

Symphony Financial Services, Inc.  
Disclosure Brochure  
December 09, 2016

*Item 1 – Cover Page*

*CRD # 125058*

This brochure provides information about the qualifications and business practices of Symphony Financial Services, Inc. (“SFS” or “Advisor”) and its owner, John Y. Kim, JD. LLM, and other staff members.

If you have any questions about the contents of this brochure, please contact us at (330) 434-2000 or [john@symphony-financial.com](mailto:john@symphony-financial.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Symphony Financial Services, Inc. is a Registered Investment Advisor. Registration as an Investment Advisor does not necessarily imply any level of skill or training. This disclosure document is designed to grant current clients as well as potential clients the opportunity to carefully read and establish an understanding of the various investment advisory services that are offered and the respective fees and expenses of those services. The information contained in this document is important to the conduct of both parties entering an advisory contract. While investment advisors have a fiduciary duty to put the needs of clients before their own, clients likewise have a duty to investigate and maintain a basic understanding of the services offered by the Advisor. We hope this document serves as a leading educational tool to aid clients and prospective clients in understanding how Symphony Financial Services, Inc. conducts investment advisory services.

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## *Item 2- Material Changes*

There have been no material changes regarding the services provided by Symphony Financial Services, Inc. during the last year. In the future, this portion of the brochure will discuss specific material changes that are made to the brochure and provide clients with a summary of such changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Additional information about Symphony Financial Services, Inc. is also available via the SEC web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC web site also provides information about any persons affiliated with Symphony Financial Services, Inc. who are registered as investment adviser representatives of SFS.

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#### *Item 4 – Advisory Business*

Symphony Financial Services, Inc. (“SFS”) was formed in June, 2001 and is a corporation organized in the State of Ohio. John Y. Kim, JD. LLM. is the President and sole owner. Symphony Financial Services, Inc. is registered with the SEC and is notice filed in the State of Ohio and others. As of December 31<sup>st</sup>, 2015, SFS managed \$196 million in assets. \$92 million in assets are managed on a discretionary basis, while \$104 million are managed on a non-discretionary basis.

Symphony Financial Services, Inc. provides “fee for service” financial planning and investment advice. Areas of advice include asset allocation, investment selection, retirement planning, college funding and employee benefits and qualified plan subaccount analysis. Engagements are limited in scope based on the client’s unique circumstances.

The Advisor gathers financial data including the client’s goals, circumstances, financial condition and risk tolerance. The adviser then prepares and delivers analysis and recommendations to the client. Recommendations may be in a written/electronic format, or in the form of verbal (in-person or phone) discussion, or both.

Clients engage Symphony Financial Services, Inc. on a number of different financial services. The services a client receives are dependent upon the individual needs and requests by the client, but often times the services rendered are continuous and on-going. The investment management services provided by Symphony Financial Services, Inc. often involve financial planning, portfolio management and active investment research.

When clients place investment assets under the management of SFS they are often offered two services:

- A) Advisory Management Program (AMP)
- B) Brokerage Asset Management (BAM)

AMP is a program designed to reposition or reallocate the client’s assets based on research and suitability reviews performed by the advisor. This program is actively managed and often has portfolio updates or changes as market conditions change or research conducted by SFS would indicate a need for asset allocation adjustments.

Advisor offers clients an investment service called Brokerage Asset Management (BAM), which is generally managed according to the principles of asset allocation. This service attempts to optimize the risk/reward profile of a client's portfolio by investing among several asset classes based upon a client's personal financial goals and risk preferences. Below is a brief description of the type of general strategies that may be used as guidelines by investment advisor representatives in structuring accounts with varying objectives.

**Conservative Income Allocation.** A conservative income portfolio usually seeks to generate income as its primary objective and preserve initial investments as its secondary objective. Conservative income portfolios tend to invest in a mix of income producing investments with a low degree of volatility. A typical conservative income portfolio may consist of about 20% in equity asset classes, and 80% in income asset classes, including fixed income and/or cash equivalents.

**Balanced Allocation.** A balanced portfolio usually has both capital preservation and growth as its primary objectives. Balanced portfolios tend to invest in a relatively equal mix of low to moderate risk securities. A typical balanced portfolio may consist of about 50% in equity asset classes and 50% in fixed income and/or cash/cash equivalents.

**Growth Allocation.** A growth portfolio usually seeks to generate long-term capital gains as its primary objective. Growth portfolios tend to invest in a mix of investments with potential for long-term capital appreciation with a more than moderate amount of volatility. A typical growth allocation consists of about 80% equity and 20% in fixed income and/or cash/cash equivalents.

**All-Equity Allocation.** An all-equity growth portfolio usually seeks to generate long-term capital gains as its primary objective. All Equity portfolios are aggressive portfolios and tend to invest in assets that may be considered high risk and tend to have more volatility. These portfolios may have the potential for higher returns over the long-term. A typical all-equity portfolio consists of about 98% in equity asset classes with only about 2% in cash/cash equivalents.

Since client portfolios are designed to be managed in accordance with the financial circumstances, investment objectives, and preferences of individual clients, the actual asset allocation of a particular account may differ from other client accounts with similar objectives or levels of risk. Asset allocation is driven by various mathematical computations, and is more complex than the concept of asset diversification. It should be recommended that no strategy or allocation formula can guarantee a gain, or assume that an account will suffer a loss.

The program is designed to offer clients a diversified long-term approach to their personal investment goals and objectives. The program begins with an investment policy statement. This investment policy statement is used as a blueprint in collecting appropriate investments for your portfolio. It is important that you keep your investment advisor representative informed as to any changes in your financial situation. This service provides clients with individualized investment portfolio management services, including account review, consolidated reporting, and investment recommendation. Selected investment include: stocks, bonds, mutual funds and other securities.

The Advisors use no-load, low expense mutual fund groups.

Clients may terminate their participation in these services at any time by providing thirty (30) days written notice to Advisor. Advisor may terminate any client's participation in the program at any time by providing thirty (30) days prior written notice to the client.

If services are selected that do not entail discretionary authority, then clients are free to implement all, some, or none of the Advisor's recommendations and the full responsibility of implementation rests with the client. All transactions occur at a qualified custodian that produces statements. These statements may be produced monthly, but must be produced at least quarterly and contain the basic account value and holdings of the managed accounts along with listing the activity that occurs within the account(s) being managed by SFS. The statement provided by the custodian will also contain the advisory fee charged by SFS. Fees charged by SFS are separate from the fees charged by Mutual Funds and other investment companies. Therefore, SFS recommends consulting the Mutual Fund prospectus for more information about their fees.

#### *Item 5 – Fees and Compensation*

Fees are charged on a "pay as you go" basis. Fees are negotiable and may vary from client to client. Fees are quoted in advance and must be accepted by client prior to project commencement or investment management. Executing a signature on the client agreement or paying a partial/full payment of fee acknowledges acceptance by client.

Advisor provides Investment Advisory Services for the following means of compensation. The respective services that are available for various forms of compensation are listed under the compensation titles:

- A) A percentage of assets under management
  - a) Advisory Management Program (AMP)
  - b) Brokerage Asset Management (BAM)

Clients may terminate their participation in these services at any time by providing thirty (30) days written notice to Advisor. Advisor may terminate any client's participation in the program at any time by providing thirty (30) days prior written notice to the client.

As compensation for the AMP and BAM investment advisory services offered, Symphony Financial Services, Inc. receives an annual advisory fee, payable on a quarterly basis by each client. Advisory fees are based upon a percentage applied to the total value of portfolio assets at the time of calculation. Percentages are scaled to value levels of assets comprising the investment portfolio of a client, and are set out in a schedule made part of each Investment Advisory Agreement. Portions of the advisory fees may be paid to third parties as part of Symphony Financial Services, Inc. servicing agreements with third parties. Disclosure of any such payment will be described in each Individual Advisory Agreement. Advisory fees are determined for each calendar quarter by applying the applicable portion of the annual percentage fee to the value of assets then comprising the client's portfolio.

The following is an example of how a quarterly fee is calculated:

\$800,000.00 of assets under management at an annual fee of 1.0% would render the following quarterly bill.

1.0% annual fee divided by 4 individual quarterly periods = .0025

$\$800,000.00 \times .0025 = \$2,000$  Fee for the quarter

Advisory fees are calculated, and billed quarterly, in advance of the quarter. Annual percentages applied currently range from 0.85% to 2.75%, but are subject to change, and are subject to negotiation and individual determination based upon particular facts and circumstances of a client and the extent of advisory services anticipated. These fees may be considered higher than average as related to other investment advisory firms, as such, you may be able to attain similar services at a lesser cost elsewhere.

The above listed fees shall be deducted from the AMP program clients' account in accordance with the Advisory Agreement on a calendar quarter basis. The fee shall be calculated based upon the then listed value of the client's account at quarter's end. These fees are paid in advance of services being rendered. Accounts managed for a portion of the quarter will be charged a prorated portion of the advisory fees for the quarter and any unearned fees will be returned to the client. No fee adjustments will be made for partial withdrawals or additional deposits to the Account during a quarter or for Account appreciation or depreciation.

Advisor provides investment planning services consistent with individual client's financial and tax statues, risk tolerance and investment objectives. Fees are billed at a negotiated rate between the parties. Hourly fees, if any, usually range from \$300 to \$600 per hour and are billed in arrears. These services may be negotiated as a fixed fee also payable in arrears. The fee for a typical comprehensive financial plan is \$6,000, while a complex financial situation necessitating extensive services may have a fixed fee of up to \$20,000 per plan. Unless otherwise stated, client agreements are for a period of one year and are automatically renewed each year. The financial planning agreement not involving securities may be terminated at any time at the client's discretion. The Advisor may terminate the financial planning agreement not involving securities at any time. A refund of 100% of client's fee for planning services not involving securities may be obtained within the first contract year upon receipt of a written request and 30 days notice.

In rendering services described above, SFS makes recommendations only, these recommendations can be implemented through SFS as a licensed securities broker in the following methods: Non-discretionary or Discretionary.

Discretionary Transactions are directed by SFS for accounts that have a limited discretionary authority agreement. Clients who choose to provide SFS with discretion have empowered SFS to buy and sell securities without the client's prior knowledge or consent. Clients may, by contract, place restrictions on SFS's discretionary authority. Trail fees or 12(b)(1) fees on these discretionary accounts may be paid to SFS. SFS may act as the investment advisory client's representative in the execution of securities

transactions on a normal and customary basis. The use of a registered broker/dealer for such transactions is at the client's complete discretion. The receipt of commissions creates the possibility of a conflict of interest. Advisors that can make both fee and commission must put the client's interest ahead of any personal financial gain. This disclosure is to serve notice to clients of the inherent conflict of charging fees and having the ability to also make commissions. Clients have the right to ask if commissions are also being made by the Advisor on accounts where they are charging fees. Clients may pay higher commission rates than otherwise available. SFS and its principals, and not the broker/dealer are solely responsible for the quality of investment advice provided to clients.

For the purpose of implementing recommendations and effecting transactions in the course of construction of a client portfolio and ongoing monitoring or management, SFS may direct advisory clients to a licensed securities broker-dealer with which he is affiliated as a registered representative. Advisory clients are under no obligation to effect any portfolio transaction with or through SFS or any broker-dealer with which he may be affiliated as a registered representative, and may at any time direct that portfolio transactions be effected with or through any other appropriately licensed securities broker-dealer or registered representative. Investment Advisory Representatives (IARs) who choose to effect transactions for advisory clients through a securities broker/dealer with which they are affiliated, may receive certain types of transaction-based compensation, which is in addition to the advisory fees paid to the IAR by clients.

Symphony Financial Services, Inc. management programs are not considered "wrap fee program" in that clients are responsible for paying any and all transaction costs, including, but not limited to customary ticket charges, postage and service fees and annual maintenance fees that may be issued by the custodians.

#### *Item 6 – Performance-Based Fees and Side-by-Side Management*

Symphony Financial Services, Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### *Item 7 – Types of Client*

Symphony Financial Services, Inc. takes an active approach to managing the types of clients that are accepted by the firm. The clients that Symphony Financial Services, Inc. currently choose to work with our high net worth individuals and would be considered "accredited" investors (individual net worth of any natural person, or joint net worth with the spouse of that person, at the time of purchase, is more than \$1,000,000 [as such amount is adjusted periodically by rule of the Commission], excluding the value of the primary residence of such natural person.) However, Symphony Financial Services, Inc. also works with "main street" every day people. SFS does not impose any account limits or restrictions for maintaining or managing an account. The firm requires clients to disclose current financial status and investment objectives to the Advisor at the time of opening an investment account. These documents are updated as needed. Clients are requested to inform the Advisor whenever the client has



experienced a significant change in financial status or condition or wish to change the investment objectives on the account. (Example: Client wishes to change investment objective from Aggressive Growth to Moderate. The client would need to complete a new account form that evidences this request). In general, most clients are residents of the State of Ohio, while a few live in multiple locations largely dependent on the different seasons of the year.

SFS's clientele could be categorized as individuals, businesses and trusts. The services offered to each may vary and is largely dependent upon the client's unique circumstances. Symphony Financial Services, Inc. has each client execute an independent agreement and each agreement offers services separately to each individual client.

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

If an Advisor is engaged to provide Investment advice, the client's current financial situation, needs, goals, objectives and risk tolerance are first evaluated. Asset allocation and security selection decisions are then matched to internal research that matches client investment objectives to portfolio allocations: Growth, Moderate, Conservative or Income/Bond focused. The asset allocation portfolio may already exist or if the Advisor deems necessary, a new asset allocation may be constructed for the client individually. The portfolios are often comprised of multiple asset categories and sectors and have the ability to perform multiple styles of asset allocation including ranges from 100% equity exposure to 100% cash exposure. Investment overlap and diversification are key components to the investment portfolio design.

While the typical asset allocation elected by a large majority of the investment advisory community would include Large Cap, Mid Cap, Small Cap, Bonds and International segments. Our growth model processes often evaluate all of those, but also may include special sectors like: financials, global/foreign, gold, commodities, natural resources, technology, health care, real estate, region specific/country specific, utilities, world bonds and more... thus allowing the models to select risk appropriate positions from a large population of investment opportunities.

There are substantial risks involved by investing in securities. It is the client's responsibility to read and review the monthly/quarterly statements and provide feedback as to their comfort or lack thereof with the then current asset allocation of their individual portfolio(s). Our method of investment management often calls for portfolios to be re-allocated from time to time, so the allocation that exists one day or one week may not be representative of the allocation the following day, week, month or quarter. Therefore, we recommend establishing an electronic access to the custodian who holds or custodies your securities and provides monthly or quarterly statements. The electronic access will allow clients to view the account as frequently as they like and will offer a more recurrent analysis of the portfolio's progress.

Additionally, there are complexities and risks associated with trading securities including, but not limited to: execution or trading errors, price volatility, bid/ask spreads, order types (such as “market” and “limit” orders), deviation from net asset value and “execution price slippage” caused by lack of order or book depth. This is commonly seen in some of the more thinly traded stocks or ETFs that don’t usually experience a lot of daily trading volume. An example of such a dilemma was the “flash crash” that the market experienced on May 6, 2010. On that day the Dow Jones Industrial Average plunged about 900 points only to recover those losses later in the trade day. It was the second largest point swing, 1010.14 points, and the biggest one-day decline, 998.50 points, on an intraday basis in Dow Jones Industrial Average History.<sup>1</sup> At current, Symphony Financial Services, Inc. heavily focuses on mutual funds that trade once per day, this helps minimize problems associated with industry intra-day price deficiencies. Exchange-traded funds (ETFs) are another tool that can be used by SFS to manage client accounts, but the price execution risk is much higher with ETFs than mutual funds, because their price fluctuates like a stock and can be traded multiple times per day.

Use of leverage funds in a client’s portfolio often adds risk to the portfolio. Leveraged funds, which use futures and options to amplify returns, try to return two to three times the daily returns of a particular index. Symphony Financial Services, Inc. does not usually recommend leveraged funds to the general public as they are volatile positions that can move quickly and materially affect a client’s account value causing extensive damage to a portfolio. However, due to the liquidity that is often found as a characteristic of leveraged funds, SFS may from time to time purchase leveraged bond funds that contain 1.2 times or more the movement of the respective bond index. The use of such leverage is often conducted to accommodate specific liquidity needs of the client or to activate new investment assets that have been transferred into the client’s portfolio. Other leveraged sector funds could be used to accommodate liquidity issues as well, but the time frame for holding those volatile positions would likely be short.

Clients have the right to place a restriction on their account that would not allow the use of leveraged investments in their portfolio. That restriction request must be performed in writing. However, this restriction would not require the Advisor to know how the individual fund invests internally. Many mutual funds use options, futures and derivative instruments to invest public clients’ assets. This restriction would merely cause the Advisor to stay away from funds that market an investment strategy that is designed to amplify the returns of an index in a leveraged fashion.

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<sup>1</sup> [http://en.wikipedia.org/wiki/2010\\_Flash\\_Crash](http://en.wikipedia.org/wiki/2010_Flash_Crash)

### *Item 9 – Disciplinary Information*

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to one's evaluation of Symphony Financial Services, Inc. or the integrity of SFS's management (and each supervised person providing investment advice). Symphony Financial Services, Inc. has not received any events that would trigger a disclosure of this nature. In addition, there have been no disciplinary events for any investment advisor representative members of Symphony in the last year. Additional information is available for each investment advisor representative and items like customer complaints or other disclosures of that nature can be found under Part 2B of each individual disclosure.

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

Symphony Financial Services, Inc. does not have other industry activities or affiliations, but some of the Investment Advisor Representatives who are registered with Symphony Financial Services, Inc. are also registered representatives of LPL Financial, a registered broker/dealer, member FINRA/SIPC. As such, members who are dually registered must adhere to both the FINRA rules and guidelines as implemented and enforced by the broker/dealer in addition to the State or Federal investment advisory rules and guidelines. The economic benefit that these dually licensed representatives can achieve is the ability to gain a commission in addition to or in lieu of the potential investment advisory fees. This can create a conflict of interest that should be disclosed to the client prior to the sale of any security.

As such, Symphony Financial Services, Inc. tries to segregate its investment advisory business from its commission business. This is often achieved by utilizing custodial platforms such as the Strategic Wealth Management Program (SWM) offered by LPL Financial. When accounts are opened on the SWM platform they are handled strictly on a fee basis. All mutual fund securities trades at LPL are conducted at net-asset-value (NAV), which means no commissions can be generated or received by the Advisor. Additionally, commissions called trail commissions or 12b-1 fees are not paid to the Advisor under the LPL custodial platform. However, if ETFs or other securities transactions are placed at LPL ticket charges or transaction costs are issued. Those charges are levied by LPL and IARs do not share in any portion of the ticket charges to execute transactions through LPL.

Depending of the client's needs, annuities might be appropriate for the living benefit riders or the deferred nature of the investment vehicle. The companies that offer annuity products are numerous and the features of each product are often complex. Additionally, the methods of compensation vary per Annuity Company, but they often involve a commission payment to compensate the registered representative for learning and marketing the product. These commissions can be sizable and may induce a conflict of interest. When clients are found to have a need that may be best served with an annuity, the compensation of any such commission is evaluated and is considered when charging investment advisory fees.

### *Item 11 – Code of Ethics*

Symphony Financial Services, Inc. has created a code of ethics that is designed to help educate and monitor the business conduct of our office staff. The code emphasizes the firm's fiduciary duty to clients and produces a heavy burden on the staff to maintain client confidentiality. A copy of the code of ethics is available to clients or prospective clients upon request.

John Y. Kim, JD. LL.M. or other employees of Symphony Financial Services, Inc. may occasionally buy or sell securities for their own accounts. The firm may or may not recommend these securities to clients since recommendations vary according to an individual client's specific needs and circumstances. Additionally, staff members may use computer models that will actively allocate and may buy or sell securities without consideration of client holdings. These securities are publicly traded and it is highly unlikely that transactions in the personal accounts of the firm's employees could adversely affect the price or performance of the securities.

Should an employee become aware of any non-public information regarding a security, it is the firm's policy that the employee not act on such information for his/her own benefit or for the benefit of clients and report the information to Symphony Financial Services, Inc. management (and the proper regulatory authorities, if warranted).

### *Item 12 – Brokerage Practices*

Symphony Financial Services, Inc. may recommend brokerage platforms based on trading and technology, the depth and breadth of services, the customer service responsiveness and brokerage transaction costs and best execution records. Currently, Symphony Financial Services, Inc. often recommends the LPL Financial platform as its main brokerage/custodian. Such recommendation is based on the history and experience that Symphony Financial Services, Inc. has established with LPL, but also due to the continued industry leadership and best execution practices they display in ongoing performance.

Symphony Financial Services, Inc. has investment advisor representatives who are also registered with LPL Financial, a registered broker/dealer, member FINRA/SIPC. While brokerage services are offered by this company, SFS separates the fee based business from the commission business by using different account numbers. This identifier on an account helps govern how and when commissions or fees can be paid on an account. LPL conducts reviews of the commission and fee payment methods and helps Symphony manage and monitor the specific forms of compensation that can be made on any given account within brokerage accounts at LPL. This relationship is helpful on multiple levels including compliance and processing direct mutual fund or variable annuity business.

### *Item 13 – Review of Accounts*

The reviews of client accounts in the Symphony Financial Services, Inc. program are performed periodically and/or at least quarterly. These reviews will encompass performance evaluation, asset allocation analysis and customer suitability review. The triggering factors for evaluation may include, but are not limited to: change in product composition, change in market condition, change in management philosophy, change in client's financial condition, and any other change of which client apprises the Advisor. Levels of review include: summary review of account statements; in-depth review of statements, objectives and current performance. The client may be invited to attend a detailed review involving a meeting to discuss any and all related investment strategy and/or future planning. John Y. Kim, JD, LLM or the investment advisor representative who is assigned to the specific client account conducts the review process, with occasional assistance from other office staff. The role of the office staff is largely administrative in gathering the material for review.

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

Symphony Financial Services, Inc. does not often enter into referral/solicitor agreements. At current, there are no relationships where SFS compensates another individual for client referrals.

### *Item 15 – Custody*

In 2010, the Securities Exchange Commission (SEC) adopted amendments to Rule 206(4)-2 (the “Custody Rule”) under the Investment Advisers Act of 1940 (the “Advisers Act”) which governs custody arrangements for registered investment advisers. Prior to that amendment SFS, due to various “No Action” letters and safe harbor provisions issued by the SEC, was deemed to not have custody of client funds. However, after the amendment in 2010, the billing practices of Symphony Financial Services, Inc. are now considered to create a form of custody since advisory fees can be deducted directly from client accounts. This form of custody is very limited. Symphony Financial Services, Inc. is not permitted to take control of any client assets or transfer client assets to or from a client’s account unless directed or authorized by the client to do so. SFS does not take possession of client securities or assets. They are held at places like LPL Financial that meet the standards and requirements that include providing statements to all clients that reflect their securities activity during a given quarter.

Symphony Financial Services, Inc. is not affiliated with any custodial services and is “operationally independent” from any custodian that generates statements for clients. As such, Symphony Financial Services, Inc. merely performs the calculation of the fees and supplies that information to the custodian, who in-turn debits the fee and reports the activity on the statement. While the act of debiting the fee directly from the client account meets the new definition of custody as amended by the SEC in their 2010 amendment notice for rule 206(4)-2 under the Investment Advisers Act of 1940; the SEC carved out a provision in the rule change that exempted firms from an annual surprise audit on its books and

records, if they merely met the definition of having custody due to the ability to deduct the fee from the client(s) account. The basic provisions for the exemption that Symphony Financial Services, Inc. and its members adhere to are:

- Maintain accounts at a “qualified custodian”, institutions to which clients and advisers customarily turn for custodial services.
- Those custodians are subject to regulations and oversight.
- Symphony Financial Services, Inc. maintains a reasonable belief that the qualified custodians send statements directly to advisory clients.

These requirements are designed so that advisory clients will receive a statement from the qualified custodian and have the opportunity to compare and contrast with any statements or other information they receive from their advisor to determine whether account transactions, including deductions to pay advisory fees, are proper. While Symphony Financial Services, Inc. often provides individual account assessments for clients on a quarterly basis, SFS is operationally independent from LPL Financial and other custodians. As such, we urge clients to compare the documentation provided directly from Symphony Financial Services, Inc. to the statements provided from the independent custodians.

#### *Item 16 – Investment Discretion*

Symphony Financial Services, Inc. develops asset allocation portfolios that require the portfolio to be rebalanced or independently adjusted from time to time. The most efficient way to execute this kind of asset allocation strategy is through the use of discretionary authority to place trades prior to receiving instruction or confirmation from each client. The discretionary authority granted to Symphony Financial Services, Inc. when a client enters the client agreement is limited. The authority limits the discretion to purchases and sales within the account. Symphony Financial Services, Inc. members have no authority to transfer assets to or from accounts, other than when deducting fees on a quarterly basis. Therefore, the discretion is limited and may be canceled by the client at any time. However, the cancelation of the discretionary authority would likely necessitate the client being removed from the active management program.

#### *Item 17 – Voting Client Securities*

Symphony Financial Services, Inc. does not vote proxies on behalf of clients. The proxies are sent from the custodian or Investment Company directly to the client’s address of record. The client is welcome to vote proxies as they see fit. Symphony Financial Services, Inc. does not make recommendations as to how or for whom to vote.

#### *Item 18 – Financial Information*

Registered Investment Advisors are required in this item to provide you with certain financial information or disclosures about SFS’s financial condition. Symphony Financial Services, Inc. has no

financial commitment that impairs its ability to meet its financial obligations and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

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

If this disclosure brochure was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory agreement with this investment advisor, then the client has the right to terminate the agreement without penalty within five business days after entering into the agreement. For the purposes of this provision, an agreement is considered entered into when all parties to the agreement have signed the agreement, or in the case of an oral agreement otherwise signified their acceptance.

#### *Educational Background and Business Experience*

Each Advisor of Symphony Financial Services, Inc. furnishes general investment advice. Specific investments are reviewed and approved by Mr. Kim generally in consultation with all of the professional staff of Symphony Financial Services, Inc. contributing to the analysis.

John Y. Kim, J.D., LL.M., date of birth April 21, 1968, is a graduate of Juilliard School of Music, Prep Division, and has also earned a bachelor of arts from Bowling Green State University, a law degree from the University of Akron School of Law, and a Master's of Law in taxation from Case Western Reserve University School of Law. He is a member of the Ohio State Bar Association, the Akron Bar Association, and the New York Bar Association. He has served as Principal and Office of Supervisory Jurisdiction for the last ten years.

Spencer Gabriel's tenure in the financial industry began in 1989 with Prudential Insurance. In 1995 he became a financial advisor with the brokerage subsidiary, Prudential Securities for a total of 11 years. Spencer's date of birth is July 12, 1965. He continued his career servicing businesses, families, and individuals in wealth management with Smith Barney and joined Symphony Financial Services, Inc. in the fall of 2009. His expertise lies in providing highly predictable income streams for retirees.

Scott Spears, date of birth May 31, 1972, graduated from Purdue University with a Bachelor Degree in Administration in 1995. Scott counseled clients in regards to finances from 1997 through Crown Financial Ministries on a volunteer basis until 2003 when he entered into full time financial planning. Scott holds Series 6, 7, 63 and 65 securities licenses and is an independently licensed insurance agent.

Paul Sansonette, date of birth February 26, 1961. Paul graduated from the University of Akron with a business degree and is a Certified Retirement Counselor. Paul is a Registered Representative and independent life insurance agent who has counseled clients with respect to their financial and investment requirements for over 20 years.

Craig Small, date of birth August 25, 1986, monitors and trades in client portfolios as well as performing due diligence on existing and new investment opportunities. Craig holds his FINRA Series 7, 63, 66 and his Life, Health and Annuities licenses. Craig holds a Bachelors of Science in Business Administration specializing in

Finance, Risk Management and Insurance from The Ohio State University. He currently holds his CFA Charter and is a member of the CFA Institute.

James Jones, date of birth April, 18, 1970. Jim was a graduate of Western Illinois University with a concentration in Finance, Banking and Business. Jim joined Symphony Financial Services after spending 24 years with Ameriprise Financial Services, inc. He holds his Chartered Retirement Planning Counselor designation.

*Supervision conducted internally at Symphony Financial Services, Inc.*

John Y. Kim is the Chief Compliance Officer and is responsible for monitoring the daily activities and work produced by the IARs and employees of Symphony Financial Services, Inc. She works closely with the office staff conducting routine checks and balances. These compliance reviews are often conducted throughout the normal course of daily business, but some are more formal, such as the end of year annual audit and various other compliance meetings conducted with and by the broker/dealer. John is responsible for maintaining the code of ethics and other regulatory requirements.

Any potential issue regarding advice, service or processes of Symphony Financial Services, Inc. should be brought to the attention of the Chief Compliance Officer. This enables Symphony to be aware of the situation early in the review process and allows John to take an active role in rectifying any problem or misunderstanding and resolving any potential conflict. John maintains an “open door” policy and welcomes face-to-face meetings and direct phone contact. These are the best means of communication for dialog about any issues that may need to be addressed. Relationships tend to breakdown when there is a lack of communication and John strives to keep the lines of communication open for both positive and negative feedback from clients.

### *Other Business Activities*

Symphony Financial Services, Inc. is a registered investment advisor and its sole responsibility is offering fee based investment advice. However, Investment Advisor Representatives (IARs) who are individuals registered with Symphony Financial Services, Inc. have multiple business activities that are material to the securities industry. Many of the IARs registered with Symphony Financial Services, Inc. are also registered representatives (investment brokers) with a broker/dealer named LPL Financial member FINRA/SIPC.

This outside business affiliation allows those registered representatives to make commissions on various securities trades. As such, an inherent conflict of interest may exist. When working with an IAR member of Symphony Financial Services, Inc. we encourage our clients to ask about the different kinds of compensation that might be made with regard to offering investment advice or brokering a product. While the vast majority of business conducted from this office is performed as fee based advice under SFS, there are times where a commission based product may be suitable and warranted.

Clients may engage the services of John Y. Kim, Symphony Financial Services, Inc. President and an attorney licensed to practice law in Ohio and New York, to perform various legal services for clients or prospective



clients in his capacity as an attorney. Many times these services are performed by Mr. Kim for significantly reduced fees or on a *pro bono* basis (i.e. Mr. Kim charges no fees for such services).

### *Additional Compensation*

As disclosed in previous sections, additional compensation can be earned by members of SFS. Such compensation could include commissions from the purchase or sale of securities or insurance products, and income from outside business activities. Additionally, members of Symphony Financial Services, Inc. could be invited to due diligence meetings at the request of investment companies or other industry organizations. On occasion, travel reimbursements are made by those companies that extended the invitation. While these payments would only reimburse travel expenses, the appearance of “pay for production” may exist and as such the potential conflict of interest has been disclosed.

## *Item 20 – Privacy Policy*

In order to facilitate the servicing of your account, the Advisor may receive nonpublic personal information about you from the following sources:

- Information we receive from you on questionnaires, applications, account opening documents or other forms;
- Information about your transactions with us or others;
- Information we receive from a consumer reporting agency; and
- Information we received from other sources with your consent.

We do not disclose any nonpublic personal information about you to anyone, except as permitted by law. Such disclosure may include the following:

- Disclosures to affiliates, including affiliated service providers (for example, insurance agencies for processing of variable insurance applications on your behalf);
- Disclosures to your chosen broker-dealer firm (for example, to establish a brokerage account on your behalf);
- Disclosures to government agencies, securities regulators and law enforcement officials (for example, for tax reporting, under a court order or to protect our legal rights);
- Disclosures to other organizations, with your consent (for example, other investment advisor firms in order to open a managed account with their firm or the brokerage firm they utilize); and
- Disclosures to other persons you authorize to obtain such information (for example, a CPA who will be preparing your tax return).

The Advisor restricts access to your personal and account information to those of its employees who need to know that information to provide products or services to you. The Advisor maintains physical, electronic, and procedural safeguards to guard your nonpublic personal information.

We will continue to adhere to the privacy policies and practices as described in this notice if you decide to close your account(s) or become an inactive customer.

If you have any questions concerning the Advisor's privacy policies and procedures, please feel free to contact us. Thank you.

John Y. Kim, JD. LL.M  
President