



DISCLOSURE BROCHURE

Cascade Wealth Management, LLC (CWM), provides two primary financial advisory services:

1) personal financial planning, and 2) investment management services. CWM will bill clients for each service separately.

PERSONAL FINANCIAL PLANNING SERVICES

CWM provides comprehensive personal financial planning services for a fee to a variety of clients including business owners, professionals, corporate executives and retirees. Our investment management services, as described elsewhere herein, are part of the implementation process that occurs as an outcome of the financial planning process. Use of our investment management services is not required of those who wish to use the personal financial planning services. However, we believe clients who use both are best served.

The comprehensive planning process involves a series of meetings with the client typically conducted over several months, using the following fundamental steps:

- Establishment/definition of the relationship with the client
- Gathering of client data, including personal and financial data, goals, objectives, risk tolerance
- Analysis and evaluation of client's current financial status and assumptions
- Evaluation of alternative solutions
- Development and presentation of financial planning recommendations
- Assistance with implementation, as appropriate.

Clients receive a copy of written documents that are developed and discussed during the time we work together. A comprehensive financial plan does not include recommendations on investments, preparation of any kind of income tax, gift or estate tax returns, or preparation of any legal documents, including wills or trusts. Specific investment recommendations are included under CWM's investment management services. The others constitute legal or tax advice, which are not provided by CWM.

Personal financial planning (the analysis, written report, and subsequent modifications and services) is a service separate from our investment management services. Clients have full discretion as to the extent to which, if at all, they choose to implement the recommendations discussed in the financial planning process.

Depending on the scope of the assignment and the complexity of the planning to be performed, the analysis, development of the recommendations, written plan, and plan presentation can take from approximately sixty days to as long as twelve months. For most clients, the initial planning is generally accomplished within three to eight months from the date the client provides all requested information. Clients can stop the planning process at any point and the relationship will be considered terminated.

Once an initial plan is completed, the client has several options with regard to ongoing financial planning services:

- 1) The client may feel that the questions which required the service in the first place have been adequately addressed and that there is no need for further involvement with CWM;
- 2) The client may wish to have access to ongoing services, such that regular or periodic meetings occur to discuss changes in the client's financial situation or in the financial environment;
- 3) The client may wish to wait to initiate contact with CWM as new questions arise.

Compensation for future services may be at our then hourly rates, at an agreed project rate, or on retainer, depending on the situation.

FINANCIAL PLANNING FEES

At the client's discretion and based on the nature and scope of the planning work to be performed, clients may pay for the planning services provided by CWM in one of three ways:

- a) Hourly fees at the rates set forth below. The rate charged by CWM is a function of the complexity of the planning involved. An hourly approach is typically recommended for shorter term consulting requests or more limited financial planning and analyses. It may also be appropriate when the extent of the work to be done is very unclear. Payment is typically required on completion of a distinct service or monthly if the process is ongoing and likely to continue for several months.
- b) Project fees. These fees are fixed at the beginning of the engagement and based on an estimate of the time required to complete the work. This approach is appropriate for both basic planning and for more complex planning situations. CWM will provide a not-to-exceed estimate of financial planning fees. Payment arrangements will vary. Partial payment may be required upon the consummation of the agreement. If so, remaining amounts are due at pre-defined points in the process (usually 25% of the total every 90 days until fully paid). The project fee amount is based on the hourly rates listed below multiplied times the number of hours CWM expects to spend on the project. On rare occasion the fee amount may be negotiated. .
- c) Retainer fees. These are established at the beginning of the relationship based upon the scope of work to be performed and the nature of ongoing consulting desired and can be updated annually. This approach is recommended where the nature of the planning work is complex and the client has multiple financial concerns requiring regular advice and guidance. Payment for retainer fees is generally monthly but may be quarterly or annually, depending on the nature of the assignment. The retainer fee amount is designed to reflect the service to be provided and the CWM personnel to be involved, their hourly rates and the number of hours CWM expects to commit to the project. The fee amount may be negotiated, based on the services expected to be provided. The first payment in a retainer relationship is required prior to the service being rendered.

The current hourly rates charged to clients are:

PROVIDER	RATE
Certified Financial Planner	\$250/hr
Financial Advisor	\$150/hr
Paraplanners	\$100/hr
Clerical	\$60/hr

Hourly rates are not negotiable, although CWM may agree to limit the number of hours dedicated to a particular task at the client's request.

ONGOING FINANCIAL PLANNING SERVICES

Financial planning is an ongoing process that should continue for a lifetime. After the initial analysis is done and recommendations are presented to and accepted by the client, ongoing planning is an important service provided by CWM.

In the past CWM may have provided financial planning services to clients who made use of the firm's investment management services at no additional cost. This practice has been discontinued.

Clients who wish to utilize CWM for financial planning services pay for these services based on the fee schedule noted above: hourly, project or retainer. Fees paid will be based on the amount of work performed for the client.

If, for any reason, a client wishes to terminate a financial planning agreement within five business days after entering the agreement, the client will be entitled to a full refund of any fees paid to CWM under that agreement. Thereafter, a client may terminate the agreement at any time but will not be entitled to a refund of fees already paid. Clients billed on an hourly basis will be responsible for hours incurred through the date

of termination. To ensure clear communication, a termination notice must be issued in writing and is effective upon receipt by CWM.

If CWM chooses to terminate the planning relationship, all fees paid by the client, and as yet unearned, will be refunded.

INSURANCE

Risk Management is an essential element in the financial planning process. Cascade Wealth Management, LLC does not sell insurance or insurance-related products and receives no commissions, rebates or referral fees when its clients purchase such products from others.

Because of the variety, complexity and number of possible products available to meet various insurance needs, CWM prefers to be as involved as much as possible when its clients consider the purchase of such products to meet their financial planning needs.

When an insurance need arises, CWM will generally make a recommendation as to the generic type of product or products that would best address the specific need. If the client has an existing agent who can provide the needed product and related service, CWM will, at the client's request, work with that agent to ensure the client is obtaining the best product for that need. If the client does not have a preferred agent, CWM may work with a "no-load" provider or refer the client to a licensed agent whom CWM believes can best deliver the appropriate product(s) and related service. CWM has no formal affiliation with any such agent. However, experience and industry knowledge has given us some insights about who might be able to help the client address the given insurance need.

INVESTMENT MANAGEMENT SERVICES

Cascade Wealth Management, LLC (CWM) provides investment management services exclusively on a fee basis. These services include:

- Assessment of a client's situation including risk temperament, capacity to accept loss, time horizon, investment experience, investment goals, return objectives, tax considerations
- Design of an asset allocation appropriate to the client's individual circumstances
- Development of an Investment Policy Statement
- Determination of asset classes to be held Selection of investment vehicles (passive mutual funds, exchange traded funds)
- Buy-sell trades as determined by the above steps
- Monitoring of the investments and making adjustments (including rebalancing) as necessary

Implementation of the plan or investment management of client portfolios follows a strict process of asset allocation. Investments are selected for client accounts based on numerous factors including: asset class, consistency of returns, correlation with other asset classes, expenses, taxes and availability of the custodian(s) to be utilized.

In the past CWM used Pershing Advisor Solutions, Genworth Financial Trust Company and Trust Company of America to serve as custodian for its client accounts. CWM no longer places client accounts with these custodians. Client accounts are held with TD Ameritrade and Scottrade. Clients are encouraged to use TD Ameritrade or Scottrade as their custodian. CWM has evaluated these custodians and believes they will provide CWM clients with a blend of execution services, commission costs and customer support that will assist CWM in obtaining consistently good execution for transactions. While CWM has a reasonable belief that these custodians are able to obtain best execution and competitive prices, CWM will not be independently seeking best execution price capability through other broker dealers. CWM will generally decline acceptance of any client account that directs the use of a broker dealer other than one of these firms, as CWM believes that this would adversely affect CWM's duty to effectively serve the broader investment needs of its clients. Any charges that may be assessed by the custodians are paid directly by the clients of

CWM.

CWM builds and manages investment portfolios that are specific to each client. The terms of this relationship are summarized in an Investment Advisory Agreement.

INVESTMENT MANAGEMENT FEES

For those clients making use of investment management services provided by CWM, the amount of the asset management fee is based upon the total assets under management and according to the following schedule:

0.75% per year of the first \$1 million of assets under management

0.55% of the next \$1 million

0.35% of the next \$1 million

For amounts above \$3 million fees are negotiable

While CWM does not enforce a minimum account size, there is a \$3,000 minimum annual fee.

We do reserve the right to not accept an account if we believe this fixed fee is excessive (i.e., if it will be more than 1.5% annualized based on the portfolio value). As noted below, we will encourage clients with clients of less than \$333,333 to place their accounts with Skyline Financial Northwest (SFNW). There is an affiliation between CMW and SFNW.

THIRD PARTY SERVICE FEES

CWM has employed third party investment service firms to provide investment services to clients of CWM. These services include portfolio construction, investment management, portfolio rebalancing and account reporting. These third party providers charge clients a program fee (which is separate from CWM's fees) to provide clients with services that are not provided by CWM. Billing for these services (and for CWM's services) is processed by the provider and the relevant custodian.

In an effort to reduce the fees paid by its clients, effective April 1, 2009, CWM discontinued using Genworth Financial Wealth Management and Symmetry Partners to provide clients with investment services.

CWM instead pays Skyline Financial Northwest (SFNW) to provide the following services for its clients: monthly billing, quarterly and annual reporting, and portfolio rebalancing. Clients pay for these services as follows:

In an effort to treat all clients fairly, the total fees paid by clients will not increase if they move their accounts from Genworth or Symmetry Partners. CMW will offer clients advice with the intent to minimize the client's fees.

BILLING

Clients are invoiced in arrears at the end of each month based upon the average daily balance of their account during the month. Most investment assets are priced daily. Prices are available through electronic download. However, daily prices may not be available for certain assets, such as some annuities, or assets that are not held at our recommended custodians. In such cases, less frequent valuation, typically the month end or quarter end asset values may be used in calculating the average daily balance. Fees are deducted from client accounts typically during the first two weeks of the month for the prior month.

All fees paid to CWM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds 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 possibly distribution fee. A client could invest in most mutual funds directly, without the services of CWM. In that case, the client would not receive the services provided by CWM which are designed, among other things, to assist the client in determining which investments are most appropriate to each client's financial objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by CWM to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

If, for any reason, a client wishes to terminate an investment advisory agreement within five business days after entering the agreement, the client will be entitled to a full refund of any fees paid to CWM under that agreement. Thereafter, a client may terminate the agreement at any time, but will be responsible for the advisory fees earned to that date. In such cases, the fee will be prorated for the period between the start of the period in question up to and including the date a notice of termination is received from the client, using the average daily balance during the calculated period. To ensure clear communication, a termination notice must be issued in writing and is effective only upon receipt by CWM.

COMMISSIONS

CWM does not accept commissions, rebates or referral fees as compensation for its services. Some clients of CWM who were also clients of the predecessor firm Terry Donahe Financial Advisors, LLC may have purchased insurance or investment products that paid a commission to Terry A. Donahe while he was affiliated with Associated Securities Corp. through March 2005. This method of compensation is no longer offered as a way to compensate CWM or any of its employees for its services. Today CWM is compensated exclusively through fees paid by clients.

PROXY VOTING

As the legal owner of the securities in their accounts, clients retain responsibility for voting any proxy material associated with the securities.

CLIENT INVESTMENTS

The types of investments for which CWM provides advice includes but is not limited to stocks, bonds, mutual funds, exchange traded funds, hedge funds, venture capital, private equity, options, REITs (private and public), and other partnership interests (e.g. public storage, equipment leasing, oil and gas). CWM may also offer advice on other types of investments such as business opportunities. The vast majority of investments recommended by CWM are in the form of no load mutual funds and exchange traded funds.

The selection of investments offered to clients may be limited by the knowledge and experience of the personnel of CWM and/or the resources available to it as a result of its relationships with custodians and other providers in the broader financial industry. In addition, as a result of these resources, certain investments may be available to clients of CWM that might not be available to members of the public at large. CWM believes that the breadth of choices available under these restrictions is sufficiently wide to effectively make available the full range of investment options that would be appropriate for all but the rarest client.

Portfolios are built for clients based on their attitudes about risk, capacity for loss, investment horizon and need for capital appreciation and/or income. In addition for accounts subject to taxation, taxes are considered carefully.

Portfolios consist of 6-18 asset classes that are combined based on risk, return and correlation characteristics.

To develop its strategies and recommendations, CWM uses commercially available services such as financial publications (books, magazines, newsletters) and information services (e.g. Morningstar, Yahoo Finance, Bloomberg) offering investment research. Such information may be accessible in print, via the internet, or through some other electronic means. CWM also reviews materials provided by investment companies (e.g. prospectuses) and research prepared by other third parties.

As a registered investment advisor, CWM has the frequent opportunity to access information from a variety of experts, through participation in industry meetings, seminars, and webinars. CWM may also consult with other independent registered investment advisors to provide additional expertise in unique situations.

Advisory affiliates (Investment Advisor Representatives) must be investment and/or financial planning

professionals. Professional staff members possess a BA, BS, or MBA degree and are either credentialed as Certified Financial Planner, Certified Public Accountant, or Chartered Financial Analyst or enrolled in a program designed to achieve such a designation. Other staff members bring other appropriate skills and experiences.

ACCOUNT REVIEWS AND REPORTS

Investment accounts are reviewed by CWM internally no less often than quarterly, as part of the monitoring and reporting process. Such a review and report includes addressing the following questions:

- How did the portfolio perform over the last period, on both a nominal and relative basis?
- Did the portfolio meet its benchmark?
- Did the portfolio meet its objective?
- Which asset classes in the portfolio did well? Poorly?
- Is the current portfolio allocation in line with the target allocation set forth in the Investment Policy Statement, as updated? If not, what changes are called for?
- Does the target portfolio continue to make sense? Has a change in the client's personal circumstances or in the broader economic environment occurred that suggests a need to change the target allocation?
- Have any funds in the portfolio performed so poorly over a reasonable time or has some other change occurred that suggests that a change be made?

Accounts are also reviewed upon other triggering events such as:

- Receipt of new money to be invested.
- The request to liquidate and disburse a significant portion of the portfolio.
- A significant change in the financial circumstances of the client.

All such reports and recommendations are given final review by Terry A. Donahe or Aaron Hillman.

Other members of the staff may prepare some or all of the analyses and/or recommendations under the direction of the CWM Advisor responsible for the client relationship.

Client communications occur at several levels:

- Confirmations statements document all transactions and are provided to the client by the custodian upon the occurrence of each buy or sell transaction. These statements are typically provided electronically via email. However, they may be requested in hard copy. (Some custodians charge a nominally fee for this service.)
- Monthly statements of account holdings and a summary of the transactions during the month are prepared and distributed by the respective custodian.
- Quarterly status reports and commentary are prepared and distributed by CWM or other third party investment service providers.
- Market commentary, articles and newsletters on investment and financial planning topics may be provided to all clients throughout the year.
- Client meetings are generally held annually to review the account and the appropriateness of the holdings.
- Meetings, telephone calls, emails, and letters also provide information from time-to-time as circumstances warrant.

INVESTMENT AND CUSTODIAN SELECTION

CWM will, as a matter of its services for clients, maintain a limited power of attorney for client accounts. The limited power of attorney allows CWM to execute securities transactions on behalf of clients without

prior client approval of the specific transaction. As a business practice, all transactions are executed in accordance with the client's stated investment objectives and requested parameters (as noted in the client's Investment Policy Statement).

In circumstances where the services of CWM do not meet the needs of its clients, CWM will refer the client another qualified investment advisory firm.

CWM will generally encourage that clients establish brokerage accounts with TD Ameritrade or Scottrade to maintain custody of client's assets and to effect trades for their accounts. These custodians provide CWM with access to institutional trading and operations services, which may not be available to retail investors. These services generally are available to independent investment advisors at no charge. Services may include research, brokerage, custody, and access to mutual funds and other investments that are otherwise available only to accredited investors or institutional investors.

These custodians may make available to CWM other products and services that benefit CWM but may not directly benefit its clients' accounts, such as products and services that assist CWM in managing and administering clients' accounts. These may include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitation of trade execution (and allocation of aggregated trade orders for multiple client accounts), provision of research, pricing information and other market data, facilitate payment of CWM's fees from its clients' accounts, and assistance with back-office support, recordkeeping and client reporting.

These custodians may also provide CWM with other services intended to help CWM manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, they may make available, arrange and/or pay for these types of services provided to CWM by independent third-parties. They may discount or waive fees they 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 CWM. The availability to CWM of the foregoing products and services is not contingent upon CWM committing to these organizations any specific amount of business (assets in custody or trading activity). Use of these custodians by CWM is determined by client request, CWM operational efficiencies, availability of service for particular needs and by the pricing and quality of the custodial service.

CUSTODY OF ASSETS

Cascade Wealth Management, LLC does not have custody of client funds. With each client's written permission, CWM will deduct investment management from client accounts.

THE PEOPLE OF CASCADE WEALTH MANAGEMENT

President: Terence A. Donahe

Year of Birth: 1965

Education

- Stanford University, BA, 1983 – 1987
- The American College, MSM (Masters of Sciences in Management)
- The American College, MSFS (Masters of Sciences in Financial Services)

Professional Designations

- CFP® (Certified Financial Planner)
- CLU (Chartered Life Underwriter)
- ChFC (Chartered Financial Consultant) CSA (Certified Senior Advisor)
- AAMS (Accredited Asset Management Specialist)

Work Experience (previous five years)

- Founder and President, Cascade Wealth Management, LLC (and its predecessors), 2002 – present.

Investment Advisory Representative: Aaron D. Hillman

Year of Birth: 1972

Education

- Oregon State University BSME (1990-1996)
- Oregon Graduate Institute - graduate studies in material science (1998-1999)
- Oregon State University - graduate studies in electrical engineering (2001-2002)
- University of Portland - Executive Certificate in Financial Planning (2008)

Work Experience (previous five years)

- Research and Development Engineer for Hewlett Packard, Corvallis Oregon (2000-2005)
- Electrical Test Development Engineer for Intel, Portland Oregon (2005-2007)
- General Partner, OPM, LLC a rental real estate company (2003-present)
- General Partner, Quest Equity, LLC a program investment company for private money (2006-2008)
- General Partner, Skyline Financial Northwest, Inc., a financial planning and investment advisory firm (2008-present)

OTHER BUSINESS ACTIVITIES

Terence A. Donahe

Terry is a member of the adjunct faculty at the University of Portland. He teaches courses offered in the Certified Financial Planning Certificate Program.

Terry is an Investment Advisory Representative of Skyline Financial Northwest (SFNW). He places clients on the SFNW platform if the fees they would incur on the CWM platform would be greater than those charged by SFNW. The break point is approximately \$333,333 in investable assets.

Aaron D. Hillman

Aaron D. Hillman is a partner and co-owner of OPM, LLC. - This business requires periodic attention to deal with property analysis for potential acquisition, management of existing property holdings, and other business activities related to the acquisition and management of the real estate rental portfolio. This business is a private business, and does not accept money from investors outside of the current partnership. Total time spent on the business is 1-2 hours per week.

Aaron D. Hillman is co-owner and President of Skyline Financial Northwest, Inc. (SFNW) – This business is an investment advisory and financial planning firm that provides comprehensive planning and investment advice to individuals, trusts, and small businesses. Mr. Hillman’s involvement with SFNW will continue for the foreseeable future as an advisor, and planner. New clients for Mr. Hillman will be directed to Cascade Wealth Management, unless they do not meet the account size guidelines noted above under Investment Management Fees. Existing clients will be advised as to the existence of the relationship with CWM, and will be directed to examine whether it makes sense to place their account with CWM or SFNW depending on which platform will result in the lower advisory fee. transfer their accounts there or not based on the fee structures at both firms. Clients of other advisors at SFNW will not be advised to seek investment services from CWM.

THIRD PARTY AFFILIATIONS

CWM does not accept sales commissions on any product or service recommended to clients.

To provide appropriate investment management services, CWM may establish non-binding relationships with custodial services such as TD Ameritrade and Scottrade.

CWM does not compensate either directly or indirectly, other persons or companies for client referrals.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

The Investment Advisers Act of 1940 (The Act) imposes a fiduciary duty on investment advisers. This is the highest level of care that may exist between a client and an advisor.

Our clients place confidence, good faith, reliance and trust in us as they rely on us for investment advice and services. This relationship requires us to act at all times for the sole benefit and interests of our clients.

CWM has established a Code of Ethics to ensure that its fiduciary responsibility is fulfilled. This Code of Ethics consists of the following core principles and applies to all employees of CWM:

1. The employees of Cascade Wealth Management, LLC (CWM) may buy or sell securities identical to those recommended to clients. However, no employee of CWM may purchase or sell any security for a personal account prior to a transaction being implemented for an advisory account, if this would result in the employee benefiting from transactions placed on behalf of advisory accounts.
2. No employee of CWM shall buy or sell securities for a personal portfolio(s) where that decision is derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No employee of CWM shall prefer his or her own interest to that of an advisory client. As a practical matter, CWM builds client portfolios using only mutual funds and exchange traded funds. These funds are readily available to the investing public and are priced so that individuals may not achieve pricing advantage.
3. CWM gives the unrestricted right to all clients to decline to implement any recommendation or advice rendered.
4. CWM requires that all affiliated persons must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
5. CWM employees are expected to strive to avoid an actual or perceived conflict of interest with the client. Employees will fully disclosing all material facts concerning any conflict that does arise with respect to any client. Employees with questions regarding the possibility of a conflict with a client should consult with an outside compliance specialist before taking action that may result in an actual conflict.
6. Any CWM employee not in observance of the above will be subject to termination.

As part of the required standards of conduct, employees are not permitted, in any connection with the

purchase or sale, directly or indirectly, of a security held or to be acquired by a client:

- a) To defraud such client in any manner;
- b) To mislead such client, including by making a statement that omits material facts;
- c) To engage in any act, practice or course of conduct which operates or would operate as a fraud or deceit upon such client;
- d) To engage in any manipulative practice with respect to such client; or
- e) To engage in any manipulative practice with respect to securities, including price manipulation.