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March 28, 2025
FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Destination Wealth Management. If you have any questions about the contents of this brochure, please contact us at 925-935-2900. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Destination Wealth Management is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Destination Wealth Management is 110365.

Destination Wealth Management is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2: Material Changes

This disclosure brochure ("Brochure") dated March 28, 2025, provides you with a summary of Destination Wealth Management's ("Destination", the "Firm", "Adviser" or "we"), advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. Item 2 provides a summary of material changes made to this Brochure since the Firm's previous filing, which was dated December 3, 2024. Accordingly, Destination strongly encourages clients and prospective clients to review this Brochure in its entirety and to call the Firm with any questions. Particular attention should be paid to the following material changes:

Since our last filing, we have made the following material changes to the business:

Item 4 – Advisory Business – This section has been updated to reflect the following additional information related to contributions of up to $3,500 made available for Destination clients having over $5,000,000 in asset under management with our firm for estate planning services provided through Destination strategic partners.

Item 4 – Advisory Business – New information to reflect Alternative Investment offerings.

Item 5 – Fees and Compensation – This section has been updated to reflect fees assessed by Destination Wealth Management for various Alternative Investment offerings and the timing for initial billing for our new clients.

Item 14 – Client Referrals and Other Compensation – Provide additional information related to contributions of up to $3,500 made by Destination clients having over $5,000,000 in assets under management with our firm for estate planning services provided through Destination strategic partners.

Item 15 – Custody - This section has been updated to reflect third party assets transfer authorizations made available to our clients.

Item 3: Table of Contents

Contents

Item 4: Advisory Business

A. Description of Firm

Destination Wealth Management ("Destination", the "Firm", "Adviser" or "we"), a Delaware corporation, is an SEC- registered investment adviser with its principal place of business located in Walnut Creek, California.

Destination's registration became effective on October 11, 1996.

The Firm's principal shareholder (i.e., those individuals and/or entities controlling 25% or more of this company) is Michael Allen Yoshikami (CRD Number 1929209). Mr. Yoshikami is the CEO and Founder of the Firm.

B. Types of Advisory Services Offered

Destination provides discretionary investment advisory and financial planning services (as more fully described below) to individuals, high net worth clients, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

The Firm offers the following advisory services to our clients:

1. Investment Management Services

Portfolio strategy and the allocation to equity and/or fixed income asset classes are important considerations when assessing the most appropriate investment plan for a client's situation. Through personal discussions in which goals and objectives, based on a client's particular circumstance are established, we determine which investment strategy best meets the needs and objectives of each client and create and manage a portfolio based on that strategy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. In addition, we provide financial planning as part of our overall investment management services at no additional cost.

A review of a client's circumstances will occur as needed to assess the appropriateness of the strategy for each client. Arrangements for meeting time and location will be arranged by Destination and the client.

Clients are required to inform Destination of any change in their financial condition, risk tolerance, needs, goals, time horizon or other objectives in a timely manner.

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

We manage client accounts on a discretionary basis. Account supervision is guided by the client's desired objectives (e.g., capital appreciation, preservation, growth and/or income), as well as other considerations. Primary investment management services include, but are not limited to the following:

- Asset Allocation Design
- Investment Research and Asset Selection
- Portfolio Monitoring and Rebalancing

Assets are allocated/reallocated on an ongoing basis to assure that client's overall portfolio matches the client's risk tolerance, investment objectives, and the selected investment strategy. Portfolios are designed to meet individual client objectives using a variety of investments.

Destination offers numerous target portfolios using a range of asset classes and security types to enable an appropriate allocation to be adapted for each client based on their needs. For our clients who have more than one account in the same target portfolio, securities will be allocated across the accounts which could result in no one account holding the same positions or allocations. Purchasing different securities in different accounts avoids duplication of purchases which can lead to lower trading fees. It also permits Destination to take better advantage of the different tax status of account(s) which can over time lead to better after-tax returns.

Account management is guided by the stated objectives of the client. In an effort to achieve the client's investment goals and objectives, we utilize a mixture of equity and fixed income securities, including U.S equity securities and mutual funds, ETFs, and options, and as suitable, private securities (i.e., alternative investments) such as limited offerings and private placements with varying risk tolerances to comprise a client's portfolio. DWM also uses certain sub-advisers (such as BlackRock) to manage option strategies on our clients' behalf. Please refer to Items 5, 6 and 8 below for additional information.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer and generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- Exchange Traded Funds ("ETFs")
- United States governmental securities
- Options contracts on securities
- Options contracts on commodities
- Interests in partnerships

Because some types of investments involve certain additional degrees of risk, they will only be implemented / recommended when suitable for the client and consistent with the client's stated investment objectives, tolerance for risk, and liquidity needs.

For those client accounts subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Destination provides the following services.

> As a 3(21)(a) "fiduciary" with respect to the client as that term is defined under Section 3(21)(A) under ERISA, Destination will provide investment advisory recommendations to: (i) its clients who are / were participants in their company's 401(k), or (ii) to plan sponsor who desire recommendations on the selection of individual investments; and

Additional terms, conditions and representations are found in Destination's client agreements.

2. Financial Planning Services

Financial planning is an 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 services are provided pursuant to a separate written agreement between Destination and the client, and such services include:

- Net Worth and Financial Profile Analysis;
- Cash Flow Projections;
- Income Tax Review;
- Education Funding;
- Life Insurance Analysis;
- Estate Planning Review; and
- Retirement Planning.

We gather required information through in-depth personal interviews. Information gathered includes, among other things, the client's current financial status, tax status, future goals, return objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement financial planning recommendations provided by Destination, we suggest the client work closely with his/her attorney, accountant, insurance agent and/or financial consultant. Implementation of financial planning recommendations is entirely at the client's discretion.

Financial planning recommendations made by Destination are not limited to any specific product or service offered by any particular broker-dealer or insurance company.

3. Estate Planning and Tax Services

For new clients with over $5,000,000 in assets at Destination and for those Destination clients who have at least $5,000,000.01 in household assets[1] with our Firm, we make available to those clients the following estate planning and/or tax services provided by Destination's strategic partners pursuant to the terms and conditions set forth below. This includes:

- Estate Planning Services – Estate Planning Services will be provided by a licensed attorney who will assist with wills, revocable trusts, springing durable powers of attorney, durable powers of attorney for health care decisions, community property agreements, and deeds to real property. We will contribute a one-time amount of up to $3,500 for estate planning services, which will be offered to the primary member of the household.[2] The primary household member can either use this credit or provide instruction as to whom within the household is eligible for the credit. Dependent upon the provider, other members of the household could be offered a reduced rate for estate planning services as mutually agreed to by the professional advisor pursuant to a separate agreement. NOTE: clients are responsible for any fees above Destination's contribution. Please note: we are not a law firm but will work with your estate planning attorney upon request.

- Tax Services – Tax Services will be provided by Certified Public Accountants ("CPAs") who will assist with filing of tax returns and various tax planning strategies. We will contribute up to $1,000 annually towards this service, which will be offered to the primary member of the household.[3] The primary household member can either use this credit or provide instruction as to whom within the household is eligible for the credit. Other members of the household will be offered a reduced rate for tax planning

[1] A household is defined as those accounts aggregated for billing purposes, including a Client's husband, wife, domestic partner, son, daughter, mother, father, grandparent, grandchild, and siblings.
[2] It is presumed that the household member with the largest assets is the primary household member.
[3] *Id.*

services as mutually agreed to by the professional adviser pursuant to a separate engagement agreement. NOTE: clients are responsible for any fees above Destination's contribution. Please note: we are not an accounting firm, but will work with your CPA upon request.

- Notary Services - Should a state-commissioned Notary Public be engaged by Client to notarize documents related to services offered by Adviser, DWM will provide a one-time reimbursement of up to $250, which will be credited to the management fee assessed in the following quarter. NOTE: clients are responsible for any fees above Destination's contribution.

At the beginning of each month, Adviser will reevaluate existing Destination client eligibility for receiving the above estate planning and tax planning services based on assets managed by Destination calculated as of the last day of the preceding month. To the extent that a DWM client is eligible, DWM's contribution is to be used for that calendar year. In the event that a client terminates the engagement with us prior to such estate planning and/or tax planning services being completed, Destination will not contribute any amount towards these services and the client will be solely responsible for paying the professional directly pursuant to the terms of the professional's service agreement.

C. Information Related to the Firm's Services

1. Information Received from Individual Clients

The Firm will not assume any responsibility for the accuracy of the information provided by the client. The Firm is not obligated to verify any information received from the client or from the client's other professionals (*e.g.,* attorney, accountant, etc.) and is expressly authorized to rely on such information. Under all circumstances, clients are responsible for promptly notifying the Firm in writing of any material changes to the client's financial situation, investment objectives, time horizon, or risk tolerance. In the event that a client notifies the Firm of changes in the client's financial circumstances, the Firm will review such changes and recommend any necessary revisions to the client's portfolio.

2. Advisory Services, Agreements and Disclosures

Prior to engaging the Firm to provide investment management or financial planning services, the client will be required to enter into one or more written agreements with the Firm setting forth the terms and conditions under which the Firm shall render its services. In accordance with applicable laws and regulations, the Firm will provide its Brochure and one or more brochure supplements to each client or prospective client prior to or contemporaneously with the execution of an agreement. The agreement between the Firm and the client will continue in effect until terminated by either party pursuant to the terms of the agreement. Neither the Firm nor the client can assign the agreement without the consent of the other party.

3. Restrictions/Guidelines Imposed by Clients

Clients can impose reasonable guidelines and/or restrictions on investing in certain securities or types of securities. All such guidelines and restrictions must be communicated to the Firm in writing. There may be times when certain restrictions are placed by a client, which prevents the Firm from accepting or continuing to manage the account. The Firm reserves the right to not accept and/or terminate management of a client's account if it feels that the client's imposed restrictions would limit or prevent the Firm from meeting investment objectives and/or maintaining appropriate investment strategies.

D. Participation in Wrap Programs

The Firm does not participate in any wrap programs at this time.

E. Assets Under Management

As of December 31, 2024, the Firm managed on a discretionary basis $4,145,050,618 of client assets which represented 5,732 accounts and $0.00 of client assets on a non-discretionary basis.

Item 5: Fees and Compensation

A. Advisory Fees

Destination charges fees based on particular type(s) of advisory service provided. Fees charged by Destination for such services are set forth in each client's written agreement(s) and are further detailed below. Although the Firm believes its fees are competitive, clients should be aware that lower fees for comparable services are available from other sources.

Generally, the fee for Investment Management services is determined based on a client's assets under management ("AUM") with the Firm and is established after the initial meeting (held at no cost). Criteria reviewed to determine fees charged will include but is not limited to a client's investment objective, trading frequency, client special requests, number of accounts, size of portfolio and estimated transition time.

The fee for Financial Planning services is fixed at an hourly or project-based rate, and subject to waiver at the discretion of Destination.

1. Investment Management Fees

For Households (as that term is defined below), we charge an annualized quarterly management fee based on a percentage of the quarter-end transaction date value of the assets under management ("AUM") as calculated by Destination's portfolio account system in accordance with the following Tiered Rate Fee Schedule:

TIERED RATE FEE SCHEDULE
(separate percentage is applied for each tier of assets)

ASSET SIZE	ANNUAL ASSET MANAGEMENT FEE
First $500,000 ($0-$500,000)	1.15%
Next $500,000 ($500,000.01 - $1,000,000)	0.98%
Next $1m ($1,000,000.01 - $2,000,000)	0.93%
Next $1m ($2,000,000.01 - $3,000,000)	0.88%
Next $1m ($3,000,000.01 - $4,000,000)	0.83%
Next $1m ($4,000,000.01 - $5,000,000)	0.78%

Once the Household has $5,000,000.01. in managed assets (as measured the last day of the calendar quarter), the Client will move to the following Flat Rate Fee Schedule:

FLAT RATE FEE SCHEDULE
(flat rate is applied across all household portfolios)

PORTFOLIO SIZE	ANNUAL ASSET MANAGEMENT FEE
$5,000,000.01 - $10,000,000	0.75%
$10,000,000.01 - $15,000,000	0.70%
$15,000,000.01 - $20,000,000	0.65%
$20,000,000+	0.60%

Once the Household value has reached $5,000,000.01 in managed assets, that Household will remain on the Flat Fee Schedule if negative portfolio performance alone pushes the value below that level. However, if the Household value dips below $5,000,000.01 due to portfolio withdrawals, DWM, in its sole discretion, may elect to move the Client back to the standard tiered fee schedule.

Management fee calculations include cash (including past accrued dividends), margin balance, etc. No increase in the annual fee shall be effective without prior written notification to the Client. Typically, Destination requires a minimum portfolio size of $500,000.

Fees are negotiable at the sole discretion of the Adviser.

The Adviser's Asset Management Fees are assessed quarterly in advance. The quarterly fee amount due is calculated by applying the tiered fee schedule's annual rate, divided by 365 (number of days in the year, or 366 days in a leap year), multiplied by the number of days in the upcoming billing period and then multiplying this result by the quarter-end transaction date value, as calculated by Destination's portfolio accounting system, of the Client's AUM as of the close of business on the last business day of the preceding quarter.

For example: The **Tiered Rate Fee Schedule** for the first quarter of a calendar year for a Client with $1,000,000 in AUM valued on 12/31 would be assessed the following for the first quarter of the year, based on the above Tiered Rate Fee Schedule:

$$\$500{,}000 \times (1.15\%/365 \times 90) + \$500{,}000 \times (.98\%/365 \times 90) = \$2{,}626.03$$

Similarly, for an account with $6,000,000 in AUM, the **Flat Rate Fee Schedule** would apply. For the first quarter of a calendar year for a Client with $6,000,000 in AUM valued on 12/31 would be assessed the following for the first quarter of the year, based on the above Flat Rate Fee Schedule:

$$\$6{,}000{,}000 \times (0.75\%/365 \times 90) = \$11{,}095.89$$

<u>Aggregation of AUM for Billing Purposes Only</u>

Unless instructed otherwise by the Client, for billing purposes only, the value of a Client's AUM will be aggregated with the AUM values of a Client's husband, wife, domestic partner, son, daughter, mother, father, grandparent, grandchild, and siblings (collectively, a "Household"), which will potentially lower the applicable Asset Management Fee assessed by the Adviser based on the Tiered Rate Schedule.

For example: Assume Client and Client's son have an advisory agreement with Adviser. For purposes of the first quarter's billing, Client's AUM is valued at $1,500,000 and the Client's son's AUM is valued at $500,000 on12/31. AUM of Client's son would be aggregated with the Client's AUM for billing purposes and the overall assessed quarterly Asset Management Fee would be calculated and proportionally assessed as follows:

$$\$500{,}000 \times (1.15\%/365\text{x}90) + \$500{,}000 \times (.98\%/365\text{x}90) + \$1{,}000{,}000 \times (.93\%/365\text{x}90) = \$4{,}919.17$$

In the Tiered Rate Fee Schedule example, Client would be invoiced $3,689.38 and Client's son would be invoiced $1,229.79.

Clients are strongly encouraged to review their quarterly custodian statements and to contact Destination with any questions.

For new client accounts, Destination will assess the Adviser's Asset Management Fee 14 days after the client signs the Investment Advisory Agreement, or once Destination is linked to the account, if that occurs after the 14-day periods , unless special arrangements have otherwise been made. Billing occurs in advance, so the first invoice will include prorated fees (billed in arrears) for a partial quarter during which assets management begins and a full quarter's fees for the following quarter.

2. **Private Placement /Alternative Investment**

Client assets invested in hedge funds, private funds or other alternative investments sub-advised by an outside manager are subject to management fees, performance fees, and other expenses as described in each fund's offering and disclosure materials. The above-described fees and expenses are separate from and in addition to the fees charged by DWM. Our fee structure for alternative assets held within the portfolio are charged the standard fee.

Destination Clients should carefully review the fees charged by any hedge funds or other private funds in which the client's assets are invested together with the fees charged by DWM to fully understand the total amount of fees to be paid by the client and to evaluate the advisory services provided. Please review Section 8 for important risk disclosure and considerations.

3. **New Client Accounts**

For new client accounts, Destination will assess the Adviser's Asset Management Fee 14 days after the client signs the Investment Advisory Agreement, or once Destination is linked to the account if that occurs after the 14-day period, unless special arrangements have otherwise been made. Billing occurs in advance, so the first invoice will include prorated fees (billed in arrears) for the current quarter and a full quarter's fees for the following quarter. Should Client open an account during the quarter, the Adviser's management fee will be prorated (billed in arrears) based on the number of days that the account was open during the quarter. In the event that Adviser's services are terminated during the quarter, any paid, unearned fees will be promptly refunded to Client.

4. **Fixed Income and Charitable Accounts**

Client portfolios that contain only fixed income investments are typically charged a lower fee structure, as determined on an ad hoc basis at the discretion of the Firm. Charitable accounts are also typically charged a lower fee structure, as determined on an ad hoc basis at the sole discretion of Destination. Adviser charges an annualized quarterly management fee based on a percentage of the quarter-end transaction date value of the assets under management ("AUM"), as outlined in the client's agreement. Management fee calculations include cash (including past accrued dividends), margin balance, etc.

5. **Authorization To Bill For Fees**

The Custodian of the assets will charge the Account for the amount of the Adviser's fee and to remit such fee to the Adviser. This generally occurs ten (10) business days following the end of the calendar quarter.

6. **Billing Of Accounts**

Billing begins when Adviser's Services begins. Should Client open an account during the quarter, the Adviser's Asset Management Fee will be prorated based on the number of days that the account was open during the quarter. Because billing occurs in advance, the first invoice will include prorated fees (billed in arrears) for the current quarter and a full quarter's fees for the following quarter. In the event that Adviser's services are terminated during the quarter, any paid, unearned fees will be promptly refunded to Client.

7. Margin Accounts

Margin accounts are billed and calculated based on total market value not just on current equity. Assets may be liquidated in the Account at Adviser's discretion to cover fees due and payable.

8. Advisory Fee Payments

Payment of Destination's investment management fees will be deducted from each client's account on a quarterly basis by their custodian and paid directly to us, unless otherwise directed in writing by a client. Consent for deduction of fees from Client's Account is contained in the written agreement the client enters into with Destination. Clients' custodians will deliver a periodic (at least quarterly) account statement directly to clients. The statements will include all transactions that took place in the account during the period covered and reflect any fees deducted and paid to us. Clients are encouraged to review their account statements for accuracy and compare them to the reports received from Destination.

For certain family and friends of Destination's associated persons, Destination, in its sole discretion, can reduce or waive fees in their entirety.

The investment management agreement between Destination and client will continue until terminated. A client agreement can be terminated at any time, by either party, for any reason upon receipt of a 30-day written notice. Upon termination of a client agreement, any prepaid, unearned fees will be promptly refunded to the client. In the case of death, unless otherwise instructed, Destination will continue managing Client's Account in accordance with the terms of Client's Agreement. In calculating fees to be returned to a client in the case of death or termination of Client's Agreement, we will prorate the reimbursement according to the number of days remaining in the billing period from the effective date of termination.

9. Financial Planning Fees

Destination offers financial planning services to clients. For investment management clients, financial planning services are provided at no additional cost. Clients who do not engage the Firm for investment management services are charged either a flat fee or on an hourly basis, depending on the scope and complexity of the financial planning services to be provided. The Firm's hourly fee for financial planning services is $250.00 per hour with a six (6) hour minimum.

Flat fees for financial planning services are determined at the Firm's discretion and generally based on the nature of the financial planning services provided and the complexity of each client's circumstances. The minimum flat fee is $1,500.00. Financial planning fees are negotiable, and all such fees are agreed upon prior to entering into a financial planning contract with any client.

Destination can request a retainer upon completion of our initial fact-finding session with the client; however, any advance payment will not exceed $1,200 for work that will not be completed within six months. In the event Destination requests a retainer, the retainer will be applied to the costs of financial planning services, and the remaining financial planning fees owed to the Firm (if any) will be due upon completion of the financial planning services.

Financial Planning Fee Offset: Destination has in the past and can, in the future, waive the financial planning fees if a financial planning client chooses to become an investment management client of Destination.

10. Other Fees and Expenses

Destination's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which can be incurred by the client. Clients can incur certain charges imposed by custodians, brokers, third party investment management and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and ETFs also charge internal management fees and operating fees, which are disclosed in a mutual fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the Firm's fee(s), and the Firm does not receive any portion of these commissions, fees, and costs. If the mutual 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 investment management services provided by our Firm which are designed, among other things, to assist the client in determining which mutual funds are most appropriate to each client's financial condition and objectives.

There are times when a margin account is used to purchase securities for clients. If margin is used to purchase additional securities, while the total value of eligible account assets increases, Destination does not charge an increased asset-based management fee based on the higher account value due to securities bought on margin.
Destination encourages its clients with margin accounts to pay off the margin balance as quickly as possible. Using margin is not suitable for all investors; the use of margin increases leverage in a client's account and therefore increases overall risk. In addition, clients with margin accounts will be charged margin interest by the brokerage firm on the debit balance in their account. Buying securities on margin subjects' clients to additional costs and risks that should be carefully considered before opening a margin account.

Please refer to the "Methods of Analysis, Investment Strategies and Risk of Loss" section (Item 8) below for additional details on margin accounts.

Clients should review the fees being charged to their account(s) to fully understand the total amount of all fees being assessed. Clients should understand that lower fees for comparable services are available from other investment advisory firms.

11. <u>Mutual Fund and ETF Fees</u>

Destination invests in mutual funds, including open-end funds and Exchange -traded fund (ETFs) in client portfolios. Each mutual fund charges fees to shareholders, which are described in their respective prospectus and usually include a management fee, administrative and operations fees, and certain distribution (e.g., 12b-1 fees) and/or redemption fees. These fees are generally referred to as a fund's "expense ratio" and the fees are deducted at the mutual fund level when calculating the fund's net asset value ("NAV") and have a direct bearing on the fund's performance. Certain mutual funds also charge an up-front or back-end sales charge. In addition, some open-end mutual funds offer different share classes of the same fund, and one share-class can have a higher expense ratio than another share class. The most economical share class will depend on certain factor, including the amount of time the shares are held by a client and the amount a client will be investing. Mutual fund expense ratios vary by mutual fund, so it is important to read the mutual fund prospectus to fully understand all the fees charged. The fees charged by mutual funds are in addition to the advisory fees charged by Destination and other third-party fees.

Destination will strive to purchase, when available, the lowest cost mutual fund share class for clients. Additionally, for new clients that hold any mutual funds upon account opening, Destination will determine whether such mutual fund remains suitable for the client's current objective and if we believe it is, then we will check to see if a lower cost share class is available and transfer the client's mutual fund holding into such share class. However, there have been times in the past, and can be in the future, when Destination does not have access to lower costs share classes. This mainly happens when the client's custodian does not offer a lower cost share class for some or all of the mutual funds bought for and/or held in clients' accounts, or the investment amount does not meet the share class minimum investment requirement. Transaction fees also pay a role in the overall costs when investing in mutual funds. Some custodians offer certain higher cost mutual funds share classes for purchase at no transaction cost. Therefore, Destination will purchase a more expensive share class anytime we've determined, based on facts and circumstances, that such transaction would be the most economical for a client. We also will transfer a client into a lower cost share class at a later date if we determine it is beneficial for the client.

The fees charged to a client's account lowers the overall performance of the account. Therefore, clients should review all applicable direct and indirect fees charged, including but not limited to custodian fees, transaction fees, fees associated with investments (e.g., mutual funds and ETFs), and advisory fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. 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.

Please refer to the "Brokerage Practices" section (Item 12) of this Brochure for additional information.

a. ERISA Accounts

Destination is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts ("IRAs") pursuant to 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 Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Destination only charges 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, however, only when such fees are used to offset Destination's advisory fees.

b. Fee Arrangements with Custodians

Destination recommends, but does not direct, clients to use Charles Schwab & Co., Inc. or Fidelity Investments as custodians of their assets. Clients who use these custodians are charged the fees and/or commissions negotiated by Destination. Please see "Brokerage Practices" (Item 12) and "Client Referrals and Other Compensation" (Item 14) of this Brochure for additional information.

Destination receives referrals from MedCentric Financial Network ("MedCentric"); however, Destination does not remunerate MedCentric for such referrals. Rather, Destination provides clients referred by MedCentric with a discount of 10% for financial planning services. This discount does not apply to investment management services.

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

DWM recommends hedge or private funds to certain clients who are qualified to make such investments that are suitable for their portfolio. While DWM does not charge a performance fee, the issuer can do so. Clients are encouraged to review the fund's offering documents carefully prior to investing.

Item 7: Type of Clients

Destination provides investment advisory services to individuals, high net worth clients, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Destination normally requires a minimum account size of $500,000 to establish a new investment management relationship; however, the minimum can be reduced or waived at the sole discretion of the Firm.

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

A. Methods of Analysis

Our investment philosophy is one of core and tactical allocation. Multiple market and economic factors are assessed as we develop portfolio strategies. We assess trends in the global economy and take those findings into consideration as we invest client's portfolios. We research individual assets while taking into account the bigger picture and adjust investment strategy accordingly. Political and policy decisions impact markets, and for that reason we assess developments around the world regularly.

Our focus is not just on U.S.- based equities or U.S.- based fixed income positions alone. We invest client portfolios based on a long-term perspective with the understanding that short-term anomalies may require adjustment on a shorter-term basis. We utilize fundamental investment analysis as well as an assessment of current market dynamics in evaluating securities to be invested in client accounts. Our investment decision process incorporates considerations such as valuation, economic themes, trends, market psychology, and other factors but our broad asset allocation strategy is a core part of our investment perspective.

Themes play a part in our investment process and our focus tends to be on longer-term trends that we see having a financial impact on investable assets. Depending on the client's investment objective, our standard allocations may include investments in stocks, bonds, ETF's, mutual funds (load and no-load), ex-U.S. positions, commodity assets, options and other asset classes. We have thematic views that we believe might provide a tailwind or headwind for certain investments and these views help us adjust our allocations accordingly.

B. Investment Strategies

As outlined in the "Advisory Business" section (Item 4) above, the Firm has developed investment strategies to suit differing portfolio objectives, which include:

- Global Focused - Global focused strategies describe portfolios invested in both US and non-US assets. Regions utilized in portfolios are dependent on Destination's investment judgment. Portfolios continue to be primarily focused on US securities despite international diversification.

- Domestic Focused - Domestic focused strategies maintain a more significant primary focus on US investments. While global revenue contribution from US-based companies is an inherent part of held assets, the primary consideration for invested assets is domicile in the United States.

Environmental, Social and Governance - ESG responsible strategies describe portfolios that include securities that undergo additional screening based on one or more social criteria such as sustainability, environmental impact, and/or corporate diversity. These portfolios have a global investment footprint consistent with our Global Focused portfolios described above.

The Global Focused, Domestic Focused, and ESG strategies have differing portfolio objectives that are based on varying levels of risk. These are:

- Concentrated Growth- An individual equity portfolio focused on capital appreciation. Fluctuation can be significant and is only suitable for clients that are comfortable with high capital fluctuation and have a long-term investment horizon. Fluctuations will reflect US mid-to-large-cap equity market volatility. This portfolio is available for Global Focused, Domestic Focused and ESG allocations.

- Focus Growth - An equity portfolio focused on capital appreciation. Fluctuation can be significant and is only suitable for clients that are comfortable with high capital fluctuation and have a long-term investment horizon. This portfolio is available for Global Focused, Domestic Focused and ESG allocations.

- Equity Growth - A primarily equity-oriented strategy focused on capital appreciation. This strategy has the potential for significant fluctuation and is only suitable for clients with an above-average tolerance for risk and a long-term time horizon. This portfolio is available for Global Focused, Domestic Focused and ESG allocations.

- Equity Income - This portfolio provides a combination of capital appreciation with some income generation. This strategy is subject to equity market fluctuation and is only suitable for clients with long term time horizons or an above-average tolerance for risk. This portfolio is available for Global Focused, Domestic Focused and ESG allocations.

- Strategic Dividend Income - This portfolio is focused on generating income from dividends and interest. It invests in both equities and fixed income. This strategy is subject to equity market fluctuations and interest rate volatility, and is suitable for client's seeking income, having a moderate degree of risk tolerance and a long-term investment horizon. This portfolio is available for Global Focused allocation.

- Strategic Balanced - This portfolio is equally focused on income generation and capital appreciation. This strategy is subject to equity market fluctuations and interest rate volatility. It is suitable for clients with a modest degree of risk tolerance and average 3 to 5-year time horizon. This portfolio is available for Global Focused, Domestic Focused and ESG.

- Conservative Balanced - This portfolio focuses on income while seeking a small amount of capital appreciation on a long-term basis. This strategy is predominantly fixed income oriented and suitable for moderately risk averse clients with at least a 3 to 5-year time horizon. This portfolio is available for Global Focused, Domestic Focused and ESG allocations.

- Fixed Income - This portfolio is invested in income-oriented assets including bonds and other interest-bearing assets. Least aggressive portfolio suitable for risk averse clients with shorter time horizons and the need for portfolio income generation. The portfolio will fluctuate depending on credit quality and interest rate levels. This portfolio is available for Global Focused allocation.

Fundamental research is a significant part of our overall portfolio management process. For this reason, we employ a dedicated research team whose primary role is to conduct security analysis and asset allocation. This proprietary research is combined with the perspective of other investment analysts and strategists in order to arrive at a triangulated investment outlook. Our internal research focuses on a variety of factors we feel are important to assess the attractiveness of individual securities. Depending upon the nature of investment opportunity factors that could be reviewed include appraising the quality of the company's management, the sustainable advantages the company enjoys, and the competitive environment of the company and/or the projections of the company's ability to generate free cash flow.

In addition to this type of analysis, the Firm's research team might seek out the opinions of other market participants such as Wall Street analysts and other buy-side investors in order to attempt to understand the opinions of other market participants. Our time horizon is typically longer-term. Conditions can impact the holding period of assets and result in investment time horizons that are shorter-term in nature. Risk is an important part of our overall portfolio management philosophy, and we try to avoid having too many investments in a portfolio geared to the same themes and markets. Diversification is fundamental to our overall investment strategy. We diversify not just by asset class, but by geography, capitalization size, as well as by types of positions. It's important that investors acknowledge that given the global nature of financial markets, correlations among assets, and even across asset classes, have moved higher than they have been in the past.

C. Risk of Loss

Securities investments are not guaranteed, and you can lose money on your investments. Client assets are invested in an asset strategy we believe is best suited to their goals, objectives, risk tolerance and time horizon based on information provided to us by each client. We ask that clients work with us to help us understand their tolerance for risk and let us know when any change has occurred.

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 can be compromised by inaccurate or misleading information.

Margin transactions

There are times when the use of margin (i.e., money borrowed from a brokerage account) may offer the potential to take advantage of a buying opportunity or where the purchase of certain types of securities, such as options require margin. Margin accounts will only be used where express written authorization has been granted by the client. Margin accounts allow for the purchase of more stock than one would be able to buy with available cash and allows us to purchase stock without selling other holdings.

A risk in margin trading is that securities prices can fall very quickly. If the value of the securities in a margin account minus what is owed the broker falls below a certain level, the broker will issue a "margin call", and a client will be required to sell a position in the security purchased on margin or add more cash to the account.

Using margin is not suitable for all clients and there are a number of risks that clients should consider when deciding whether to open a margin account. It is important that each client fully understand the risks involved in trading securities on margin, which are applicable to any margin account that the client may maintain. These risks include, but are not limited to the following:

- A client can lose more assets than initially deposited in the margin account. A decline in the value of securities that are purchased on margin can require a client to provide additional monies to the account to avoid the forced sale of those securities or other securities in your margin account.

- The brokerage firm can force the sale of securities in the account. If the equity in the account falls below the maintenance margin requirements under the law - or the brokerage firm's higher "house" requirements - the brokerage firm can sell the securities in the account to cover the margin deficiency. The client will also be responsible for any shortfall in the account after such a sale.

- The brokerage firm can sell securities in the account without contacting you, the client. Some mistakenly believe that a brokerage firm must contact the account holder for a margin call to be valid, and that the brokerage firm cannot liquidate securities in client accounts to meet the call unless contacting the client first. This is not the case. As a matter of good customer relations, most brokerage firms will attempt to notify their customers of margin calls, but they are not required to do so.

- Account holders are not entitled to an extension of time on a margin call. While an extension of time to meet initial margin requirements may be granted by the brokerage firm under certain conditions, they are not required to provide any such extension. In addition, brokerage firms also are not required to provide an extension of time to meet a maintenance margin call.

<u>Option writing</u>

From time to time, we use options as part of an overall investment strategy (or, in certain instances when consistent with client investment objectives, as a primary investment strategy). 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.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time.

Depending on investment strategy and client suitability, we utilize option strategies in the following ways:

- To speculate on the possibility of a sharp price swing;
- 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;
- By selling an option on one or more securities held in a client's account (known as "covered calls"). 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; and
- To 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.

Below are some of the main risks associated with investing in options:

- When writing covered call options to produce income for a client's account, there can be times when the underlying stock is "called" (call option contract exercised or assigned) by the investor that purchased the call option. That means you would be required to sell the underlying security at the exercise (pre-determined) price to that investor. Also, the option buyer does not have to exercise the option, so if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

Clients are usually required to open a margin account in order to invest in options, which carries additional risks (see above for details) and would result in margin interest costs to the client.

- Stock Option positions tend to be adversely affected by company specific issues (the issuer of the underlying security) which can include but are not limited to bankruptcy, insolvency, failing to file with regulatory bodies, being delisted, having trading halted or suspended, corporate reorganizations, asset sales, spin offs, stock splits, mergers and acquisitions.
- Market related actions, political issues, and economic issues can adversely affect the option market. These factors could restrict, halt, suspend, or terminate option positions written (sold) or purchased.
- Changes in value of the option do not always correlate with the underlying security/index, and the

account could lose more than principal amount invested.
- Profits from price swings in option spreading strategies can be limited.

Options involve risk and are not suitable for all clients. Therefore, a client should read the option disclosure document, "Characteristics and Risks of Standardized Options", which can be obtained from any exchange on which options are traded, at www.optionsclearing.com, or by calling 1-888-OPTIONS, or by contacting your broker/custodian.

Main Risks Pertaining to the Different Types of Securities Utilized by Destination:

- *Market Risk:* The price of the security can drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances.

- *Equity Risk*: Historically, the equity markets have moved in cycles, and the value of equity securities can fluctuate significantly from day-to-day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies can suffer a decline in response. These factors contribute to price volatility.

- *Business Risk*: This risk is associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- *Foreign Risk*: Investments in foreign securities pose special risks, including currency fluctuation and political risks, and such investments can be more volatile than that of a U.S. only investment. The risks are generally intensified for investments in emerging markets.

- *Currency Risk*: Foreign investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- *Political and Legislative Risk*: Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the United States or those companies who conduct a substantial amount of their business outside of the United States.

- *Credit Risk*: The risk that principal and/or interest on a fixed income investment will not be paid in a timely manner or in full due to changes in the financial condition of the issuer. Generally, the higher the perceived credit risk, the higher the rate of interest investors will receive on their investment.

- *Interest Rate Risk*: The risk that the value of an interest-bearing investment will change due to changes in the general level of interest rates in the market. The market value of a bond fluctuates inversely to the change in interest rates; that is, as interest rates rise, bond prices fall and vice versa. Interest rate risk is commonly measured by a bond's duration, the greater a bond's duration, the greater the impact on price of a change in interest rates. Investors can incur a gain or loss from bonds sold prior to the final maturity date. Many bonds are rated by a third party Nationally Recognized Statistical Rating Organization (NRSRO), for example, Moody's Investor Services or Standard & Poor's Inc. While ratings may assist investors to determine the creditworthiness of the issuer, they are not a guarantee of performance. U.S.

Treasury bills, notes and bonds are guaranteed by the full faith and credit of the United States and therefore are deemed to carry no risk of default.

- *Reinvestment Risk*: The risk that interest and principal payments from a bond will be reinvested at a lower yield than that received on the original bond. During periods of declining interest rates, bond payments may be invested at lower rates; during periods of rising rates, bond payments may be invested at higher rates.

- *Call Risk:* The risk that a bond will be called by its issuer. A callable bond has a provision which allows the issuer to purchase the bond back from the bondholders at a predetermined price. Generally, issuers call bonds when prevailing rates are lower than the cost of the outstanding bond. Call provisions allow an issuer to retire high-rate bonds on a predefined call schedule.

- *Prepayment Risk*: Some types of bonds are subject to prepayment risk. Similar to call risk, prepayment risk is the risk that the issuer of a security will repay principal prior to the bond's maturity date, thereby changing the expected payment schedule of the bonds. Prepayment risk is particularly prevalent in the mortgage-backed bond market, where a drop in interest rates can trigger a refinancing wave. When investors in a bond comprised of the underlying pool of mortgages receives his or her principal back sooner than expected, they may be forced to reinvest at prevailing, lower rates.

- *Liquidity Risk*: The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Liquidity risk is typically reflected in a wide bid-ask spread or large price movements.

- *Inflation Risk*: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

<u>Private Placements / Alternative Investments</u>

From time to time, DWM will recommend investments in private funds. Since such investments are not traded in the marketplace, generally these investments pose a greater risk. DWM will conduct due diligence on private placements which will include reviewing the fund's offering documents, considering the fund's service providers, historical performance, experience of the manager, types of underlying investments, and risks, and review of third-party research reports, as applicable.

<u>Material Risks</u>:

Private Placement / Alternative Investment Risks: Such investments present special risks for DWM's clients, including without limitation, limited liquidity, higher fees, volatile performance, heightened risk of loss, limited transparency, special tax considerations, subjective valuations and limited regulatory oversight. Therefore, private investments will not always be suitable for all DWM clients and will be offered only to those qualifying clients for whom an investment therein is determined to be suitable. Generally, such investments are available for investment only to a limited number of sophisticated investors who meet the definition of "accredited investor" under Regulation D of the Securities Act of 1933, as amended (the "Securities Act") and "qualified client" under the Investment Advisers Act of 1940. It is important that each potential qualified investor fully read each offering or private placement memorandum prior to investing.

Private funds often impose performance-based fees or incentive allocations payable to the fund manager or general partner. Such performance-based fee/incentive allocation structures create an incentive for the managers of the private funds to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee/incentive allocation structure. Additionally, the performance-based fee structure could also cause the portfolio managers responsible for the private funds to devote a disproportionate amount of time to the management of the private funds, and compensation can be larger than it otherwise would have been because the fee/incentive allocation will be based on account performance instead of a percentage of assets under management. Please refer to Item 6 above for additional information.

- *Liquidity Risk* is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. This risk is often associated with an investment in private placements and private funds.

- *Hedge Fund Risks*: By their nature, hedge funds are aggressive vehicles that carry the possibility of large variances of returns compared with the overall market. On occasion, those returns can be decidedly negative. Thus, with an ever-present risk of substantial loss, hedge fund investments should only be made by investors who can accept such losses.

- Hedging Transactions: The success of a hedge fund's strategy generally is subject to the ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities changes as markets change or time passes, the success of the Fund's hedging strategy will also be subject to the ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner.

- Leverage: Some funds may borrow funds from brokers, banks and other lenders to finance their trading operations. The access to capital could be impaired by many factors, including market forces or regulatory changes.

- Short Selling: Short selling allows funds to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

- Liquidity Risks – See above.

- Additional Fees. Generally, private fund investments incur additional management fees and incentive allocations (collectively, "Other Fees") that are separate and distinct from DWM's fee, and could in the aggregate, be substantial. The Other Fees may create an incentive for the private fund managers to select investments which are riskier or more speculative than would be the case if such arrangement were not in effect.

Before entering into an agreement with Destination, investors should carefully consider: (1) committing to our management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis, usually a minimum of five to seven years, (2) that volatility from investing in the stock market can occur, and (3) that over time managed account assets can fluctuate and at any time be worth more or less than the original amount invested.

Item 9: Disciplinary Information

Registered investment advisers such as the Firm 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.

Destination has no such disciplinary events to report.

Item 10: Other Financial Industry Activities and Affiliations

Michael Yoshikami created the KeKokua Foundation ("KeKokua"), a charitable organization, formed to support and foster community charities that provide socially responsible education services, advocacy, compassionate help, and resources to those in need. Destination is the primary source of funding for KeKokua, and operates KeKokua, including, among other things, providing management, accounting, and marketing services to the foundation. Mr. Yoshikami heads KeKokua's Charity Committee. Clients of Destination have the opportunity, but are not required, to donate to KeKokua. Mr. Yoshikami spends less than 5% of his work time performing his duties for KeKokua. Please refer to Mr. Yoshikami 's Form ADV Part 2B for complete details.

Item 11: Code of Ethics, Participation/Interest in Client Transactions & Personal Trading

A. Code of Ethics Summary

Destination has adopted a written Code of Ethics ("COE") in compliance with SEC rule 204A-1. The COE sets forth standards of conduct and requires compliance with federal securities laws. Our COE also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the Firm. We will provide a copy of our COE to any client or prospective client upon request.

B. Participation or Interest in Client Transactions

Destination or individuals associated with Destination can buy or sell securities for their personal accounts identical to those recommended to clients. It is the policy of Destination that no person employed by the Firm, or its associated persons, transact in any security prior to a transaction(s) in that same security on behalf of a client that in any way affects the client's execution result. This policy is designed to prevent the Firm and its employees from benefiting from transactions placed on behalf of advisory clients. Destination or 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 Firm's policy that the Firm will not effect any principal transactions or agency cross transactions on behalf of client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

As these situations can represent conflicts of interest, Destination has established the following restrictions in order to ensure its fiduciary responsibilities:

- A director, officer or employee of Destination shall not buy or sell securities for their personal account(s) where their decision is substantially 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 associated person of Destination shall prefer his or her own interest to that of the advisory client.

- Destination requires its employees to obtain pre-approval of certain securities transactions for their personal accounts.

- Firm employees provide reports relating to their personal securities trading on a quarterly basis that are reviewed by the Chief Compliance Officer.

- Destination requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

- Any individual not in observance of the above may be subject to discipline by the Firm, including, among other things, suspension or termination.

The following discussion summarizes the material aspects of Destination's practices for the recommendation of custodians and the selection of broker-dealers to execute client transactions.

Item 12: Brokerage Practices

A. Selection Criteria

Destination does not maintain physical custody of client assets although we are deemed to have custody of client assets where the client has given us authority (see "Custody" Item 15 below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co, Inc. ("Schwab") or Fidelity Investments ("Fidelity") as the qualified custodian of their assets, both of which are FINRA-registered broker-dealers, and members of SIPC. We are independently owned and operated and not affiliated with either Schwab or Fidelity. Schwab or Fidelity will hold your assets in a brokerage account and buy and sell securities when we or you instruct them to. While we recommend that you use Schwab or Fidelity as a custodian/broker, you will decide whether to do so and open your account with Schwab or Fidelity by entering into an account agreement with one of them directly. Although we do not open the account for you, we can assist in this process. Even though your account is maintained at Schwab or Fidelity, we can still use other brokers to execute trades for your account as described in the next paragraph.

How We Select Brokers/Custodians

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

- combination of transactions execution services along with asset custody services; capability to execute, clear and settle trades (buy and sell securities for your account);
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check request bill payment, etc.);
- breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.); availability of investment research and tools that assist us in making investment decisions; quality of services;
- price of services (commission rates, margin interest rates, etc.); reputation, financial strength and stability of provider;
- their prior service to us and our other clients; and
- availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from Schwab and Fidelity).

Your Custody and Brokerage Cost

Neither Schwab nor Fidelity generally charge a client separately for custody services, but instead the custodian is compensated by charging a client commissions or other fees on certain trades that the custodian executes or that settle into your Schwab or Fidelity accounts. Certain trades (for example, many mutual funds and ETF's) may not incur commissions or transaction fees. Schwab or Fidelity is also compensated by earning interest on the uninvested cash in your account in the Cash Features Program.

In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought of the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading cost, we have Schwab execute most trades for accounts custodied at Schwab. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians").

Destination has a substantially similar arrangement in place with Fidelity, which does not require a minimum amount of client assets to be maintained, and we place trades through Fidelity for accounts held with them.

Products and Services Available to Us from Schwab and Fidelity

Schwab Advisor Services and Fidelity Institutional Wealth Services are in the business of serving independent investment advisory firms like Destination. They provide the Firm and our clients with access to institutional brokerage-trading, custody, reporting and related services-many of which are not typically available to Schwab/Fidelity retail customers. Both Schwab and Fidelity also make available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Both Schwab and Fidelity's support services are generally available on an unsolicited basis (we do not have to request them).

Services that Benefit You, the Client.

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

Services that Do Not Directly Benefit You.

Schwab and Fidelity also make available to Destination other products and services that benefit the Firm but do not directly benefit our clients or client accounts. These products and services assist the Firm in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We can use this research to service all or some substantial number of our clients' accounts. In addition to investment research, Schwab and Fidelity also make available software and other technology that:

- provide access to client account data (such as duplicate trade confirms and statements); facilitate trade execution and allocate aggregated trade orders for multiple accounts; provide pricing and other market data;

- facilitate payment of our fees from our clients' accounts; and

- assist with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Destination.

- Schwab and Fidelity also offer other services intended to help us manage and further develop our business enterprise. These services include educational conferences and events;
- technology, compliance, legal and business consulting;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants and insurance providers; and
- marketing consulting and support

Schwab and Fidelity provide some of these services themselves. In other cases, Schwab or Fidelity will arrange for third-party vendors to provide the services to us. Schwab and Fidelity may also discount or waive its fees for some of these services or pay all or part of a third party's fees. Schwab and Fidelity may also provide us with other benefits such as occasional business entertainment of our personnel.

Destination's Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services so long as we keep $50 million of client assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The $50 million minimum may give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interest of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on factors discussed above) and not Schwab's services that benefit only us.

Destination's Interest in Fidelity's Services

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 Destination's clients and satisfies our client obligations, including our duty to seek best execution (discussed below).

B. Best Execution

Except as otherwise provided in the client's investment advisory agreement, Destination has full discretion to place buy and sell orders with or through such brokers or dealers as it deems appropriate. Destination's general policy is to place client trades with their broker custodian (e.g., Fidelity or Schwab) and Destination will continue to do so as long as the Firm believes that the broker custodian is providing the best overall deal for the client and they remain competitive in relation to executions and the cost of each transaction ("best execution"). Destination's Brokerage Committee meets on a periodic basis to discuss the overall qualitative execution the firm is receiving from its recommended qualified custodians.

A client may pay a commission that is higher than another qualified broker-dealer might charge to affect 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 Destination 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. Destination is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (*i.e.*, "soft dollars") provided by the broker which are included in the commission rate. 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.

C. Research and Other Soft Dollar Benefit

Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)") allows investment advisers to use client commissions to pay for brokerage and research services under certain circumstances without breaching their fiduciary duties to clients. This practice is commonly referred to as "soft dollars". Brokerage and research services can include, among other things, effecting securities transactions and performing services incidental thereto (such as clearance, settlement and custody) and providing research information regarding the economy, industries, sectors of securities, individual companies, statistical information, taxation; political developments, legal developments, technical market action, pricing and appraisal services, credit analysis; risk measurement analysis and performance analysis. Such research information can be received in the form of written reports, telephone conversations, personal meetings with security analysts and/or individual company management and attending conferences. The research services provided by a broker may be proprietary (*i.e.,* provided by the broker providing the execution services) and/or provided by a third party (*i.e.,* originates from a party independent from the broker providing the execution services). Under Section 28(e), advisers may cause clients to pay brokerage commissions that are in excess of commissions that another broker might have charged for effecting the same transaction, so long as such adviser makes a good faith determination that the amount of commissions paid are reasonable in relation to the value of the brokerage and research services received. This must be viewed in terms of either the specific transactions or an adviser's overall responsibility to the accounts for which it exercises investment discretion. Section 28(e) also permits advisers to use the research services provided by brokers to service any or all of the adviser's clients, and the services also may be used in connection with clients other than those making the payment of commissions.

While Destination does not have any formal soft dollar arrangements, we do receive certain incidental benefits from our clients' qualified custodians. As outlined above, Schwab and Fidelity provide Destination with access to its institutional trading and custody services, which are typically not available to Schwab or Fidelity retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them, and with respect to Schwab, so long as a total of at least $50 million of the adviser's clients' assets are maintained in accounts at Schwab. Since the products and services received by Destination under the Schwab and Fidelity arrangements are currently provided at no cost other than clients paying transaction fees, they could be considered paid for with soft dollars. Importantly, clients should understand that the use of soft dollars (if they are so considered) by Destination may be deemed to be an indirect economic benefit to Destination, which creates a conflict of interest between Destination and its clients. To address this conflict of interest, Destination performs periodic reviews of the quality of execution and services provided by Schwab and Fidelity (to both the client and Destination) to help ensure that clients are receiving the best overall deal (also known as "best execution").

In addition, from time to time, Destination transacts in certain investment company products through the Schwab or Fidelity platforms and receives research and other benefits directly from the investment company in connection therewith. Since the products and services received by Destination under this arrangement are provided at no additional cost to clients other than clients paying associated management and transaction fees, they could be considered paid for with soft dollars. (See additional information in “Client Referrals and Other Compensation” (Item 14) section.

D. <u>Client Referrals from Schwab</u>

Destination receives client referrals from Schwab through the Schwab Advisor Network ("the Service"), and Destination compensates Schwab for such referrals as described below. This service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Destination. Schwab does not supervise Destination and has no responsibility for Destination's management of clients' portfolios or other advice or services. Destination pays Schwab fees to receive client referrals, and Destination's participation in the Service raises potential conflicts of interest as described below.

Pursuant to a written agreement, Destination pays Schwab a participation fee ("Participation Fee") relating to clients referred by Schwab who custody their account(s) at Schwab, and Destination pays a different fee (the "Non-Schwab Custody Fee") on all such accounts referred by Schwab that are maintained at, or transferred to, another custodian. The Participation Fee is calculated as a percentage of the fees the client owes to Destination or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Destination pays Schwab the Participation Fee for so long as the referred client's account(s) remains in custody at Schwab. The Participation Fee is billed to Destination quarterly and can be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Destination and not by the client. Destination has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Destination charges clients with similar portfolios who were not referred through the Service.

Destination generally pays Schwab a Non-Schwab Custody Fee when custody of a referred client's account is not maintained by, or assets in the account are transferred from, Schwab. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one- time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fee that Destination would pay if client accounts were custodied at Schwab.

For accounts of Destination's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Destination’s clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker- dealers are in addition to the other broker-dealer's fees. Thus, Destination may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Destination, nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Destination's other clients. Thus, trades for accounts custodied at Schwab maybe executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

The Participation Fee and Non-Schwab Custody Fee will be based on assets in accounts of Destination's clients who were referred by Schwab and those referred client's family members living in the same household. Thus, Destination will have incentive to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit the Firms fees directly from the accounts.

Destination's referral arrangement with Schwab creates a conflict of interest since Destination has an incentive to recommend that client accounts are held in custody at Schwab and that clients execute transactions through Schwab. To mitigate this conflict, Destination reviews and monitors execution and services provided to all such Destination clients to help ensure that the client's accounts are managed as effectively as possible and are receiving best execution.

E. Trade Errors

From time-to-time Destination may make an error in submitting a trade order on your behalf. When this occurs, Destination will place a correcting trade with the broker-dealer which has custody of your account. Should you sustain any economic detriment as a result of an error it is our legal obligation to make you whole.

At Schwab if an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain or we confer with you and you decide to forego the gain (e.g. due to tax reasons). If the gain does not remain in your account and Schwab is the custodian, Schwab will donate the amount of any gain $100 and over to charity. Schwab pays up to $100 for losses and anything over $100 will be paid by Destination. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under $100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

At Fidelity Investments, the Firm will correct the trade in a "trade error" account and keep any profits or losses in that account. In the event there is a profit, at the end of each quarter, Destination will donate the proceeds to charity. However, the client will be made whole in the event of having sustained any loss(es).

F. Trade Aggregation / Batch Trades

Transactions for each client account generally will be effected independently unless Destination decides to purchase or sell the same securities for numerous clients at approximately the same time. Destination may (but is not obligated to) combine or "batch" such orders to allocate equitably among the Firm's client's differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among Destination's clients in proportion to the purchase and sale orders placed for each client account on any given day.

Generally, Destination does not block client trades; rather, we implement client transactions separately for each account. Consequently, certain client trades can be executed before others, at a different price and/or commission rate. Additionally, our clients will not receive volume discounts available to advisers who block all client trades.

Item 13: Review of Accounts

A. Periodic Reviews

Investment Management Accounts
The Investment Policy Committee at Destination consists of Michael Yoshikami, CEO, Founder and Chairman, and Craig Gentry, President, Chief Investment Strategist, Executive Partner. Mr. Yoshikami and Mr. Gentry meet and/or speak as needed to discuss the investment strategies of Destination and its client investments. Timing and frequency is dependent on economic and market conditions. Other parties are involved in the analysis of portfolio strategy based on the discretion of the leadership in the investment team. Review of client accounts, including portfolios and strategies, is dependent on conditions and circumstances specific to each client. In general, on an annual basis, Destination seeks meetings, telephonic or in person, with clients designed to review their accounts, to provide the clients with additional information relating to their accounts and to confirm client

needs, but that time frame can be longer or shorter, and, where an in-person meeting is conducted to review a client's account, such timing will depend on a client's availability.

Accounts for which Destination only provides consulting advisory services and does not manage client assets, portfolios are reviewed by Destination team on an ongoing basis and discussions are made available to investment committee members and other interested parties. Discussion occurs as needed regarding investment preferences relative to Investment Policy Statement guidelines and any other client preferences.

Financial Planning Accounts

Financial Planning clients will receive a completed financial plan. While reviews could occur at different stages depending on the nature and terms of the specific financial planning engagement, typically no formal reviews will be conducted, and no additional reports will be provided for financial planning clients unless otherwise agreed to in a client's financial planning agreement.

B. Other Reviews and Triggering Factors

In addition to periodic reviews described above, reviews can be triggered by changes in any number of areas such as a client's personal, tax or financial status, client objectives, market conditions, income, cash flow, changes in tax law, family status, disposition of assets, inheritance and health. Other events that can trigger a review of an account are material changes in market conditions as well as macroeconomic and company- specific events. Clients are encouraged to notify Destination and its advisory representatives of any changes in a client's personal financial situation that might affect a client's investment needs, objectives, or time horizon.

C. Regular Reports

Custodian account statements are generated, at least quarterly and are sent directly from the account custodian. The account statement lists the account positions, activity in the account over the covered period, and other related information, including all additions and withdraws from the account. Generally, clients also receive confirmations following each account transaction.

In addition to the quarterly statements and confirmations that clients receive from their custodian, Destination provides quarterly reports summarizing account performance, balances and holdings. Clients are urged to compare the statements received from Destination to those received from the account custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Received

From time to time, the principals and associates of Destination may attend investment related conferences and events sponsored and paid for by investment companies or Schwab. These conferences and events cover a variety of topics related to the operation of an advisory firm, research content and other items. Additionally, in connection with such conferences and events, access to research from the conference sponsor may be provided to Destination that benefits Destination in managing investment portfolios and in operating the Firm.

Destination generally recommends that clients use Fidelity or Schwab as their custodian and broker of record. While there is no direct link between the investment advice given to clients and Destination's recommendation to use Fidelity or Schwab, certain benefits are received by the Firm due to these arrangements. Fidelity and Schwab make available to Destination other products and services that benefit Destination but do not benefit its clients. Some of these other products and services assist the Firm in managing and administering clients' accounts. While as a fiduciary, Destination endeavors to act in its clients' best interests, Destination has an incentive to recommend that clients maintain their assets in accounts at Fidelity or Schwab due to the benefit to the Firm and the availability of some of the products and services provided, which create a conflict of interest. Please refer to the "Brokerage Practices" (Item 12) section above for further details.

B. Compensation for Client Referrals

Destination receives client referrals from Schwab through Destination's participation in the Schwab Advisor Network ("the Service"). The Service is designed to help clients seeking advisory services find an independent investment advisor. Schwab is a broker-dealer independent and unaffiliated with Destination. Schwab does not supervise Destination and has no responsibility for Destination's management of client's portfolios or Advisor's other advice or services. Destination pays Schwab fees to receive client referrals through the Service. Destination's participation in the Service creates conflicts of interest. See discussion of the Service and additional important details described in the "Brokerage Practices" (Item 12) section above.

Destination receives referrals from MedCentric Financial Network ("MedCentric"); however, Destination does not remunerate MedCentric for such referrals. Rather, Destination provides clients referred by MedCentric with discount of 10% for financial planning services. This discount does not apply to investment management services.

C. Tax Services

For new clients with over $5,000,000 in assets at Destination and for those Destination clients who have at least $5,000,000.01 in household assets[4] with Destination and per the terms of the client's investment adviser agreement, Destination will pay an annual flat fee of $1,000 towards your tax preparation services with its strategic partners. Payment is conditioned on you remaining an advisory client of Destination.

You remain responsible for any remaining fees over $1,000. You understand that Destination is not an accounting firm and Destination's personnel are not certified public accountants. Neither Destination nor its advisors will be providing tax services to you at any time.

Fees for comparable tax services may be available through other professional advisors at a lower price. Clients are under no obligation to use a Destination strategic partner for tax services; however, Destination will only contribute the annual flat fee to Destination strategic partners.

D. Estate Planning Services

For new clients with over $5,000,000 in assets at Destination and for those Destination clients who have at least $5,000,000.01 in household assets[5] with Destination and per the terms of the client's investment adviser agreement, Destination will be pay a one-time flat fee of up to $3,500 towards your estate planning services with its strategic partners.

Payment is conditioned on you remaining an advisory client of Destination.

You remain responsible for any remaining fees over $3,500. You understand that Destination is not a law firm, and Destination's personnel are not licensed attorneys. Neither Destination nor its advisors will be giving legal advice to you at any time.

Fees for comparable estate planning services may be available through other professional advisors at a lower

[4] A client's household is defined as a husband, wife, domestic partner, son, daughter, mother, father and grandparent (collectively, a "Household").
[5] A client's household is defined as a husband, wife, domestic partner, son, daughter, mother, father and grandparent (collectively, a "Household").

price. Clients are under no obligation to use a Destination strategic partner for estate planning services; however, Destination will only contribute the one-time flat fee to Destination strategic partners.

Item 15: Custody

As discussed in the "Fees and Compensation" (Item 5) section of this Brochure, Destination directly debits advisory fees from client accounts. As a result, the Firm is deemed to have custody of your assets. All Destination client account assets will be maintained with an independent qualified custodian. Generally, Destination recommends Schwab or Fidelity for custodial services.

Clients will receive account statements on at least a quarterly basis directly from the qualified custodian that holds and maintains a client's assets. The custodian is advised of the amount of the fees to be deducted from a client's account, and the custodian does not calculate the fee amount. Clients are urged to carefully review all custodial statements, including, among other things, the calculation of the fee amount, promptly when you receive them, and to compare such custodial statements to the periodic portfolio reports clients receive from Destination. Clients should contact the Firm directly if they believe that there may be an error in their statement. Please refer to the "Brokerage Practices" (Item 12) section for additional important disclosure information relating to Destination's practices and relationships with custodians.

On February 21, 2017, the SEC issued a no-action letter ("Letter") with respect to Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with the account custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16: Investment Discretion

A. <u>Discretionary Authority; Limitations</u>

Unless otherwise noted in the investment advisory services agreement, Investment Management Services, are performed by Destination on a discretionary basis. In exercising its discretionary authority, Destination has the ability to determine the type and amount of securities to be transacted and whether a client's purchase or sale should be combined (aggregated) with those of other clients and traded as a "block." Such discretion is to be exercised in a manner consistent with each client's stated investment objectives, risk tolerance, and time horizon.

In addition, the Firm's authority to trade securities can be limited in certain circumstances by applicable legal and regulatory requirements. Clients are permitted to impose reasonable limitations on the Firm's discretionary authority, including restrictions on investing in certain securities or types of securities. All such limitations, restrictions, and investment guidelines must be provided to Destination in writing.

B. Limited Power of Attorney

For clients that authorize Destination to trade on their behalf, unless otherwise noted in the investment advisory services agreement, those clients authorize Destination to exercise full discretionary authority, and such clients understand that this authority extends to all investment transactions involving the client's account. Pursuant to such agreement, Destination is designated as the client's attorney-in-fact with discretionary authority to effect investment transactions in the client's account which authorizes the Firm to give instructions to third parties in furtherance of such authority.

Item 17: Voting Client Securities

It is Destination's standard practice to vote proxies on behalf of client investment management account(s).

Generally, Destination will vote proxies and reorganizations relating to such account(s) in a manner that Destination believes will be consistent with the client’s best interest. Client will complete paperwork required by the custodian to allow proxy voting by Destination. Client does have the opportunity to opt out of the Firm's standard practice of voting proxies by opting out directly with the custodian or by providing written notice to Destination. Destination utilizes third party vendors to assist in researching proxy decisions and managing its proxy voting process. A copy of the Firm's written proxy voting policies and procedures as well as proxy voting results is available upon request.

In exercising its proxy voting authority, Destination and its employees shall seek to avoid any direct or indirect conflict of interest raised by a particular voting decision.

With respect to accounts for which Destination only provides consulting services and does not manage client assets, the Firm does not vote proxies.

Item 18: Financial Information

As an advisory firm that maintains discretionary authority for client accounts, Destination is required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Destination does not believe that is has any financial condition that is reasonably likely to impair our ability to meet such obligations.

In addition, Destination does not require or solicit payment of fees in excess of $1,200 per client for more than six months in advance of services rendered. Therefore, Destination is not required to include a financial statement.

Destination also has not been the subject of a bankruptcy petition at any time during the past ten years.