

Item 1: **Part 2A of Form ADV: *Firm Brochure***



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This brochure provides information about the qualifications and business practices of SoHo Financial Services, LLC. If you have any questions about the contents of this brochure, please contact us at 805.446.4494 or [dfields@mynewfinancialadvisor.com](mailto:dfields@mynewfinancialadvisor.com). The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority.

Additional information about SoHo Financial Services, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

This “Brochure” is dated March 28, 2014. This section, “Item 2: Material Changes” will only point out material changes that have been made to this Brochure since our prior brochure dated June 30, 2013, and provide you with a summary of those material changes.

SoHo Financial Services, LLC (“SFS”) was acquired by FMB Wealth Management, Inc. (“FMBWM”) on 2/10/2014. FMBWM is a federally registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). Due to the advisor relationship, SFS is qualified to apply with the SEC to convert to a federally registered investment advisor as well. As a result, we have filed our application with the SEC. We anticipate that within 60 days will under the SEC’s jurisdiction and no longer under the jurisdiction of the California Department of Corporations and Nevada Securities Division.

There have been no other material changes from our prior Brochure dated June 30, 2013.

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## Item 4: Advisory Business

SoHo Financial Services LLC is a state-registered investment adviser organized in the State of Nevada, registered in California and Nevada, with its principal place of business located in California. SoHo Financial Services LLC began conducting business in 2007.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- FMB Wealth Management, Inc.; Member, 100% shareholder/owning entity

Additionally, the following information identifies individuals that indirectly own 25% or more of our firm:

- Thomas W. Fields, CFP; Member and Chief Compliance Officer
- Debra A. Fields, CFP; Member

SoHo Financial Services LLC offers the following advisory services to our clients. We do not participate in any wrap fee programs.

### INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. 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.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

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

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will 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
- United States governmental securities
- Options contracts on securities
- Options contracts on commodities
- Futures contracts on tangibles
- Futures contracts on intangibles
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in partnerships investing in other

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

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2013, which is our fiscal year end, we were actively managing 42 accounts representing approximately \$10,790,000 of clients' assets on a discretionary basis.

### **CALIFORNIA CLIENTS**

All material conflicts of interest under CCR Section 260.238(k) are disclosed within this brochure regarding our firm, our advisory representatives and any employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

## **Item 5: Fees and Compensation**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES**

The annualized fee for Investment Supervisory Services are charged as a percentage of assets under management, according to the following schedule:

#### **Assets Under Management Annual Fee**

- On the first \$1,000,000: 1.50%
- On all amounts thereafter: 1.00%

Minimum Annual Fee: \$5,000

The minimum annual fee may be negotiable under certain circumstances. We may group certain related client accounts for the purposes of achieving the minimum fee requirement and determining the annualized fee.

### CALIFORNIA CLIENTS

Subsection (j) of Rule 260.238, California Code of Regulations requires that all investment advisers disclose to their advisory clients that lower fees for comparable services may be available from other sources.

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

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

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

Fees are computed and billed quarterly, in advance, and are based on the market value of the Client's account on the last day of the month in the prior quarter. Fees will be prorated, on a monthly basis, with respect to new accounts opened during a quarter.

When authorized by the client, fees are debited from the account in accordance with the terms set forth in the Client Management Agreement.

### **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to SoHo Financial Services, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred

sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

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

***Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to SoHo Financial Services LLC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

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

***Advisory Fees in General:*** Clients should note that similar advisory services may be available from other registered investment advisers for similar or lower fees.

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

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

SoHo Financial Services LLC does not charge performance-based fees.

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

SoHo Financial Services, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Other pooled investment vehicles(e.g., hedge funds)
- Charitable organizations
- Corporations or other businesses not listed above

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

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

### **A. Methods of Analysis**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

***Long Term Diversified Asset Allocation.*** Rather than focusing primarily on securities selection, we attempt to create an appropriate ratio of securities suitable to the client's investment goals and risk tolerance based on a modern portfolio theory funded primarily with passive index funds.

A risk of a long term diversified asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

***Passive Index Mutual Fund Analysis.*** We monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy and to ensure that there has been no style drift.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be



incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **B. Investment Strategies**

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

***Long-term purchases.*** We purchase securities, including index funds, with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when we want exposure to a particular asset class over time, regardless of the current projection for this class.

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

By using index funds, SoHo Financial Services, LLC is able to place the clients' money in the desired asset classes. These funds remove the managers' discretion in choosing the securities that are purchased. The fund investments are determined by the definition of the index or asset class and the managers simply purchase securities to match the index. For example, instead of finding a fund manager that buys large cap U.S. stocks in an effort to outperform the S&P 500 Index, SoHo Financial Services, LLC buys a fund with the identical stocks to the S&P 500 index. This style will avoid the risk of exposing the client to a fund manager that is out of phase or simply picks the wrong securities as well as generating excessive trading costs. For taxable investors index funds and tax-managed index funds also produce very low capital gain distributions due to the low fund turnover.

The general asset classes used are short-term U.S. bonds (1-2 year average maturity), large U.S. stocks, small U.S. stocks, large international stocks, small international stocks and a real estate index. The portfolios may also be invested with value index funds that match the "value" (high book to market value) component of each equity class. Unless otherwise requested by the client, their portfolio is balanced using 15% to 40% short-term bonds. The remainder is spread among the previously listed equity asset classes. All portfolios assume that the investor has a minimum 3-year commitment for the conservative balance, 3-5 years for the aggressive balance. The client can request that a limited amount of selected individually-listed securities, actively managed mutual funds or mortgages be placed in the account, but even these will be assumed to be held for the long term.

Most of the funds are from Dimensional Funds Advisors (DFA), which specializes in no load asset class funds. DFA is an Institutional index fund company known for its very low turnover and management fees. To purchase a fund directly from DFA prior approval is needed along with a \$2 million minimum investment. Because SoHo Financial Services, LLC has received approval from DFA, it is able to invest its clients' assets with DFA through TD Ameritrade. Index funds from Vanguard, as well as listed Exchange Traded Funds (EFT's)

may also be used. The clients' accounts are opened and run through TD Ameritrade with daily price and transaction activity downloaded to SoHo Financial Services, LLC's office. Portfolio management software is used to track the investments, produce reports and reconcile accounts. These reports show the asset class weighting, the investment performance of portfolios are reviewed and the asset class balance is analyzed. If warranted by clients' objectives and transaction costs, the portfolio will be either rebalanced or continued without changes.

### **C. Risk of Loss**

Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

IARs work with advisory clients to determine appropriate allocation models and overall investment strategies during an initial in-depth discovery meeting. Clients are asked questions related to their values, interests, relationships, goals, current advisors and assets. Clients should discuss their objectives and risk tolerance with their IAR thoroughly. No assumption can be made that any particular strategy will provide better returns than other investment strategies.

### **D. Sources of Information**

To help develop its strategies and recommendations, SoHo Financial Services, LLC uses commercially available services, specifically financial publications and information services dealing with investment research and taxation. Such information may be obtainable in print, on computer media, via the internet, or via some other electronic means. Company prepared materials (particularly prospectuses) and research releases prepared by others are also utilized. As an investment advisor, SoHo Financial Services, LLC also has the opportunity to access information from a variety of experts, whether through personal visits, telephone calls, or at industry or related meetings. Independent, third party registered investment advisors may also be employed to provide additional expertise in unique situations.

Before participating in any investment, clients should carefully consider the risks associated with each investment by reviewing the respective prospectus, offering memorandum or disclosure brochure prepared by the issuing company. The various applicable mutual fund, annuity and private fund prospectuses serve as important sources of risk disclosure that should be read carefully. Investing in securities involves risk of loss that clients should be prepared to bear.

The following describes common characteristics of risk associated with specific types of investments that may be recommended by SoHo Financial Services, LLC in client accounts.

**Mutual Funds:** Each mutual fund has different risks and rewards. Generally, the higher the potential return, the higher the risk of loss. Investors may have to pay taxes on capital gains distributions received even if the fund goes on to perform poorly after the investor bought shares.

Money Market Funds: Although Money Market Funds have relatively low risks, the NAV may fall below \$1.00 if the fund performs poorly, therefore, losses are possible.

Fixed Income Securities: Fixed income investments tend to be more conservative than stocks. However, clients should be aware that bonds and bond funds do carry some degree of risk including but not limited to interest rate, credit, inflation, pre payment and reinvestment risks.

ETFs: Exchange Traded Funds (ETFs), like stocks and index funds can carry a significant amount of market risk. The appeal of an ETF is that it represents many assets or companies, like an indexed mutual fund, but unlike a mutual fund that prices Net Asset Value on a daily basis, ETFs can be traded at any time during trading hours, like a stock. Investing in ETFs involves volatility and risk of losses that Clients should be prepared to withstand.

Use of Margin: Securities purchased on margin are used as the account custodian's collateral for the margin loan made to an advisory clients' account. If the securities in an account declines in value, so does the value of the collateral supporting the margin loan, and, as a result, the account custodian can take action, such as issue a margin call and/or sell securities or other assets in any of the accounts held with that custodian firm, in order to maintain the required equity in the account. It is important that Clients fully understand the risks involved in trading securities on margin.

## **MARGIN DISCLOSURE STATEMENT**

Margin risk includes the following:

- You can lose more funds than you deposit in the margin account.
- The account custodian can force the sale of securities or other assets in your account(s).
- The firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.
- The account custodian can increase its "house" margin maintenance requirements at any time and is not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

When clients execute transactions using margin, they must keep these important rules and conditions in mind. Clients with any questions or concerns are advised to contact your IAR, or SoHo Financial Services, LLC's Chief Compliance Officer, Thomas Fields.

## **Item 9: Disciplinary Information**

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be considered material to clients' or prospective clients' evaluation and/or selection of an Advisor. SoHo Financial Services, LLC has no disciplinary history applicable to this item.

However, Thomas W. Fields, Principal, President and CCO was notified in November, 2011 that he was a named respondent in a FINRA arbitration claim through his former broker-dealer, Independent Financial Group, LLC. While Mr. Fields was named as a respondent in this proceeding, and SoHo Financial Services, LLC has reviewed the issues raised and determined that the claims were without merit and not material to a current or future SoHo Financial Services, LLC client, SoHo Financial Services, LLC believes that any potentially material disclosure should be made, and thereby includes this matter in this Brochure in the interest of full disclosure.

The details of this case can be found on FINRA's BrokerCheck system or the Investment Advisor's Public Disclosure site (IAPD). Clients can access IAR disciplinary history by clicking on the BrokerCheck link, which is [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or the IAPD link, which is [www.Adviserinfo.sec.gov](http://www.Adviserinfo.sec.gov).

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

SoHo's sole business is as a Registered Investment Advisor. However, IARs of SoHo may also be engaged in the insurance business as independent insurance agents or brokers. IARs may receive commissions if clients choose to implement recommendations offered through an insurance company. If a client chooses to make a commission-based purchase through an insurance broker or agent recommended by a SoHo IAR this may present a conflict of interest to the extent the IAR may have a financial incentive to recommend certain products and services through that insurance broker or agent in lieu of other financial institutions.

Thomas Fields and some of SoHo's investment advisor representatives are insurance licensed in the State of California and offer insurance products.

Debra and Thomas Fields are Founders and Directors of FMB Wealth Management, Inc. and FMB Retirement Services, Inc., federally-registered investment advisors that also provide investment advisory services. Debra and Thomas Fields devote approximately 40 hours per week to this other business activity. Potential conflicts of interest may arise to the extent that the sharing of physical office space, personnel, and/or information technology systems may result in the sharing of confidential and/or personally identifiable client information with these affiliates.

Since we endeavor at all times to put the best interests of our clients first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address the conflicts of interest created by our other financial industry activities and affiliations:

- 1 We disclose to clients the existence of all material conflicts of interest;
- 2 We disclose to clients that they are not obligated to use the services of our affiliates, unless the discretion to select transaction intermediaries has been granted to us;

- 3 We do not pay or collect referral fees from any *related* persons or entities;
- 4 We monitor compensation paid to any affiliates to ensure that it is competitive in a given market segment;
- 5 We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- 6 We periodically monitor all outside employment activities and affiliations to verify that any conflicts of interest continue to be properly addressed by our firm;
- 7 To protect client personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. We restrict access to client non-public information to those employees, affiliates, and vendors who need to know that information to service the client account; and
- 8 We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

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

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

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

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

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [dfields@mynewfinancialadvisor.com](mailto:dfields@mynewfinancialadvisor.com), or by calling us at (805) 446-4494.

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

## **Item 12: Brokerage Practices**

For discretionary clients, SoHo Financial Services LLC requires these clients to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions.

These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

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

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

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with SoHo Financial Services, LLC, or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable SoHo Financial Services, LLC to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time

the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price. Best execution may not necessarily be the best priced trade.

- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) SoHo Financial Services, LLC's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on SoHo Financial Services, LLC's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 10) No client or account will be favored over another.

SoHo Financial Services, LLC may generally recommend that clients establish brokerage accounts with TD Ameritrade, Inc., Member FINRA/SIPC/NFA ("TD Ameritrade), to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts with TD Ameritrade, ultimately it is the client's decision to custody assets with TD Ameritrade.

We participate in TD Ameritrade's Institutional customer program. There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research-related products and tools; consulting services ; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to SoHo Financial Services, LLC by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by SoHo Financial Services, LLC's related persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for SoHo Financial Services, LLC's personnel to attend conferences or meetings relating to the program or to TD Ameritrade's adviser custody and brokerage services generally.

Some of the products and services made available by TD Ameritrade through the program may benefit SoHo Financial Services, LLC but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by SoHo Financial Services, LLC or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by SoHo Financial Services, LLC or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our recommendation of TD Ameritrade for custody and brokerage services.

Our receipt of economic benefits through our participation in the TD Ameritrade Institutional customer program does not diminish our duty to act in the best interests of our clients, including seeking best execution of trades for client accounts.

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

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

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



These accounts are reviewed by: Thomas Fields, Chief Compliance Officer and Managing Member.

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

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

### **CLIENT REFERRALS**

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

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

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

It is SoHo Financial Services, LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Any solicitor arrangement will comply with CCR Section 260.236(c)(2), whereby the solicitor will be reported to the California Department of Corporations as a solicitor for our firm.

## **Item 15: Custody**

Custody, as it applies to investment advisors, has been defined as having access or control over client funds and/or securities, but does **not** include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the *Investment Advisers Act of 1940* and must ensure proper procedures are implemented. Please note that regulators have deemed the authorization to trade in client accounts to not be custody. However, we are deemed to have custody of client funds and securities whenever we are given the authority to have fees

deducted directly from client accounts. Our procedures do **not** result in our maintaining actual or constructive custody of client funds and securities.

For accounts where we are deemed to have custody due to the automatic fee deduction, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the creation of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

## **Item 16: Investment Discretion**

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

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

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

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

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

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

communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

## **Item 18: Financial Information**

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

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

SoHo Financial Services LLC has not been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 19: Requirements for State-Registered Advisers**

A. The following individuals are the principal executive officers and management persons of SoHo Financial Services, LLC:

- Thomas W. Fields, CFP: Information regarding the formal education and business background for Mr. Fields is provided in his respective Brochure Supplement (Part 2B of Form ADV).
- Debra A. Fields, CFP: Information regarding the formal education and business background for Mr. Fields is provided in his respective Brochure Supplement (Part 2B of Form ADV).

B. SoHo Financial Services, LLC is not engaged in any business activity other than giving investment advice.

C. Neither SoHo Financial Services, LLC nor our supervised persons are compensated for advisory services with performance-based fees.

D. We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted. Our firm and our management personnel have no reportable *disciplinary* events to disclose.

However, Mr. Thomas W. Fields has one arbitration settlement in his public disclosure record which is described in his respective Brochure Supplement (Part 2B of Form ADV). In brief, Mr. Fields was notified in November, 2011 that he was a named respondent in a FINRA arbitration claim against his former broker-dealer, Independent Financial Group, LLC. SoHo Financial Services, LLC has reviewed the issues raised and determined that the claims were without merit and not material to a current or future SoHo Financial Services, LLC client or RIA activity. However, SoHo Financial Services, LLC believes that any potentially material disclosure should be made and thereby includes disclosure of this matter in this Brochure.

The claims against the parties in this case, including Mr. Fields, were settled by Independent Financial Group, LLC's counsel. Mr. Fields was not a party to the settlement discussions or ultimate settlement agreement. SoHo Financial Services, LLC firmly believes that Mr. Fields would have been successfully dismissed from all claims, but was not given the opportunity to be heard or defend his position. The dispute was settled July, 2013. The details of this case can be found on FINRA's BrokerCheck system or the Investment Advisor's Public Disclosure site (IAPD). Clients can access IAR disciplinary history by clicking on the BrokerCheck link, which is [www.finra.org/brokercheck](http://www.finra.org/brokercheck) or the IAPD link, which is [www.Adviserinfo.sec.gov](http://www.Adviserinfo.sec.gov).

Mr. Fields has not been involved in a disclosure event where he was found liable in any civil, self-regulatory organization, or administrative proceeding; and has not been the subject of a bankruptcy petition.

- E. Neither SoHo Financial Services, LLC nor our management personnel have a relationship or arrangement with any issuer of securities.

## **Item 20: Privacy Policy**

Your relationship with SoHo Financial Services, LLC is based on trust and confidence. To fulfill its responsibilities to you, SoHo Financial Services, LLC requires that you provide current and accurate financial and personal information. You deserve to expect that SoHo Financial Services, LLC will protect the information you have provided in a manner that is safe, secure and professional. SoHo Financial Services, LLC and its employees are committed to protecting your privacy and to safeguarding that information.

### **SAFEGUARDING CUSTOMER DOCUMENTS**

We collect non-public customer data in checklists, forms, in written notations, and in documentation provided to us by our customers for evaluation, registration, licensing or related consulting services. We also create internal lists of such data.

During regular business hours access to customer records is monitored so that only those with approved entitlements may access the files. During hours in which the company is not in operation, the customer records will be secured.

No individual who is not so authorized shall obtain or seek to obtain personal and financial customer information. No individual with authorization to access personal and financial customer information shall share that information in any manner without the specific consent of a firm principal. Failure to observe SoHo Financial Services, LLC procedures regarding customer and consumer privacy will result in disciplinary action and may include termination.

## **SHARING NON-PUBLIC PERSONAL AND FINANCIAL INFORMATION**

SoHo Financial Services, LLC is committed to the protection and privacy of its customers' and consumers' personal and financial information. SoHo Financial Services, LLC will not share such information with any affiliated or non-affiliated third party except:

- When necessary to complete a transaction in a customer account, such as with the clearing firm or account custodians;
- When required to maintain or service a customer account;
- To resolve customer disputes or inquiries;
- With persons acting in a fiduciary or representative capacity on behalf of the customer;
- With rating agencies, persons assessing compliance with industry standards, or to the attorneys, accountants and auditors of the firm;
- In connection with a sale or merger of SoHo Financial Services, LLC's business;
- To protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims or other liability;
- To comply with federal, state or local laws, rules and other applicable legal requirements;
- In connection with a written agreement to provide investment management or advisory services when the information is released for the sole purpose of providing the products or services covered by the agreement;
- In any circumstances with the customer's instruction or consent; or
- Pursuant to any other exceptions enumerated in the California Information Privacy Act.

## **OPT-OUT PROVISIONS**

It is not a policy of SoHo Financial Services, LLC to share non-public personal and financial information with affiliated or unaffiliated third parties except under the circumstances noted above. Since sharing under the circumstances noted above is necessary to service customer accounts or is mandated by law, there are no allowances made for clients to "opt out".

If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice. We reserve the right to change this policy at any time and you will be notified if any changes do occur.

If you have any questions after reading this Privacy Policy, please contact us by writing to:

**SoHo Financial Services**  
Attention: Privacy Officer  
2659 Townsgate Road #246  
Westlake Village, CA 91361