* We analyze investment alternatives and the effects of each on a client's portfolio. Specific topics that may include current asset allocation; strategies for retirement income; potential returns, withdrawal rates and tax ramifications of various investment strategies; portfolio optimization and rebalancing; and education planning.

We gather required information through in-depth personal interviews as well as client-provided documents. In preparing a written plan, we consider a client's current financial status, tax circumstances, future goals, investment objectives, and attitudes toward risk.

We initiate the Financial Planning process once a client signs the Financial Planning Engagement Agreement and provides the necessary requested information and documents. The financial plan will be completed when a client receives a written plan; typical financial planning engagements are completed within six (6) months of the initiation date.

Should a client choose to implement the recommendations contained in the financial plan, Pacific Global suggests that a client work closely with his or her attorney, accountant, insurance agent, financial adviser and/or broker. Implementation of the recommendations contained in the financial plan and/or financial consulting engagement is entirely at a client's discretion.

A client may select on-going reviews of the financial plan. The updates, which typically occur annually, review the income, expense and other components of the plan. Absent the selection of this ongoing review option on the Financial Planning Engagement Agreement, the plan will be complete with the delivery of the written plan.

We also provide a less formal financial consulting service. Consulting topics may include our observations and recommendations on assets (such as 401(k) accounts) which are not managed by Pacific Global. Additional topics available for consulting engagements are *Education Planning*, *Gifting Strategies* and *Investment Analysis*. Separate fees, as agreed upon, may be charged for consulting services.

### **C. Assets Under Management**

As of December 31, 2020, Pacific Global had \$609.3million in client assets under management. All assets were managed on a discretionary basis.

## **Item 5 Fees and Compensation**

### ***Advisory Fees - SMAs***

Pacific Global charges each SMA client an annual investment management fee based on the value of the client's assets under management in accordance with the following fee schedule:

- Up to \$1 million in net assets under management: 1.25%
- Next \$2.5 million: 1.00%
- Next \$2.5 million: 0.75%
- Next \$5.0 million: 0.65%
- \$11 million and above: 0.50%

As shown in the fee schedule above, Pacific Global provides for "breakpoints" at which the percentage is reduced if assets under management exceed certain amounts.

The specific manner in which fees are charged and paid is established in each client's IMA. In most cases, fees are payable quarterly, in advance. For certain accounts with assets below the minimum account size, the Adviser may charge a minimum quarterly fee. In no event, however, will fees be paid more than six months in advance. Lower fees for comparable services may be available from other companies. The initial fee is based on the account's market value at the inception of Pacific Global's management and is prorated for the number of days in the period that the account is under Pacific Global's management. Subsequent fees are based on the

account's market value as of the close of business on the last business day preceding the period for which the fee is due.

The payment schedule and fees may be negotiated. As such, some existing clients pay fees that are different from the fees shown above. As a result, one client's fee may be higher or lower than another client's fee for similarly valued accounts. Fees may be negotiated (either up or down) based on a number of factors, including (among others): (1) the number and type of services provided; (2) the investment strategy or style, types of investment securities and number of portfolios or accounts for which services are provided; (3) the level of reporting and administrative operations required to service the client's account; (4) the terms of the IMA; and (5) other circumstances concerning Pacific Global's relationship with the client. Once Pacific Global enters into an IMA with a client, Pacific Global will only modify its fee as permitted under the IMA and consistent with applicable law.

Clients generally authorize Pacific Global to withdraw quarterly management fees directly from their accounts. PG in its sole discretion may agree to allow a client to pay the quarterly management fee by check. If the client pays the fee by check, we will issue an invoice which is payable within 30 days of receipt. Even if we have agreed to allow a client to pay the fee by check, the IMA provides that Pacific Global shall have the authority to withdraw quarterly management fees (or any unpaid portion thereof) from the client's account if the quarterly management fee (or any portion thereof) is not paid within 30 days after the client receives an invoice from Pacific Global.

If an IMA is terminated prior to the end of a management period, the client receives a pro-rata refund of fees. Clients are notified of the management fee refund calculation in writing. *De minimis* refunds of less than \$10 are only paid upon client request.

#### ***Advisory Fees - Fund Companies and ETFs***

Pacific Global may, for a variety of reasons, choose to invest in mutual funds and/or ETFs; when we do so, our asset-based fee for investment management services includes mutual funds and ETF investments. The performance of each fund or ETF is net of the management fees charged by each fund's investment manager; these charges can be found in the applicable fund prospectus and SAI.

#### ***Other Fees and Expenses***

Pacific Global's fees are exclusive of transaction fees, and other related costs and expenses which shall be incurred by the client. For example, clients may incur certain charges imposed by custodians, broker/dealers and other third parties such as custodial fees, brokerage commissions, sales charges, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and ETFs, which may be held in a client account, may also charge internal management fees which are disclosed in each fund's prospectus.

Item 12 describes the factors we consider in selecting or recommending broker/dealers for client transactions and in determining the reasonableness of their compensation (such as commission level).

#### ***Financial Planning & Consulting Fees***

Pacific Global charges financial planning fees based upon the nature and complexity of the services provided. All fees are agreed upon in writing prior to the initiation of financial planning or consulting services.

Our financial planning fees are calculated and charged on an hourly basis, with a minimum fee of \$1,000 and hourly fees ranging from \$250 to \$700. The length of time to complete the financial plan may vary depending on a client's circumstances. Prior to initiating the planning process, we provide an estimate of the total hours anticipated for the financial planning engagement.

Up to 50% of the fee, or estimated fee, may be due upon signing the financial planning agreement with the balance due upon completion of services.

A client may choose to engage us to provide periodic, typically annual, updates to a plan. The fee, which is billed quarterly in advance, may range from \$1,000 to \$2,500 per year. The initial fee is prorated for the number of days remaining in the calendar quarter at initiation of the engagement. Either party may terminate the engagement at any time by notifying the other in writing. Any unearned fees are promptly refunded; any fees incurred but not yet paid are due and payable in full.

Pacific Global reserves the right to reduce or waive the hourly fee and/or the minimum fixed fee in certain circumstances; for example, we may consider asset size, pre-existing client relationships and aggregated assets under management for a client's family relationships. Certain clients may pay more or less than others for the same services.

Financial consulting fees range from \$250 to \$700 per hour, with a minimum fee of \$250. The fee is based upon the scope and complexity of the financial consulting engagement.

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

Pacific Global does not charge any performance-based fees (*i.e.*, fees based on a share of the capital gains on a client's account or on the capital appreciation of the client's assets). For more detailed information on how our fees are calculated please refer to the IMA.

"Side-by-side management" refers to our simultaneous management of different types of client accounts. For example, the firm manages SMAs for different clients at the same time. Our clients have different investment objectives, policies, strategies, limitations and restrictions, any may pay fees that are higher or lower than those paid by other clients.

Side-by-side management gives rise to a variety of potential and actual conflicts of interest for the firm, our employees and supervised persons. We follow procedures that are reasonably designed to treat our clients fairly and to prevent any client or group of clients from being systematically favored or disadvantaged and we manage our accounts consistent with applicable law. Please see Item 11 for a discussion of such procedures.

#### **Item 7 Types of Clients**

Pacific Global generally provides advisory services to:

- Individuals, including high net worth individuals;
- Pension and profit sharing plans;
- Trusts, estates or charitable organizations; and
- Corporations or other business entities.

#### **Account Requirements**

We require clients to enter into an IMA which grants us authority to manage their assets. SMAs generally require a minimum account size of \$100,000 for new accounts that will be invested primarily in individual securities. Accounts with assets below \$100,000 are invested in one of a variety of guideline portfolios based on account size; that is, each portfolio consists of an assortment of holdings which approximates the sector diversification and allocation, and stock selection, of larger accounts of the same strategy.

Depending on the specific circumstances, exceptions to the account minimum may be negotiated at the sole discretion of Pacific Global.

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

##### **Methods of Analysis**

Pacific Global utilizes a variety of methods and strategies when formulating investment advice and managing client assets. Pacific Global's security research primarily relies on fundamental analysis that attempts to

measure intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Specifically,

- Potential *equity* investments are identified through a proprietary screening process that focuses on factors including balance sheet strength, growth rates, returns on invested capital, and P/E ratios. Investment candidates are also identified in consideration of factors such as company reorganizations, new management teams, new product developments, economic and sector cycles, and analysts' research. Pacific Global also evaluates the ownership structure of the company as well as the stock's daily trading volumes and price fluctuations over an extended period of time.
- Potential *fixed income* investments are identified through a fundamental analysis of the underlying company and in consideration of the current interest rate environment.

In evaluating investments, Pacific Global utilizes in-house research efforts as well as third-party analyst reports, industry trade data, and other public sources of information. Additionally, Pacific Global's portfolio managers and analysts may converse with company management through phone interviews, conference call participation, and/or on-site visits. In consideration of each client's situation, including account size, investment strategy, time horizon, and other issues, client accounts may be invested in a variety of investments including equity securities, corporate debt securities, municipal securities, U.S. government securities, mutual funds, certificates of deposit and commercial paper.

### ***Investment Strategies***

Each SMA is managed individually, consistent with the investment objective and style specified in the client's IMA. Pacific Global utilizes the following strategies in the Investment Styles listed below:

- **Equities** are managed using either a *value-oriented* strategy or a *core* strategy. The firm's *value-oriented* strategy seeks undervalued (or "on-sale") stocks of established companies with strong fundamentals, experienced management teams, sound business strategies, and a catalyst for growth; the *core* strategy seeks to identify high-quality companies with relative earnings stability and strong competitive positioning. Investment selection is based on analysis that evaluates a variety of factors including a company's industry, financial statements, management and business model. We generally select investments with an anticipated holding period of 3 to 5 years.
- **Fixed Income Securities** are managed for total return to protect principal, provide income and take advantage of opportunities for capital appreciation. Maturities are actively managed to adapt to the interest rate environment. Fixed income securities include investment grade taxable and tax-free bonds, mutual funds, preferred stocks, cash, high-quality money market securities and/or money market funds.

In allocating assets within selected industries (sectors) or sub-industries, we generally restrict investments in individual securities to no more than 5%, on a cost basis, of an account's total net asset value; and to no more than 25%, on a cost basis, of an account's total net assets in any single industry or sub-industry, with the exception of securities issued or guaranteed by the U.S. Treasury or by an agency or instrumentality of the U.S. Government including securities issued by U.S. Government Sponsored Enterprises (GSEs).

### ***Investment Styles***

- **Equity** – Pacific Global's equity styles seek capital appreciation through diversified equity investments. Income is considered secondary in the selection of investments. Investments may be diversified in large (*i.e.*, companies with market capitalizations in the range of companies that comprise the S&P 500<sup>®</sup> Index<sup>1</sup>) to small capitalization companies (*i.e.*, companies with market capitalizations of up to the

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<sup>1</sup> As of February, 2021, the market cap range was between \$4.13 billion and \$2.06 trillion. The S&P 500<sup>®</sup> Index is an unmanaged, market capitalization weighted index which measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy.



largest market cap of companies in the Russell 2000<sup>®</sup> Index<sup>2</sup>) or focused primarily in companies of a particular size.

- **Balanced** – Pacific Global’s balanced style seeks capital appreciation and income. Balanced accounts typically maintain a targeted minimum of 25% in fixed income securities and cash or cash equivalents. Equity investments are typically diversified in large to small capitalization companies. Accounts are rebalanced no less frequently than quarterly to the target allocation to maintain a minimum allocation not less than 5% below the target.
- **Fixed Income** – Pacific Global’s fixed income styles seek income and, secondarily, capital appreciation. Fixed Income accounts typically maintain a targeted minimum of 50% in fixed income securities and cash or cash equivalents. Equity investments are diversified primarily in mid- to large capitalization companies. Accounts are rebalanced no less frequently than quarterly to the target allocation to maintain a minimum allocation not less than 5% below the target.

### Risks

Investing in securities involves risk of loss that clients should be prepared to bear. Pacific Global’s discretionary management styles include equity, fixed income, and balanced (a mix of fixed income and equity) options which may be subject to some or all of the following risks.

- **Equity Securities** – Equity securities include common stocks, preferred stocks, convertible securities, mutual funds and ETFs that invest in these securities. Stock prices rise and fall based on changes in an individual company’s financial condition and overall market conditions. Stock prices can decline significantly in response to adverse market conditions, company-specific events, and other domestic and international political and economic developments.

Investing in small capitalization and micro-capitalization companies (*i.e.*, companies with market capitalizations of up to the largest market cap of companies in the Russell Microcap<sup>®</sup> Index<sup>3</sup>) generally involves greater risks than investing in larger companies. The market may value companies according to size or market capitalization rather than financial performance. As a result, if small cap or micro-cap investing is out of favor, small cap and micro-cap holdings may decline in price even though their fundamentals are sound. In comparison to companies with larger market capitalizations, small and micro-cap companies may be more difficult to buy and sell, subject to greater business risks, and more sensitive to market changes.

We seek to reduce these risks by buying stocks of companies that have established operating histories, strong or improving financials, and growth potential. In addition, we seek to diversify each client’s equity investments in a variety of stocks and industry sectors.

- **Fixed Income Securities** – Fixed income securities include corporate bonds, municipal bonds, other debt instruments and mutual funds that invest in these securities and cash. Issuers generally pay a fixed, variable, or floating interest rate, and must repay the amount borrowed at maturity. Some debt instruments, such as zero-coupon bonds, do not pay current interest, but are purchased at a discount from their face value. Bond prices generally decline when interest rates rise and rise when interest rates fall. Longer-term debt and zero-coupon bonds are more sensitive to interest rate changes than debt instruments with shorter maturities.

Whenever Pacific Global purchases fixed income securities, we compare prices from various brokerage firms to identify bonds that offer the best combination of price, credit quality, yield and maturity for the desired purchase amount. However, due to trade settlement complexities at various custodians and brokerage firms, and fees typically charged by custodians to execute trades through an unaffiliated

<sup>2</sup> As of its most recent reconstitution (May 2020), the highest market capitalization of companies in the Russell 2000<sup>®</sup> Index was \$4.4 billion; the Index is an unmanaged, market-weighted measure of stock market performance containing stocks of the 2,000 smallest publicly traded companies of the Russell 3000<sup>®</sup> Index.

<sup>3</sup> As of its most recent reconstitution (May 2020), the highest market cap in the Russell Microcap<sup>®</sup> Index was \$840.3 million; the Index is an unmanaged, market capitalization weighted measure of stock market performance consisting of the stocks of the 1,000 smallest publicly traded companies within the Russell 2000<sup>®</sup> Index, plus the next smallest 1,000 U.S. based listed stocks.

brokerage firm, such bond transactions may not provide a price benefit for the client. To benefit from any price advantage provided by purchasing a greater quantity of each bond we select, we look to aggregate orders for multiple accounts whenever possible. Based on the account size, the amount of each bond holding in a client's account is most likely an "odd lot" that is, a holding of less than \$1 million. Odd lot bonds may be more expensive to purchase and, in most cases, are less valuable to sell than "round lots" of \$1 million or more.

We select fixed income securities of various maturities and/or call features with the intention of holding each bond until its maturity or call. Once trades have settled, the price of each holding is provided by independent pricing services. Unlike stock prices, which are based on current market activity, the bond prices provided by these services are not firm bids or offers, and may not reflect current activity or all the factors which affect the value of the security. In particular, bond prices are typically based on minimum amounts of \$1 million. As a result, the value of a bond holding may differ from its purchase price and may not closely reflect the value at which the security may be sold prior to maturity. The sale of any fixed income security sold prior to maturity may result in a loss.

Fixed income securities are subject to *credit risk*, which is the chance that a bond issuer will fail to pay interest or principal on time. Changes which lower the credit strength of an issuer may reduce the credit rating of its debt investments and may affect their value. High-quality debt instruments are rated at least A or its equivalent by any Nationally Recognized Statistical Rating Organization (NRSRO) or, if unrated, are determined to be of equivalent quality by Pacific Global. Issuers of high-grade debt instruments are considered to have a very strong capacity to pay principal and interest. Investment grade debt instruments are rated at least BBB or its equivalent by any NRSRO or, if unrated, are determined to be of equivalent quality by Pacific Global. BBB rated securities are considered to have adequate capacity to pay principal and interest, although they also have speculative characteristics. Lower rated debt securities are more likely to be adversely affected by changes in economic conditions than higher rated debt securities.

U.S. Government securities include securities issued or guaranteed by the U.S. Treasury; issued by a U.S. Government agency; or issued by a GSE. U.S. Treasury securities include direct obligations of the U.S. Treasury (*i.e.*, Treasury bills, notes and bonds). U.S. Government agency bonds are backed by the full faith and credit of the U.S. Government or guaranteed by the U.S. Treasury (such as securities of the Government National Mortgage Association (GNMA or Ginnie Mae)). GSE bonds are issued by certain federally-chartered but privately-owned corporations, but are neither direct obligations of, nor backed by the full faith and credit of, the U.S. Government. GSE bonds include bonds issued by Federal Home Loan Banks (FHLB), Federal Farm Credit Banks (FCS), Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac) and the Federal National Mortgage Association (FNMA or Fannie Mae).

- **Foreign Securities** - Investments in foreign securities involve certain risks that differ from the risks of investing in domestic securities. Adverse political, economic, social or other conditions in a foreign country may make the stocks of that country difficult or impossible to sell. It is more difficult to obtain reliable information about some foreign securities. The costs of investing in some foreign markets may be higher than investing in domestic markets. Investments in foreign securities also are subject to currency fluctuations.

We seek to reduce these risks by investing in foreign securities typically through American Depositary Receipts ("ADRs"). ADRs are certificates deposited with a U.S. bank that represent the right to own a foreign security. Since ADRs are traded in U.S. markets and the issuers are subject to the same auditing, accounting and financial reporting standards as domestic securities, owning ADRs has advantages over owning other foreign securities.

- **Investment Companies** - Investment companies include open-end and closed-end investment companies. Shares in investment companies represent interests in professionally managed portfolios. These investments involve substantially the same risks as investing directly in the underlying instruments; in addition, the return from such an investment will be reduced by the operating expenses and fees of the investment company, including applicable advisory fees. Certain types of investment companies, such as closed-end funds, issue a fixed number of shares that trade on a stock exchange or

over-the-counter at a premium or discount to their net asset value (“NAV”) per share. This premium or discount may change from time to time. Other investment companies are continuously offered at NAV, but are also traded in the secondary market.

ETFs are open-end investment companies, unit investment trusts or depository receipts that hold portfolios of stocks, commodities and/or currencies that commonly are designed to closely track, before expenses, the performance and dividend yield of (i) a specific index, (ii) a basket of securities, commodities or currencies, or (iii) a particular commodity or currency. The types of indices sought to be replicated by ETFs most often include domestic equity indices, fixed income indices, sector indices and foreign or international indices. ETF shares are traded on exchanges and are traded and priced throughout the trading day. ETFs permit an investor to purchase a selling interest in a portfolio of stocks throughout the trading day. Because ETFs trade on an exchange, they may not trade at NAV. The prices of ETFs may vary significantly from the NAVs of the ETFs’ underlying securities. Additionally, if an investor decides to redeem ETF shares rather than selling them on a secondary market, the investor may receive the underlying securities which must be sold in order to obtain cash.

- **Non-diversified Risk** - Because the portfolios may invest a greater portion of their assets in securities of a single issuer or a limited number of issuers than a portfolio with diversification requirements, they may be more susceptible to a single adverse economic or political occurrence affecting one or more of these issuers.
- **Cybersecurity Risk** - Investment advisers, such as Pacific Global, and their service providers may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cyberattacks affecting investment advisers, client custodians, or other third-party service providers may adversely impact a client’s experience and/or investments. For instance, cyberattacks may interfere with the processing of client transactions, cause the release of non-public personal or company information, impede trading, subject an adviser to regulatory fines or financial losses, and cause reputational damage. Pacific Global may also incur additional costs for cybersecurity risk management. While Pacific Global and our service providers have established business continuity plans and risk management systems designed to prevent or reduce the impact of cyberattacks, such plans and systems have inherent limitations due in part to the ever-changing nature of technology and cyber-attack tactics, and there is the possibility that certain risks have not been adequately identified or mitigated. Furthermore, Pacific Global cannot control the cybersecurity plans or systems implemented by our service providers. Issuers of the securities in which Pacific Global invests are subject to similar types of cybersecurity risks which could result in material adverse consequences for Pacific Global and/or our clients.

#### **Item 9 Disciplinary Information**

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of Pacific Global or the integrity of Pacific Global’s management. Neither Pacific Global nor any of its management personnel has been subject to any legal or disciplinary events that would require disclosure under applicable SEC rules.

#### **Item 10 Other Financial Industry Activities and Affiliations**

This section of our brochure describes the activities and relationships in which Pacific Global and our management engage or maintain with other financial industry participants.

##### **A. Broker/Dealer or registered representative Relationships**

Pacific Global is not registered, and has no application pending to register, as a broker/dealer; further, none of its management persons is an associated person of any such entity.

**B. Other Registrations**

Pacific Global is not registered, and has no application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor; further, none of its management persons is an associated person of any such entities.

**C. Other Material Relationships or Arrangements**

Pacific Global may, from time to time, enter into a relationship with a financial planning firm to prepare written plans for our clients. Any such firm does not provide any other services beyond financial plans.

Pacific Global policies prohibit our related persons from accepting any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients. See Item 11 for a discussion of our "Code of Ethics."

Pacific Global and/or our management persons do not currently have any material relationships or arrangements with any of the categories of persons below. To the extent that we establish any such relationships or arrangements which are material to our advisory business, they would be disclosed in this brochure:

- Broker/dealer or municipal securities dealer;
- Investment company or pooled investment vehicle;
- Other investment adviser;
- accountant or accounting firm;
- lawyer or law firm;
- banking or thrift institution;
- insurance company or agency;
- pension consultant;
- real estate broker or dealer;
- futures commission merchant, commodity pool operator, or commodity trading advisor; or
- sponsor or syndicator of limited partnerships.

**D. Conflicts of Interest**

Pacific Global provides investment management services to various clients; the fees for investment management services are based on assets under management. We may reduce or waive fees for financial planning clients who engage us for investment management or other services. This creates a potential conflict of interest to recommend our investment management or other services based on compensation rather than client need; we believe that our review and oversight processes ensure that our recommendations are made in the best interests of the client.

**E. Business Continuity Plan and Cybersecurity Policy**

Pacific Global maintains a comprehensive Business Continuity Plan (BCP) which addresses a variety of business interruptions and recognizes the firm's operational dependency on computer systems and infrastructure, internet, and email. Our BCP identifies critical functions and response activities to maintain essential services during a disaster or pandemic and facilitate timely recovery. The Chief Compliance Officer or designated Compliance Officers are responsible for updating BCP at least annually and coordinating periodic tests to ensure the viability of the Plan.

Pacific Global has also adopted Cybersecurity Policies & Procedures to identify cybersecurity risks, protect critical infrastructure, and to detect, respond to and recover from cybersecurity events. These policies and procedures are designed to protect sensitive and valuable information about the firm and its clients. The firm's policies and procedures are periodically reviewed by senior management to identify changes in the risks to the firm and/or its clients.

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

Pacific Global maintains a Code of Ethics (the "Code") which complies with the requirements of Rule 204A-1 under the Advisers Act. All officers, directors, employees and registered persons of Pacific Global (collectively "access persons") are subject to the Code and must acknowledge the terms of the Code annually, or as amended. The Code of Ethics includes standards of business conduct requiring access persons to comply with the federal securities laws and the fiduciary duties an investment adviser owes to its clients. Clients or prospective clients may request a copy of Pacific Global's Code free of charge by contacting Client Services.

The Code permits access persons to trade in securities, including those that could be purchased or sold in client accounts. However, it contains safeguards, such as requirements to report, and to obtain prior approval for particular transactions, designed to protect clients from abuses in this area. Under the Code, certain types of securities and trading activities have been designated as exempt transactions, based upon the determination that these would not materially interfere with the best interest of our clients. For example, access persons may, subject to daily limitations on the number of shares and the dollar amount, trade in securities which may be held, purchased or sold in client accounts. The Code specifically prohibits the use of insider information and requires pre-clearance of access persons' investments in initial public offerings and private placements. Nonetheless, because the Code would, in some circumstances, permit access persons to invest in the same securities as clients, there is a possibility that access persons might benefit from market activity by a client in a security held by an access person. Access person trading is continually monitored under the Code to reasonably prevent conflicts of interest between Pacific Global and its clients.

Among other policies, the Code also contains certain restrictions on the misuse of client/prospective client information; and disclosure of gifts given and received; and conflicts of interest.

Pacific Global also maintains a separate policy concerning the misuse of material non-public information ("Insider Trading Policy"). From time to time, Pacific Global may, as a result of its business activities, come into possession of confidential or privileged information about issuers of securities, or other persons or entities and their securities. In such cases, we may be restricted from executing certain trades if doing so could violate our Insider Trading Policy or applicable legal requirements/laws. Pacific Global's Insider Trading Policy addresses its treatment of such confidential or privileged information in a manner that Pacific Global believes to be reasonable.

There are times when a portfolio manager is managing assets for multiple clients with the same or similar investment style or strategy. In these situations, when selecting securities for these various clients, consistent with each client's investment objectives, policies and limitations, we take into account a variety of factors, including, without limitation, general management techniques, cash flows, permissible investments and restrictions, and applicable regulatory requirements. In these situations, Pacific Global has procedures in place that are designed to address potential conflicts of interest and protect client interests. Pacific Global's policy is not to systematically favor one client over another and to select securities for investment consistent with each client's investment policies and limitations and, in certain cases, directed trading instructions.

Pacific Global maintains a policy to prohibit conduct in violation of Rule 206(4)-5 under the Investment Advisers Act, so-called "pay-to-play" arrangements, by the firm and certain designated employees of the firm and comply with the recordkeeping requirements under amended Rule 204-2(a)(18)(i)(B). The Rule prohibits an adviser from providing investment services for compensation to a government entity within two years after a contribution to an official of the government entity is made by the firm or certain designated employees of the firm.

Pacific Global accepts accounts on a directed brokerage basis. Pacific Global does not have commission sharing arrangements with any broker/dealer.

**Item 12 Brokerage Practices*****Factors Considered in Selecting or Recommending Broker/Dealers***

Unless a client directs Pacific Global to use a particular broker/dealer to execute transactions for the client's account, we select broker/dealers to effect client transactions to seek the best combination of net price and execution. The best net price, including any brokerage commission, is an important factor in this decision. However, a number of other factors may also enter into the decision including:

- Pacific Global's knowledge of negotiated commission rates currently available and other current transaction costs;
- the nature of the security being purchased or sold;
- the size of the transaction;
- the desired timing of the transaction;
- the activity existing and expected in the market for the particular security;
- managing the extent of information known by the broker/dealer of Pacific Global's trading activity;
- the execution, clearance and settlement capabilities of the broker/dealer selected and others considered;
- Pacific Global's knowledge of the financial condition of the broker/dealer selected and such other broker/dealers; and
- Pacific Global's knowledge of actual or apparent operation problems of any broker/dealer.

Recognizing the value of these factors, we may cause a client to pay a brokerage commission in excess of that which another broker/dealer might have charged for effecting the same transaction.

SMA transactions can be executed with a broker/dealer unaffiliated with the client's custodian (a "trade away") only after a trading account has been established with the unaffiliated broker/dealer. The client's custodian typically charges the client a processing fee on each trade away. In addition, unaffiliated brokers/dealers may be reluctant to open a client trading account based on the anticipated trading activity and the administrative burden associated with establishing and maintaining the trading account(s). Trade settlement complexities at the broker/dealer, as well as at the custodian, may result in significant administrative burdens for trade aways. Considering the charges and other administrative issues, trade aways may not result in the best net price.

Pacific Global has established internal policies to provide guidance to its trading personnel regarding the duty to seek best execution. These policies specify the minimum and maximum commissions to be paid for various types and sizes of transactions effected for clients for which Pacific Global has discretion to select the broker/dealer through which the transaction is to be executed. Transactions which vary from the guidelines are subject to periodic supervisory review. These guidelines are reviewed and may be revised periodically. Also, Pacific Global periodically reviews the general level of brokerage commissions paid.

Pacific Global maintains and periodically updates a list of approved broker/dealers which are, in Pacific Global's judgment, generally capable of providing best price and execution and are financially stable. Pacific Global's trading personnel are directed to use only broker/dealers on the approved list, except in cases where a client has designated broker/dealers to effect transactions for the client's account.

***Research and Other Soft Dollar Benefits***

In selecting a broker/dealer, we will exercise our best judgment to choose the broker/dealer most capable of providing the brokerage services necessary to obtain the best available price and most favorable execution. In determining whether the broker/dealers selected can offer the services needed to obtain the best available price and most favorable execution, we may take into consideration the fact that a particular broker can also supply research services.

Pacific Global will not make commitments to any broker/dealer that would bind Pacific Global to compensate a broker/dealer, directly or indirectly, for client referrals. However, in determining whether to enter into any agreement with a broker/dealer, Pacific Global may consider any past referral by such broker/dealer of the

particular client for which the transaction is being executed, or of other clients, or in recognition of possible future referrals from the broker/dealer.

Pacific Global's authority to directly exercise brokerage discretion and the factors we will consider in selecting brokers will be in compliance with Section 28(e) of the Securities and Exchange Act of 1934. Section 28(e) of the Securities Exchange Act of 1934 permits an investment adviser to cause an account to pay commission rates in excess of those another broker/dealer would have charged for effecting the same transaction if the adviser determines in good faith that the commission paid is reasonable in relation to the value of the brokerage and research services provided. The determination may be viewed in terms of either the particular transaction involved or the overall responsibilities of the adviser with respect to the accounts over which it exercises investment discretion. Thus, such research furnished by the broker/dealer may be used to service one or more accounts other than those that pay commissions to the broker/dealer providing the research. If and when Pacific Global receives such research services in return for "soft dollar" commissions and such services are also used by Pacific Global for administrative purposes, a reasonable allocation will be made by Pacific Global so that the value of the research service in making investment decisions is borne by the client accounts and the value attributable to administrative functions is borne by Pacific Global. Pacific Global will not accept soft dollar benefits that are not permissible under Section 28(e) of the Exchange Act.

Where more than one broker/dealer is believed to be capable of providing a combination of best net price and execution with respect to a particular transaction, we often select a broker/dealer which furnishes to Pacific Global investment research products or services, such as:

- economic, industry or company research reports or investment recommendations;
- statistical information;
- information on accounting and tax law interpretations and political developments affecting portfolio securities;
- credit analysis;
- risk measurement analysis;
- performance analysis and analysis of corporate responsibility issues;
- access to financial publications or research data compilations;
- seminars;
- research or analytical services; or services of economic and other consultants.

Such research services are received primarily in the form of written reports, telephone contacts and personal meetings with securities analysts. In addition, such research services may be provided in the form of access arranged with corporate and industry spokespersons, economists, academicians and government representatives. Given our limited internal research capabilities, as a practical matter, it would not be possible for us to generate all of the information presently provided by broker/dealers. To the extent that research services of value would be provided by a broker, Pacific Global may be relieved of expenses that it might otherwise bear.

Such selections are not pursuant to any agreement or understanding with any of the broker/dealers. However, Pacific Global does, in some instances, request a broker/dealer to provide specific research products or services which may be proprietary to the broker/dealer or produced by a third party and made available by the broker/dealer and, in such instances, the broker/dealer in agreeing to provide the research product or service may indicate its expectation to Pacific Global for commissions by reason of the broker/dealer's provision of the product or service. Pacific Global does not agree with any broker/dealer to direct a minimum amounts of commissions. However, Pacific Global endeavors to direct sufficient commissions on client transactions to ensure the continued receipt of research products and services the firm finds useful. In return for research products or services, Pacific Global does not pay brokerage commissions that are higher than those paid to other broker/dealers. Research products or services provided by broker/dealers may be used in servicing any or all of the clients of Pacific Global. Such research products or services may not necessarily be used in connection with the client accounts which paid.

Pacific Global participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade Holding Corporation, Inc. ("TD Ameritrade") member FINRA/SIPC, which was acquired by Charles Schwab Corporation in 2020. TD Ameritrade is an SEC-registered broker/dealer. TD Ameritrade and the firm are separate and unaffiliated. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Pacific Global receives some benefits from its participation in the TD Ameritrade program. (Please see the disclosure under Item 14 below.)

### ***Client-Directed Brokerage Arrangements***

Pacific Global does not routinely recommend, request or require a client to direct us to execute transactions through a specified broker/dealer. Our clients maintain the right to direct us to use a specified broker/dealer to execute all or a portion of their securities transactions. When this occurs, a client directs Pacific Global in writing (subject to certain conditions which may from time to time be imposed by Pacific Global) to effect portfolio transactions for the client's account through particular broker/dealers ("restricted brokerage"). Such a direction may be conditioned upon a broker/dealer being competitive as to net price and execution of each transaction, or may be subject to varying degrees of "restriction." For example, a client may instruct us to use the particular broker/dealer whether or not competitive as to net price and execution, or at specified commission rates which are less favorable than those we might obtain.

Before restricting brokerage to a particular broker/dealer, including designating a broker/dealer as custodian for the client's assets, a client should consider whether such designation may result in certain costs or disadvantages. For example, the client may pay higher commissions than might otherwise be obtainable by Pacific Global and/or may receive less favorable net prices and executions on some transactions or the value of the custodial services may be diluted. A client who restricts our discretion in choosing broker/dealers to effect transactions for the client's account(s) may also be subject to the disadvantages described below regarding priority of execution, allocation of new issues, purchases, and aggregation of orders. More information on Pacific Global's trade aggregation policies and procedures is provided under "Trade Aggregation" below.

If a client designates in writing to Pacific Global a specific broker/dealer acceptable to us through which trades are to be executed, the client is required to execute a trading instruction letter in the form of an Exhibit to the IMA. The client also acknowledges that (1) we generally will not be in a position to select broker/dealers on the basis of best execution, negotiate commission rates or spreads, obtain volume discounts, commingle, batch, or aggregate orders for purposes of execution or otherwise seek to obtain best execution; and (2) that directed transactions may result in less favorable net prices and execution on the purchase and sale of securities than might be the case if we were to select broker/dealers solely on the basis of best execution. In addition, a client considering a directed brokerage arrangement should be aware that, when the client does not specify the commission rate to be paid in directed brokerage transactions, such an arrangement may create a potential conflict of interest between the client's interest in having Pacific Global negotiate a lower commission rate and our interest in obtaining referrals from the broker/dealer.

### ***Trade Aggregation***

When a portfolio manager intends to place an order for the purchase or sale of the same security for one or more SMA portfolios at the same time, the portfolio manager must aggregate the trades for the SMA portfolios as a single transaction with the same broker/dealer. The aggregated trade orders may result in obtaining lower commission rates. If the orders are aggregated as a single trade, the SMA portfolios will receive equal treatment. We will not aggregate transactions unless we believe such aggregation is consistent with our duty to seek best execution (which includes best price) for Pacific Global's clients. No SMA will be favored over any other SMA; and each portfolio that participates in an aggregated order will participate at the average share price for the transaction, with all transaction costs, except account-specific costs charged by the custodian, if any, shared on a pro rata basis. Individual investment advice and treatment will be accorded to each client.

In the case of a client who has restricted transactions to a particular broker/dealer, however, such client's account generally will be unable to participate in aggregated orders unless executed with the client's designated broker/dealer. Even where an aggregated transaction is executed with the client's designated broker/dealer, if



the client also has specified a particular commission rate to be paid on the transaction, that specification may preclude the client from receiving the benefit, if any, of a lower commission resulting from the aggregation; and the accounts of other clients participating in the aggregation order may receive a correspondingly greater benefit.

Pacific Global will not receive additional compensation or remuneration of any kind as a result of the proposed aggregation.

Before entering an aggregated order, we prepare a written statement (the "Allocation Statement") specifying the participating SMAs and how we intend to allocate the order among the participants. Aggregated orders that are filled in their entirety are allocated among the participants in accordance with the Allocation Statement. A partially filled order is allocated pro rata based on the Allocation Statement. *De minimis* orders may be allocated at the discretion of the portfolio manager to prevent any participant from incurring unnecessary transaction costs. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all participants receive fair and equitable treatment; and the reason for the different allocation is documented by the portfolio manager in writing to a Pacific Global compliance officer no later than one hour after the market open on the trading day following the day the order was executed. Pacific Global's IMA discloses that, in instances when we determine not to aggregate orders, transactions in a specific security may not be accomplished for all client accounts at the same time or at the same price.

Funds and securities of the SMAs whose orders are aggregated will be deposited with one or more banks or broker/dealers. Neither the SMAs' cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis. Cash or securities held collectively for clients will be delivered out to the custodian bank or broker/dealer as soon as practicable following the settlement.

Employees are permitted to maintain managed accounts with Pacific Global and may participate in firm-directed trade aggregation orders simultaneously with other clients, provided that Pacific Global does not believe that non-employee clients will be harmed by such participation and the transactions are consistent with each client's objectives and the firm's policies.

Pacific Global annually reviews its trade aggregation procedures to ensure that they are adequate to prevent any account from being systematically disadvantaged as a result of the aggregation of orders. If we discover any non-adherence to aggregation policies, we will take whatever corrective measures are necessary, including revising the procedures. Pacific Global's books and records will separately record the securities held by, and bought and sold for, each SMA whose orders are aggregated. We will disclose these policies concerning the aggregation of transactions to our existing clients and to broker/dealers through which such orders are placed.

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

#### **A. Account Reviews**

##### ***SMAs***

Pacific Global assigns one or more portfolio managers (who may be principal executive officers) to manage each client account. All accounts are subject to periodic and continuous review and monitoring by the assigned portfolio manager(s). Client accounts are also reviewed by Pacific Global's principal executive officers. Overall portfolio policy, as well as the allocation of assets among market sectors, individual securities, mutual funds and cash reserves, is reviewed on an ongoing basis in the context of the client's stated investment objectives and any account-specific guidelines. Balanced and Fixed Income accounts are rebalanced no less frequently than quarterly to maintain a minimum fixed income allocation not less than 5% below the target allocation. Changes in general market conditions, as well as changes in relative price performance in market sectors or individual securities typically result in changes to portfolio strategy. The firm maintains a recommendation list for equities; the active buy portion of this list typically contains approximately 50 small and micro-cap stocks, 60 mid-cap and 200 large cap stocks; fixed income securities are individually selected based on market conditions, credit rating and availability among other considerations. Portfolio managers tailor each account based on the client's

needs and objectives by selecting approximately 30 to 50 securities for each portfolio that present the best opportunities at a given time. Significant additions to, or withdrawals from, an account would result in an individual review of that account to determine what action, if any, may be appropriate.

### ***Financial Plans***

Pacific Global reviews financial plans when a client engages the firm for a one-time review or on-going reviews. On-going reviews, which typically occur annually, update the income, expense and other components of the plan. Plan updates are prepared by a certified financial planner and reviewed by a compliance officer.

## **B. Account Reports**

SMA clients receive monthly account statements from their custodians detailing account activity, positions held and market values. Clients should contact us directly if they believe that there may be an error in their statement. SMA clients also receive quarterly reports from Pacific Global which include a market valuation, account performance and Pacific Global's economic and market outlook. We also provide detailed account information as specifically requested by the client, or when significant economic factors warrant. Clients should carefully review their custodial statements, verify their accuracy and compare them with portfolio reports they receive from us. From time to time, Pacific Global's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies for certain securities.

At the end of each calendar year, each SMA client receives a tax accounting summary of gains, losses and income generated by the account from the account's custodian. Clients should consult their tax adviser and rely upon tax accounting information provided by their custodians when preparing their tax returns. Further, clients should rely upon cost basis reporting information provided by their custodian when preparing their tax returns.

All reports discussed under this Section 13B, and any other notices, documents or other communications given or required to be given to any client pursuant to an Agreement with Pacific Global, may be sent by mail or, as authorized by a client, by electronic delivery to the client's last known e-mail address provided to Pacific Global by the client.

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

Pacific Global may pay cash referral fees to independent persons or firms ("solicitors"). Each such referral agreement and the related activities of Pacific Global will be in compliance with Rule 206(4)-3 of the Advisers Act and the related SEC staff interpretations and other applicable laws and regulations. Rule 206(4)-3 specifies certain standards that must be met by an investment adviser and any person who solicits any client for, or refers any client to, an investment adviser prior to payment of a cash fee directly or indirectly, for client solicitation or referral.

As discussed in Item 12, in certain cases, when we believe a broker/dealer is capable of providing the best price and most favorable execution with respect to a particular portfolio transaction, we may select that broker/dealer in recognition of the broker/dealer's past referral of the particular client for which the transaction is being executed, or other clients, or in recognition of possible future referrals from that broker/dealer.

Pacific Global maintains an internal bonus compensation plan which rewards officers and employees of Pacific Global for new investment advisory client accounts developed by them.

### ***TD Ameritrade Institutional Program***

As disclosed under Item 12 above, Pacific Global participates in TD Ameritrade's institutional customer program and Pacific Global may recommend TD Ameritrade to clients for custody and brokerage services. Although there is no direct link between Pacific Global's participation in the program and the investment advice the firm gives to its clients, Pacific Global 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 Pacific Global 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 Pacific Global by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Pacific Global's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Pacific Global but may not benefit its client accounts. These products or services may assist Pacific Global in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Pacific Global manage and further develop its business enterprise. The benefits received by Pacific Global 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, Pacific Global endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Pacific Global or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the firm's choice of TD Ameritrade for custody and brokerage services.

Pacific Global 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 financial support used to assist in paying for software and other technology from Advent, Orion Advisor Services, FactSet Research, Bloomberg Finance LP, Junxure, Hub Data, Cheshire Software and Redtail. TD Ameritrade provides, in its sole discretion and at its own expense, the Additional Services to Pacific Global; Pacific Global does not pay any fees to TD Ameritrade for the Additional Services. Pacific Global and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Pacific Global's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Pacific Global, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Pacific Global's client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Pacific Global, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Pacific Global may have an incentive to recommend to its clients that their assets under management by Pacific Global be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Pacific Global'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.

#### **Item 15 Custody**

Pacific Global does not maintain actual physical custody of the assets that we manage for our clients. However, under SEC rules, we are deemed to have custody of our SMA client assets to the extent that clients authorize us to instruct the custodian to deduct our advisory fees directly from their accounts.

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

As described in Item 4, Pacific Global provides discretionary advisory services with respect to SMAs. Before assuming this authority, the types and amounts of securities traded, and the manner of execution, is generally determined by each client's IMA. Therefore, we have authority to supervise and direct the investments of and for the client's account without prior consultation with the client. We approve and accept accounts only after the client has provided all of the required new account paperwork including, but not limited to, a Pacific Global IMA and personal profile and a limited power of attorney for the client's custodial account. We assume discretionary authority once an account is accepted.

Pursuant to this discretionary authority, we determine which securities are bought or sold for the account and the total amount of such purchases and sales. Pacific Global's authority may be made subject to conditions imposed in writing by the client and accepted by us. For example, a client may restrict or prohibit purchases of

certain types of securities, or direct that transactions be effected through specific brokers/dealers, or impose other limitations.

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

Pacific Global has adopted a written Proxy Voting Policy detailing procedures and guidelines to be used when voting shareholder proxies for those clients for which we have been granted proxy voting authority (the "Proxy Policy"). The Proxy Policy complies with Rule 206(4)-6 of the Investment Advisers Act of 1940, as amended, and relies, in large part, on guidance provided by the SEC effective as of September 10, 2019. Our policy is to vote proxy issues in the best interests of our clients; any potential conflicts of interest are resolved by considering only the interests of our clients.

We do not anticipate that conflicts will arise frequently because Pacific Global does not engage in the types of business activities (such as underwriting, banking or insurance services, or benefit plan administration) that would give rise to potential conflicts affecting proxy voting.

We generally support management's recommendations unless we believe such recommendations would not be in our clients' best interests. We do not intend to exercise voting authority on certain types of matters if the exercise of voting would not reasonably be expected to have a material effect on the value of the client's investment. For example, if the cost of voting, including administration and record maintenance, would be high, or the benefit to clients would be low.

In general, we intend to focus voting resources only on particular types of proposals and **non-recurring matters** such as **(mergers and acquisitions, tender offers, dissolutions, conversions or consolidations)**. We carefully examine, on a case-by-case basis, such matters as well as proposals regarding changes in a company's state of incorporation or other corporate restructuring. We may seek to obtain independent outside evaluations, including research analyses, in determining the best interests of our clients.

Clients can contact Pacific Global Client Services at (800) 404-6693 with questions about proxy solicitation. Clients cannot direct Pacific Global's vote in any solicitation. However, clients can request that their custodians provide proxies and other solicitations to them by submitting instructions directly to their custodians.

Pacific Global's Proxy Policy is available without charge, upon written request, by contacting Client Services at 101 N. Brand Blvd., Suite 1950, Glendale, CA 91203. Clients may contact Client Services to request a report showing how Pacific Global voted shares held in their account.

### **Item 18 Financial Information**

Pacific Global is not required to include a balance sheet for our most recent fiscal year because we do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. In this Item, we are required to disclose that Pacific Global has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. Additionally, Pacific Global has not been the subject of a bankruptcy petition during the past ten years.

**Privacy Policy**

We respect our clients' right to privacy. We understand that clients expect us to act in an accurate and efficient manner. To do so, we must collect and maintain certain personal information about each client from account forms provided by the client and from the client's transactions with us or the custodian of the client's account(s). We do not disclose any nonpublic personal information about any client or any former client to anyone, except (1) our affiliates and service providers, (2) pursuant to the client's written authorization (so long as such authorization has not been revoked), or (3) or as permitted by law. We also may collect and maintain certain personal information about a client's attorneys-in-fact and others authorized to act with respect to a client's account ("Authorized Representatives"). We treat such Authorized Representatives' personal information under our policies in a similar manner to the way we treat client personal information.

To protect the personal information of clients and their Authorized Representatives, we permit access to client and Authorized Representative's personal information only to authorized employees who need to know the information to provide products and services to the client. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard clients' such personal information.

We are authorized, in our sole discretion, to engage agents and independent contractors, including, but not limited to, outsourcers, proxy voting services, affiliates and other persons or entities (collectively, "Service Providers"), to perform, or to advise or assist us in the performance of our duties under the investment management agreements.



PACIFIC GLOBAL  
*Investment Management Company*

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**March 31, 2021**

Pacific Global Investment Management Company is a registered investment adviser. Registration as an Investment Adviser does not, by itself, imply a specific level of skill or training.

This brochure provides information about the qualifications and business practices of Pacific Global Investment Management Company. If you have any questions about the contents of this brochure, please contact us at 1-800-989-6693. 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 Pacific Global Investment Management Company also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site using a CRD, a unique identifying number; our firm's CRD number is 106962.

**Item 2 Material Changes**

Our brochure, dated March 31, 2021, replaces the version dated August 18, 2020. We made the following material changes to our brochure since our last annual amendment dated April 30, 2020:

**Item 12. Brokerage Practices and Item 14. Client Referrals and Other Compensation:** These items were updated to disclose the benefits and potential conflicts of interest from the firm's participation in the TD Ameritrade Institutional program. The firm receives economic benefits from its participation in the program which may include discounts on compliance, technology, and practice management products or services provided by third parties. The benefits received by the firm do not depend on the amount of brokerage transactions directed to TD Ameritrade and there is no direct link between the firm's participation in the program and the investment advice the firm provides to its clients.

We will ensure that clients receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year on December 31<sup>st</sup>. Furthermore, we will provide clients with other interim disclosure information about any material changes.

Clients or prospective clients may request a copy of our brochure, free of charge, by contacting Pacific Global Client Services at (800) 404-6693 or [clientservices@pgimc.com](mailto:clientservices@pgimc.com). Our brochure is also available on our website at [www.pacificglobal.us](http://www.pacificglobal.us).