

INVESTMENT ADVISER BROCHURE

Name of Investment Adviser: ROBERT L. BERGSTROM	Area Code: ( 425 )	Telephone Number: 482-2564
Address: (Number and Street) 1230 206th Street SE	(City) Bothell	(State) (Zip Code) WA 98012

**This brochure gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

**Table of Contents**

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees.....	2
2	Types of Clients.....	3
3	Types of Investments.....	3
4	Methods of Analysis, Sources of Information and Investment Strategies .....	3
5	Education and Business Standards .....	4
6	Education and Business Background.....	4
7	Other Business Activities.....	4
8	Other Financial Industry Activities or Affiliations.....	4
9	Participation or Interest in Client Transactions .....	4
10	Conditions for Managing Accounts.....	4
11	Review of Accounts.....	4
12	Investment or Brokerage Discretion .....	5
13	Additional Compensation .....	5
14	Balance Sheet.....	5

1. **Advisory Services and Fees.** Estimated % of total advisory billings from each of the following services:

A. Advisor:	<u>Estimate</u>
(1) Manages Investment Advisory Accounts not involving investment supervisory services.	over 95%
(2) Furnishes investment advice through consultations not included in the service described above.	under 5%
(3) Furnishes seminars and classes on investing.	0%

B. Advisor calls part of the above services financial planning.

C. Advisor offers investment advisory services for:

- (1) Percentage of assets invested or under management
- (2) Hourly charges
- (3) Fixed fees

D. Detailed Description of Services.

(1) Investment Advisory Accounts. The Advisor will receive a limited authority to manage certain Client monies. The Client will deposit the money with a broker/dealer selected by the Client, and the Advisor will have the authority to allocate or move the money among various investments in accordance with the goals and investment guidelines established with the Client. The Advisor will not have authority to withdraw any money. The Advisor will send quarterly Bulletins to all of its Investment Advisory Account Clients. Special Bulletins will be sent when market conditions warrant. The Advisor may give copies of the Bulletins to prospective clients. The Advisor will provide certain financial, estate, and personal planning services for his Investment Advisory Account Clients for no additional charge. The detail will be set forth in the Advisory Contract, or an Advisor Statement of Policy.

The Advisor will charge a quarterly fee based on the assets under management at the beginning of each calendar quarter as follows: Under \$100,000, .35%; from \$100,000 to \$300,000, .25%; over \$300,000 to \$600,000, .20%; over \$600,000, .15%. The fee is negotiable for members of the Advisor's household & family. All of the managed accounts in a household will be added together for purposes of computing the fee.

The fee will be paid in advance for the next billing period, and will be due within a negotiated period after the billing date. The Advisor will not provide any management services for past-due accounts. The fee for new accounts and new deposits into existing accounts will be prorated for the remainder of the billing period. The fees will be deducted from the Client's account and paid to the Advisor by the broker/dealer, if they provide this service, and the Client consents to this in the Advisory Contract. The broker/dealer will be required to send a quarterly report to the Advisor and the Client, indicating the amount of the Advisor's fees deducted from the account. The Advisory Contracts may be terminated as to all or part of the funds under management upon thirty (30) days written notice from the Client or its legal representative. If the account is terminated, any fees paid in advance will be prorated based on a ninety-one (91)-day quarter, and any unearned portion will be refunded to the Client. There will be no refunds for partial withdrawals during a quarter.

(2) Investment & Planning Consultations. The Advisor will meet with its Investment Consultation Clients to ascertain their investment objectives, risk tolerance and personal financial situation. The Advisor will recommend suitable investments or asset classes and help the Clients to set performance goals for their

portfolio. The Advisor also furnishes certain financial, estate, and personal planning services to clients. The Advisor's standard hourly charge for his professional advice regarding securities investments or planning services is \$200. The Advisor will charge a fixed fee for investment asset allocation planning based on the size of the portfolio, and the particular requirements of each project. The charge for research & advice regarding mortgage securities will vary with the size and complexity of the loan. The Advisor may charge a fixed fee for other types of work, in his discretion. Payment for all of the above service shall be due within ten (10) days after receipt of an invoice from the Advisor. The Advisor will disclose his fee structure for a proposed project, and obtain the Client's approval, prior to commencing work.

- (3) Seminars and Newsletter. The Advisor may provide classes and seminars in investing, estate planning, and personal wealth. If any fee is charged, the amount and time of payment will disclosed in the announcement. The Advisor presently sends a newsletter to his clients and prospective clients containing articles on investing, estate planning, financial planning, and other personal wealth topics.

2. **Types of Clients** — Advisor generally provides investment advice to:

- A. Individuals
- B. Trusts, estates or charitable organizations
- C. Corporations or other business entities

3. **Types of Investments.** Advisor offers advice on the following:

- A. Equity Securities
  - (1) exchange listed securities
  - (2) securities traded over the counter
- B. Certificates of Deposit
- C. Investment Company Securities:
  - (1) variable annuities
  - (2) mutual fund shares
- D. U.S. Government Securities
- E. Real Estate Securities
- F. Corporate Debt Securities
- G. Mortgage Securities
- H. Private Real Estate Investments

4. **Methods of Analysis, Sources of Information and Investment Strategies.**

- A. Advisor's security analysis methods include charting, fundamental and technical analysis.
- B. The main sources of information Advisor uses include:
  - (1) financial newspapers and magazines
  - (2) research materials prepared by others
  - (3) financial websites
  - (4) annual reports, prospectuses, and filings with the Securities and Exchange Commission
- C. The investment strategies used to implement any investment advice given to Clients include:
  - (1) long-term purchases (securities held at least a year)
  - (2) short-term purchases (securities sold within a year)

5. **Education and Business Standards.**

Since the Advisor is a sole proprietor with no advisor employees, the Advisor's education and business experience establishes the standard.

**6. Education and Business Background.**Robert L. Bergstrom

University of Washington, B.A.

University of Washington Law School, J.D.

Weyerhaeuser Company — Staff Counsel, 1973-1977

Attorney-at-Law — Private Practice, 1978-Present

Registered Investment Advisor, 1988-Present

**7. Other Business Activities.**

Robert L. Bergstrom is also a practicing attorney-at-law in the State of Washington. This work is often related to the investment advisory services offered by Advisor. Advisor spends less than twenty (20%) of his business time on behalf of this business.

**8. Other Financial Industry Activities or Affiliations.**

Advisor has no other financial industry activities or affiliations. Advisor is not a general partner in any partnership in which Clients are solicited to invest.

**9. Participation or Interest in Client Transactions.**

A. Advisor may recommend to Clients that they buy or sell securities or investment products in which the Advisor already has some financial interest. Prior to a purchase in an Investment Advisory Account, or a buy recommendation to a Investment Consultation Client, the Advisor will provide a written disclosure of its financial interest in a security or investment product under consideration. Provided that, no disclosure will be made of the Advisor's financial interest in mutual fund shares, variable annuities, debt securities, or preferred stock.

B. The Advisor sometimes buys or sells securities for itself that are also recommended to or owned by Clients. The Advisor may be buying or selling securities for its own account at the same time it is doing so for its Investment Advisory Account Clients. Client transactions will be effected before the Advisor's.

**10. Conditions for Managing Accounts.**

The minimum account size and/or net assets for Investment Advisory Accounts is \$100,000. But the Advisor may choose to accept smaller accounts, at its discretion. The minimum amount for all subsequent additional investments is \$1,000.

**11. Review of Accounts.**

A. The Advisor provides the following review of its Investment Advisory Accounts. All of the accounts will be reviewed by the Advisor after each investment transaction to insure that the transaction was properly handled by the mutual fund, broker/dealer or insurance company involved. Each time the Advisor effects a transaction, it will make a list of accounts, or classes of accounts, involved in that transaction, and the dollar amount, percentage, or shares of the accounts involved in the transaction. The Advisor will review an account to determine whether the types of securities and investments identified as suitable in the Advisory Contract are still appropriate for the Client's investment objectives and risk tolerance upon negotiated review dates set forth in the Advisory Contract or upon a substantial change in the Client's financial situation, after a written request from the Client.

B. The Broker/Dealer will mail monthly or quarterly reports to all of the Investment Advisory Account Clients, describing the account activity during the preceding period. Said reports will show any new moneys invested

by the Client, the current investments, the net gain or loss, the ending value of the account, any Advisory Fees disbursed from the account and the Advisory Fee to be charged for the next following quarter (if applicable).

12. **Investment or Brokerage Discretion.**

- A. For its Investment Advisory Accounts, the Advisor and Client will establish an investment plan which will provide guidance and limits on the type of investment to be bought or sold. The Advisory Contract and Investment Plan will set forth the extent of the Advisor's authority to determine the specific investments to be bought or sold and the amount of each. Clients may retain authority to approve certain types of transactions in their account. The Advisor will not have any discretionary authority to determine the commission rates paid to any broker.
- B. The Advisor normally selects Fidelity Investments as the broker for its Investment Advisory Accounts. The Advisor has discretionary authority to allow clients to select another broker for their account. The broker selected will have custody of the Client's money and securities and will execute purchases and sales of investments based on instructions from the Advisor.
- C. The Advisor may recommend broker/dealers to Clients for purposes of effecting transactions in their investments which are outside of the Client's Investment Advisory Accounts. The recommendations will be based on:
  - (1) the nature and quality of the investments offered
  - (2) the commissions charged
  - (3) the broker's/dealer's accuracy and efficiency in handling the transactions
  - (4) the client/account limitations of the broker/dealer
  - (5) the broker/dealer's ability to handle IRA or Qualified Plan accounts

13. **Additional Compensation**

The Advisor does not have any arrangements, oral or in writing, where it is paid cash by or received some economic benefit from a non-client in connection with giving advice to Clients. The Advisor does not have any arrangements, orally or in writing, where it directly or indirectly compensates any person or company for Client referrals.

14. **Balance Sheet**

Because of the manner in which Advisor conducts its investment advisory business, it is not required to provide a balance sheet to Clients.