



Financial
West
Group

Part 2A of Form ADV: *Firm Brochure*

Financial West Investment Group Inc.

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This brochure provides information about the qualifications and business practices of Financial West Group. If you have any questions about the contents of this brochure, please contact us at 1-805-497-9222 or jjaglowski@fwg.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.

Additional information about Financial West Group also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 16668.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 06/28/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4 Advisory Business

Financial West Investment Group Inc., referred to as Financial West Group, is a SEC-registered investment adviser with its principal place of business located in California. Financial West Investment Group Inc. began conducting business in 2004.

Paradox Holding Inc., a Nevada Corporation owned by Gene Charles Valentine, is the sole owner of Financial West Investment Group Inc.

Financial West Group offers personalized investment strategies to its investment advisory clients, through a selection of several investment programs as described below. A registered advisory representative of Financial West Group, referred to as an Advisor, will obtain financial data from the client and discuss the client's individual circumstances, investment goals, time horizons, risk tolerance, and liquidity needs. As appropriate, the Advisor also reviews and discusses with the client their prior investment history, as well as family composition and background. Using this information, the Advisor will assist the client to determine the appropriate investment strategies and investment programs for the client. The client will designate which investment strategies and programs the client has selected in a written advisory services agreement between the client and Financial West Group. The following is a description of the investment programs offered by Financial West Group:

ADVISOR MANAGED ACCOUNTS PROGRAM (AMAP)

In this program, the Advisor will assist the client in determining the appropriate allocation of the client's account among different asset classes, and the Advisor will directly manage the investment portfolio selected for the client, on a discretionary or non-discretionary basis, as selected by the client.

Investments in this program are not limited to any specific product or service offered by any one sponsor, issuer, broker-dealer or insurance company, and may include no load or load-waived mutual funds, individual exchange-listed securities or securities traded over-the-counter, foreign issuer securities, corporate debt securities, commercial paper, certificates of deposit, municipal and U.S. government securities, and other securities individually approved by Financial West Group. If appropriate for the client, the account may include covered call options and hedged put options. The assets selected for the account will be determined by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

To ensure that the initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, the Advisor will:

1. at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
2. be reasonably available to consult with the client; and
3. maintain client suitability information in each client's file.

FWG IN-HOUSE MANAGED ACCOUNTS PROGRAMS

FWG offers three managed trading strategies to clients, each of which follows specific trading guidelines as described below:

ALPHA OPTIMIZATION PORTFOLIO (AOP) - This program is actively managed by Robert Kelsey, an advisory representative of Financial West Group, using investment models that follow a strict buy and sell discipline. Individual equity securities are purchased when they exhibit both a strong relative strength and good relative value. Clients may also choose the socially-screened version of the Alpha Optimized Portfolio using Progressive Asset Management, Inc.'s social screening methodology.

PROGRESSIVE TRACK INVESTMENT PORTFOLIO™ (PTI) - This program is managed by Progressive Asset Management, Inc. ("PAM"), a division of Financial West Group that specializes in socially responsible investing. The program consists of a suite of portfolios, each of which tracks index benchmarks in the following asset classes: Large Cap Growth, Large Cap Value, Mid Cap Growth, Mid Cap Value, Small Cap Growth, Small Cap Value and International. Clients in this program select the portfolios in which they wish to participate based on their asset allocation choices. Each portfolio consists of no more than 150 publicly-traded equity securities, designed using a portfolio optimization process to track as closely as possible the performance of an established equity index. The holdings in each portfolio are reassessed regularly and rebalanced periodically by PAM in order to cause the portfolio to track as closely as possible the index benchmark for that portfolio.

HIGH IMPACT PORTFOLIO - This program is managed by Thomas Moser, and is designed to provide a customized approach to investing in companies that address the urgent problems of our day, namely those associated with energy use, water quality, food and nutrition, proactive healthcare and sustainable development. All individual equities selected for this portfolio are screened to target a price earnings ratio to earnings per share growth ratio of less than two to one, and a revenue growth rate equal to or greater than the price earnings ratio, or a significant potential for revenue acceleration over the next two years. In addition, the portfolio manager seeks companies whose management is actively buying, rather than selling, the company's stock. The portfolio manager conducts a personal review of each company selected for the portfolio, including meetings with management and due diligence inspections of production facilities. Companies that meet the financial criteria are then carefully researched and selected for the effectiveness of their social "footprint," allowing the client to invest in specific industries that endeavor to build a more sustainable future.

FINANCIAL WEST GROUP'S MANAGED ACCOUNT SOLUTIONS (MAS) PROGRAM

This program offers invaluable elements to the client's ongoing investment planning and management by providing the client with the appropriate investment resources and options. The client will have access to a full range of investment solutions that deliver a customized portfolio that leverage the expertise of premier asset managers as well as defined asset allocation strategies, and ongoing investment manager research and portfolio monitoring. For more details on this program please refer to our Schedule H.

THIRD PARTY MONEY MANAGER PROGRAM (TPMM)

We offer 2 types of advisory management services to our clients through the Third Party Money Manager Program.

1. SELECTION AND MONITORING OF THIRD-PARTY MONEY MANAGERS

The Advisor provides the client with an asset allocation strategy developed through personal discussions in which goals and objectives based on the client's particular circumstances are established.

Based on the client's individual circumstances and needs the Advisor will then perform management searches of various unaffiliated registered investment advisers to identify which registered investment adviser's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment adviser. Clients should refer to the selected registered investment adviser's Firm Brochure or other disclosure document for a full description of the services offered. The client's Advisor is available to meet with clients on a regular basis, or as determined by the client, to review the account.

The Advisor will monitor the performance of the selected registered investment adviser(s). If the Advisor determines that a particular selected registered investment adviser(s) is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with the client's goals and objectives, the Advisor may suggest that the client contract with a different registered investment adviser and/or program sponsor. In that case, the Advisor will assist the client in selecting a new registered investment adviser and/or program. However, any move to a new registered investment adviser and/or program is solely at the discretion of the client.

2. ADVISORY REFERRAL SERVICES

Financial West Group also acts as a solicitor on behalf of various independent registered investment advisers. Based on a client's individual circumstances and needs, the Advisor will assist the client in determining which independent adviser's portfolio management services are appropriate for that client. Factors considered in making this determination, including account size, risk tolerance, and a client's investment experience, are discussed during the consultation with the client.

The Advisor will meet with the client on a regular basis, or as determined by the client, to review the account. When needed, the Advisor will suggest changes in the client's portfolio ("rebalancing"), to more effectively address the client's goals. The client may then instruct the independent adviser to make any or all of the changes that are recommended. These recommendations are the Advisors own, and are neither recommended nor approved by any independent advisers.

Any rebalancing of the portfolio is done with the client's approval, and will be reviewed and implemented by the independent investment adviser. At the time of conducting the advisory solicitation, Financial West Group will ensure that all federal and/or state specific requirements governing solicitation activities are met.

FINANCIAL PLANNING AND CONSULTING PROGRAM

Financial West Group also provides financial planning and consulting services. Financial planning can be a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Financial planning can also be for one or more specific investment goals, such as retirement planning or educational expenses, as selected by the client. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients selecting this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any one or more of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and other issues related to elder care.

The Advisor gathers required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. The Advisor carefully reviews documents supplied by the client, including a questionnaire completed by the client, and prepares a written report. Should the client choose to implement the recommendations contained in the plan, the Advisor suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by any specific issuer, broker-dealer or insurance company. All recommendations are of a generic nature.

Financial West Group also offers pension consulting services, primarily for pension, profit sharing and 401(k) plans, and also, where appropriate, to individuals and trusts, estates and charitable organizations. Pension consulting services are comprised of four distinct services,

and clients may choose any one or more of these services, consisting of the following:

Investment Policy Statement Preparation (hereinafter referred to as "IPS"):

The Advisor will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. The Advisor will then prepare a written IPS detailing those needs and goals, and describing the investment policies policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

Selection of Investment Vehicles:

The Advisor will assist plan sponsors in constructing appropriate asset allocation models. The Advisor will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

Monitoring of Investment Performance:

The Advisor will monitor client investments continually, based on the procedures and timing intervals delineated in the IPS. Although the Advisor is not involved in any way in the purchase or sale of these investments, the Advisor will supervise the client's portfolio and make recommendations to the client as market factors and the client's needs dictate.

Employee Communications:

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), the Advisor may also provide quarterly educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by the Advisor and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

PRIVATE INVESTMENT FUND PROGRAM

In this program, the Advisor will assist the client in identifying and investing in various private investment funds, including hedge funds and private equity funds ("private funds") that employ a variety of investment strategies. The Advisor will assist the client in determining the appropriateness of each private fund for the client based on the client's personal circumstances, conduct due diligence on the managers of the private funds included within this advisory program, and monitor the results of each private fund. The client will receive copies of all offering materials of each private fund, and will subscribe directly for shares in the private fund.

AMOUNT OF MANAGED ASSETS

As of March 31, 2011, we were actively managing \$449,839,440 of clients' assets on a discretionary basis plus \$2,902,926 of clients' assets on a non-discretionary basis, and overseeing \$558,394,172 of clients' assets being managed by Independent RIA's and third-party money managers.

Item 5 Fees and Compensation

Advisory fees payable to Financial West Group, as further described below, will generally be payable quarterly in advance, or monthly in advance for accounts custodied at FOLIOfn. Advisory fees are generally deducted from the client's advisory account, upon presentation of our invoice to the custodian of the advisory account, with a copy to the client, but may be billed directly to the client if funds in the advisory account are insufficient or if otherwise agreed upon with the client. The initial account fee will be deducted upon execution of the agreement on a prorated basis. Subsequent account fee payments will be due and assessed at the beginning of each quarter based on the reasonable market value of the assets (securities, cash and cash equivalents) in the account as of the close of business on the last business day of the preceding quarter. The value of assets will be determined by an independent pricing service, where available, or otherwise in good faith by us. If assets are deposited into the account after the inception of a quarter, the account fee payable with respect to those assets will be prorated based on the number of days remaining in the quarter. Account fees and other charges payable to us may be higher or lower than fees charged by other advisers performing similar services.

ADVISOR MANAGED ACCOUNTS PROGRAM (AMAP) IN-HOUSE MANAGED ACCOUNTS PROGRAM MANAGED ACCOUNT SOLUTIONS (MAS) PROGRAM

The maximum annualized fee for the Advisor Managed Accounts Program (AMAP), In-House Managed Accounts Program and Managed Account Solutions (MAS) Program are charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>
<u>Account Size</u>	<u>Maximum Annual Advisory Fee</u>
\$25,000 to \$500,000	3.00%
\$500,000 to \$1,000,000	2.50%
Over \$1,000,000	2.00%

A minimum of **\$25,000** of assets under management is required for each of these programs. This account size may be negotiable under certain circumstances. Financial West Group may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although Financial West Group has established the aforementioned fee schedule(s), the Advisor retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

THIRD PARTY MONEY MANAGER PROGRAM

In most cases, we will charge the client a fee for our advisory services, in the amount provided in our agreement with the client, and each money manager will charge the client a separate fee in the amount provided in the separate agreement between that money manager and the client. Our fees for this program range from .60% to 1.5% of the value of assets held in the account. In addition, we have revenue sharing arrangements with certain independent money managers to whom we refers our clients, under which the independent money manager agrees to share a portion of its fee with us in return for our marketing the independent money manager's programs and services. In other cases, we act as a referring adviser, and receive a referral fee from the money manager rather than from the client directly. In those cases, we will deliver a separate disclosure statement to the client advising the client of the amount of the referral fee that will be paid to us. Unless otherwise disclosed to the client in the disclosure statement, the client will pay no more in advisory fees than the client would pay without the referral.

FINANCIAL PLANNING AND CONSULTING FEES

Our financial planning and consulting fees are determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

In some cases, we charge an hourly fee for financial planning and consulting services, up to a maximum of \$350.00 per hour. Although the length of time it will take to provide a financial plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship. In other cases, our fees may be charged on a fixed fee basis, or a percentage of assets managed, as negotiated with the client. Fixed fee arrangements typically range from \$100.00 to \$5,000, depending on the specific arrangement reached with the client.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 or be charged more than six months in advance. The balance is due upon completion of the plan.

For pension plan consulting services, an annual fee is typically agreed to in advance with the client, and the plan sponsor is invoiced in advance at the beginning of each calendar quarter.

Financial Planning Fee Offset: We may reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our portfolio management services.

PRIVATE INVESTMENT FUND FEES

The maximum annual fees payable to us for the private fund program are based upon the following asset levels, and are subject to negotiation:

<u>Account Size</u>		<u>Maximum Annual Advisory Fee</u>
\$25,000 to \$500,000		1.50%
\$500,000	to	1.25%
\$1,000,000		
Over \$1,000,000		1.00%

In addition to the advisory fee charged by us, clients will be subject to additional fees and expenses charged by each private fund in which they invest. Managers of private funds often charge higher fees than public mutual funds. The fees and expenses paid by each private fund are disclosed in each fund's offering documents. The client should thoroughly review the offering documents of each private fund before investing to understand all risks that apply to an investment in each private fund.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to Financial West Group for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that,

depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

ERISA Accounts: Financial West Group is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Financial West Group may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, where those fees are used to offset Financial West Group's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

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

Financial West Group does not accept performance-based fees for any of its advisory programs. Some of the independent money managers or private funds in which a client may invest do charge performance-based fees, as described in the disclosure documents of those independent money managers or private funds. None of the performance-based fees paid to any independent money manager or private fund are shared with Financial West Group or any Advisor.

Item 7 Types of Clients

Financial West Group provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Investment companies (including mutual funds)
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above

- State or municipal government entities

As previously disclosed in Item 5, our firm has established certain minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

METHODS OF ANALYSIS

We use a variety of methods of analysis in formulating our investment advice and/or managing client assets, depending upon the type of program selected by the client. Methods of analysis we use include the following:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Third-Party Money Manager Analysis. We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. When using this strategy, we purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Trading. When utilizing a trading strategy, we purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Option writing. We may use options as an investment strategy in the managed account program. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We may use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We may use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

In 2009, we were fined \$5,000 by the National Association of Securities Dealers (predecessor to FINRA) for failing to provide written notices in 2004 to certain of our brokerage account

customers who purchased mutual fund class A shares stating that we experienced a problem delivering breakpoint discounts, and that as a result the customer may have been entitled to a refund.

In 2005, we were fined \$50,000 by the National Association of Securities Dealers (predecessor to FINRA) for failing to match customer signatures on letters of authorization for transfers of funds between accounts and disbursements from accounts with signatures on original account documents.

Item 10 Other Financial Industry Activities and Affiliations

FIRM Registrations:

In addition to Financial West Group being a registered investment adviser, our firm is registered as a FINRA member broker-dealer.

MANAGEMENT PERSONNEL Registrations:

Certain of the management personnel and advisory representatives of our firm are separately licensed as registered representatives of Financial West Group as a FINRA member broker-dealer. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

While Financial West Group and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Some Advisors of Financial West Group are affiliated with independent accounting firms, insurance companies, pension consultants and/or real estate companies. There are no referral or other arrangements between Financial West Group and any of these firms.

As previously described in Item 4, on a fully disclosed basis, we recommend the services of various independent registered investment advisers to our clients. In exchange for this recommendation, we may receive a referral fee from the selected investment adviser. The fee received by us is typically a percentage of the fee charged by that investment adviser to the referred client. The portion of the advisory fee paid to us does not increase the total advisory fee paid to the selected investment adviser by the client. We do not charge the client any fees for these referrals. We will only recommend advisers that pay us a referral fee.

Clients should be aware that the receipt of additional compensation by Financial West Group and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Financial West Group endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for us or our employees to earn compensation from the referral of clients to other registered investment advisers;
- we disclose to the client in a separate disclosure document the compensation we receive in exchange for the client's referral to the selected investment adviser;
- we collect, maintain and document accurate, complete and relevant client background

information, including the client's financial goals, objectives and risk tolerance;

- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we conduct initial and periodic due diligence on the selected investment advisers to establish that the advisers are suitable to recommend to our clients; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Financial West Group and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Financial West Group's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to jjaglowski@fwg.com, or by calling us at 1-805-497-9222.

Financial West Group or individuals associated with our firm may buy securities for the firm or for themselves from our advisory clients; or sell securities owned by the firm or the individual(s) to our advisory clients. We will ensure, however, that such transactions are conducted in compliance with all the provisions under Section 206(3) of the Advisers Act governing principal transactions to advisory clients.

Financial West Group may execute purchase and sale transaction between two clients (referred to as "agency cross transactions"), provided such transactions comply with the procedures described below and with Rule 206(3)-2 under the Investment Advisers Act of 1940, as amended. We may have a conflicting duty of loyalty to both of the clients for whom we conducts agency cross transactions. Therefore, we have adopted agency cross transaction procedures that are designed to promote fairness among the client accounts managed by us and to conform to applicable regulatory principles. We will only conduct agency cross transactions if a client has consented in advance to the conduct of such transactions, either in the client's account agreement or in a separate written consent. Each

agency cross transaction shall be effected at the independent current market price of the security. We will send to both clients participating in the agency cross transaction a written confirmation at or before the completion of each transaction containing: (i) a statement of the nature of such transaction; (ii) the date such transaction took place; (iii) an offer to furnish upon request, the time when such transaction took place; and (iv) the source and amount of any compensation or other remuneration received or to be received by us. We will also send an annual summary of all agency cross transactions. A client's written consent authorizing us to effect agency cross transactions on his or her behalf may be revoked at any time by the client by means of written notice.

Financial West Group may from time to time act as a principal in connection with sales of securities, primarily fixed income securities, to accounts of advisory clients. We will only execute "riskless" principal transactions on the following conditions. In a riskless principal transaction, we purchase a security, such as a corporate bond, based on a client order (including discretionary orders from a client's Advisor), and resell the security to the client. We will not typically charge a commission on the trade, but will receive compensation in the form of a mark-up from the price at which we purchased the security or a mark-down from the price at which it sold the security. Mark-ups and mark-downs will not exceed 10 basis points for traditional fixed income products and will not exceed 25 basis points for structured products. We will only execute such principal transactions for clients who have consented to principal transactions in the form of either a global "letter of authorization" or a one-time letter of authorization signed by the client prior to the transaction settling.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of

an advisory client.

2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
5. We have established procedures for the maintenance of all required books and records.
6. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), certain related persons of our firm are separately registered as investment adviser representatives of other registered investment advisers. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12 Brokerage Practices

For securities transactions in accounts directly managed by an Advisor, Financial West Group will act as the introducing broker for securities transactions made for the client's account. Accounts in these programs will be custodied at National Financial Services (NFS), for accounts containing individual equity securities and other securities, Charles Schwab ("Schwab"), for accounts containing only mutual funds or FOLIO for accounts in the Alpha Optimization Portfolio or Progressive Track Investment Portfolio, both of which are part of the in-house managed account program. Accounts will also be subject to transaction charges not to exceed the following, subject to negotiation: \$10.00 for mutual fund trades, \$18.95 for equity trades, \$25.00 for government bond trades; \$25.00 for option trades up to 10 per year, \$35 for option trades between 11 and 25 contracts per year, \$50 for option trades in excess of 25 per year, and \$75 per trade for foreign securities. Transaction charges are lower in the Alpha Optimization Portfolio and Progressive Track Investment Portfolio programs utilizing

FOLIOfn, where there is a flat fee for transactions performed during a daily market window, and for trading outside of the market window, transaction charges are \$3.95 per trade for market orders, and \$3.95 per trade for limit, stop or stop/limit orders. Clients with accounts custodied at NFS also have the option of selecting asset-based pricing from NFS, under which the client pays a single fee to NFS based on the value of assets in the account for up to 80 transactions per year, and the only additional transaction charges are for any transactions that exceed 80 in any year, at the rates described in this paragraph.

Financial West Group has an agreement with a fully guaranteed subsidiary of Fidelity Investments, under which NFS shares with us a portion of the transaction fees paid by clients in our advisory accounts, but our Advisors do not receive any portion of those transaction fees. A potential conflict of interest exists in situations where we suggest or recommend to a client the use of NFS as the clearing broker and custodian.

Some mutual funds that may be purchased for an advisory account pay annual distribution charges to broker-dealers, sometimes referred to as “12b-1 fees” and these 12b-1 fees may be paid to us and be partially re-allocated to the client’s Advisor. Mutual funds also pay management fees and other fund expenses to the mutual fund manager and other third parties, all of which fees and expenses are described in each mutual fund’s prospectus.

For those advisory accounts custodied at Schwab, Schwab provides Financial West Group with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit Financial West Group but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that

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

Schwab Institutional also offers other services intended to help us manage and further

develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Financial West Group. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Financial West Group also has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like Financial West Group in conducting business and in serving the best interests of our clients but that may also benefit us.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables Financial West Group to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Financial West Group (within specified parameters). These research and brokerage services are used by our firm to manage accounts for which we have investment discretion.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of Financial West Group's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and

responsiveness. Accordingly, while Financial West Group will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Financial West Group and Fidelity are not affiliated.

Financial West Group will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Financial West Group will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Financial West Group's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Financial West Group, or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Financial West Group to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) Financial West Group's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on Financial West Group's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 10) No client or account will be favored over another.

Item 13 Review of Accounts

ADVISOR MANAGED ACCOUNTS PROGRAM FWG IN-HOUSE MANAGED ACCOUNTS PROGRAM MANAGED ACCOUNT SOLUTIONS (MAS) PROGRAM THIRD-PARTY MONEY MANAGER PROGRAM

REVIEWS: While the underlying securities within each of the Advisor Managed Account program, In-House Managed Accounts Program and Managed Account Solutions Program are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:

Dorothy Gibbens - Chief Compliance Officer
Corey White - Senior Compliance Officer
Jill Jaglowski - RIA Department Manager
Nicole White - RIA Department Supervisor

Accounts that are managed by independent investment advisers are subject to the review policies of the independent adviser, as described in the brochures of those independent advisers. Clients should refer to the brochures of the independent advisers for information regarding the nature and frequency of reviews provided by those independent advisers.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings for accounts managed by us.

Accounts that are managed by independent investment advisers are subject to the reporting policies of the independent adviser, as described in the brochures of those independent advisers. Clients should refer to the brochures of the independent advisers for information regarding the nature and frequency of reports provided by those independent advisers. Financial West Group does not typically provide reports in addition to those provided by the independent registered investment adviser.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

PENSION CONSULTING SERVICES

REVIEWS: Financial West Group will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. Financial West Group will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly.

These accounts are reviewed by:

Dorothy Gibbens - Chief Compliance Officer
Corey White - Senior Compliance Officer
Jill Jaglowski - RIA Department Manager
Nicole White - RIA Department Supervisor

REPORTS: These client accounts will receive reports as contracted for at the inception of the advisory relationship.

PRIVATE INVESTMENT FUND PROGRAM

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:

Dorothy Gibbens - Chief Compliance Officer
Corey White - Senior Compliance Officer
Jill Jaglowski - RIA Department Manager
Nicole White - RIA Department Supervisor

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;

- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

OTHER COMPENSATION

Our firm and/or our officers and representatives are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of insurance policies or other investment products that we recommend.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Item 15 Custody

We do not hold actual or constructive custody of any client assets. Custody of assets in all of our accounts is held by an independent custodian, as disclosed in the "Brokerage Practices" section (Item 12) of this Brochure.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Financial West Group has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Financial West Group has not been the subject of a bankruptcy petition at any time during the past ten years.



FINANCIAL WEST GROUP NOTICE OF PRIVACY POLICY AND FINRA PUBLIC DISCLOSURE STATEMENT

Dear Valued Client:

Financial West Group considers the confidentiality of client information a top priority. At this time, we want you to know how we protect personal information we obtain from you or other sources in the course of providing you with investment products and services.

Most, if not all, the personal information that we have about you comes directly from you. Your Representative records information that you provide, such as your name and address, financial information, investment experience, occupation and address of employer, birth date, social security number, e-mail address, phone number, etc. We also keep and maintain records of your account history. We may also collect personal information from outside sources, including consumer reporting agencies and CRD (Central Registration Depository) if you are, or were, associated with the securities industry.

It is our policy not to disclose any personal information to non-affiliates who might use your personal information to contact you about their own products and services. We educate our employees to protect your personal information. At Financial West Group, your personal information is available only to those individuals who are involved in servicing your financial needs or in supervisory activities. Your Representative will use your personal information to help evaluate your financial situation and establish appropriate investment objectives. In addition, Financial West Group maintains physical, electronic, and procedural safeguards that comply with applicable laws and regulations to protect your personal information.

Under certain circumstances, we may, as permitted by law, provide personal information to our service providers, regulatory or governmental entities, or other entities at your instruction, such as National Financial Services LLC, our clearing firm. A copy of their privacy policy may be found at <http://www.nationalfinancial.com>. In all circumstances, Financial West Group will take reasonable measures to ensure the privacy of your personal information.

Finally, should your relationship with Financial West Group end, your personal information will remain protected in accordance with our privacy policies as outlined in this notice. You may ask to see or obtain a copy of any personal information we have in our records. If any of the information is believed to be incomplete or inaccurate, you may request that we make any necessary and appropriate changes. Please send any requests to:

Financial West Group
Attn: Privacy Policy Department
P.O. Box 5123
Thousand Oaks, CA 91359-5123

We hope that you have found this information helpful. If you have any questions or would like more information, please don't hesitate to contact your Representative.

Client Complaints - To help the service we provide, we are interested in hearing your feedback. If you have general comments or complaints, Please write us at:

Financial West Group
Attn: Compliance
P.O. Box 5123
Thousand Oaks, CA 91359-5123

In accordance with the Financial Industry Regulatory Authority (FINRA) Investor Education and Protection Rule, we are providing the following information:

- The FINRA Public Disclosure Hotline telephone number is (800)289-9999
- The FINRA Internet Web site address is <http://www.finra.org>

A copy of an investor brochure that includes information concerning the FINRA Public Disclosure Program can be obtained by calling the Public Disclosure Hotline or keying in on the FINRA Web site.

Securities Investor Protection Corporation (SIPC) - You may obtain information about SIPC, including the SIPC brochure, by contacting SIPC by either of the following two methods:

- SIPC's Web Site: www.sipc.org OR
- SIPC's telephone number: (202) 371-8300