

Part 2A of Form ADV: Firm Brochure

Sonata Capital Group, Inc.

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This Brochure provides information about the qualifications and business practices of Sonata Capital Group, Inc. [the “Firm” or “Sonata”]. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Sonata Capital Group, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provides you with information about which you determine to hire or retain an Adviser.

Additional information about Sonata is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Sonata who are registered, or are required to be registered, as investment adviser representatives of Sonata. You can search this site by a unique identifying number, known as a CRD number. Sonata’s CRD number is 111277.

If you would like another copy of this Brochure, please download it from the SEC website. You may also contact us directly at 206-256-4400 with any questions about the contents of this brochure.

Item 2 – Material Changes

March 31, 2018 is our most recent Annual Updating of this Firm Brochure: Form ADV, Part 2A. This Brochure is an amended document prepared by Sonata according to the SEC's requirements and rules relating to the Form ADV.

- There have been no Material changes since the date of our last annual update.

Consistent with the new SEC Rules, we will ensure that current clients receive a summary of any material 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.

The information contained herein relates only to specific questions to which the relevant regulatory agencies request answers. This is not, and is not intended to be, a marketing brochure, nor is it designed to provide detailed information about all aspects of Sonata's business.

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Item 4 – Advisory Business

Sonata Capital Group, Inc. (the "Firm" or "Sonata"), an SEC-registered, non-publicly held firm, founded in 2000, owned in equal parts by Timothy R Cummins and David F Hill, provides investment advisory services on a discretionary basis. Clients receive professional management of assets in accordance with their guidelines.

Client guidelines are established at the onset of the client/advisor relationship and are monitored on an on-going basis as clients' goals and risk factors may change over time. The guidelines derive from the Prudent Person Rule which is intended to protect investors, using the services of an investment advisor, from investments that are not appropriate for their risk tolerance and account objectives. Sonata is mindful of clients who wish to avoid certain assets or types of assets in the management of their accounts.

Sonata offers clients as part of our investment process certain general guidance commonly considered financial planning. This guidance encompasses an evaluation of a client's current and future financial state by using currently known variables to outlay possible future cash flows, asset values, and withdrawal plans. The information is used in assisting clients achieve their financial goals and objectives. Sonata works with clients' estate planning attorneys and tax professionals.

Assets Under Management as of December 31, 2017, computed using Sonata's portfolio accounting system which prices all portfolio assets daily, was \$237.9 mil in client assets of which all were discretionary.

Item 5 – Fees and Compensation

Compensation:

Basis for compensation is a percentage of assets as described below. In general, extenuating circumstances could require fee negotiation and/or manager grandfathered fees, i.e.: non-supervised assets, closely held corporations, charitable funds, or related accounts. Household Assets as well as Family of Account Relationships are aggregated for fee structure breakpoints. Our standard annual fee structure for Equity and Balanced Accounts is:

1.00% on the first \$2,000,000.00
0.80% on the next \$3,000,000.00
0.50% on the next \$5,000,000.00
0.40% over \$10,000,000.00

Compensation Timeframe:

Fees paid to Sonata are computed on the portfolio assets as priced on the final business day of the quarter and are paid in arrears of the previous quarter.

Payment of Fees:

Fees are deducted directly from clients' assets based on this schedule. Clients may choose to be billed for fees incurred and payable upon receipt.

Either party upon 30 days prior written notice may terminate the contractual relationship. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable.

Fees other Than Sonata's:

Sonata's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds may also charge internal management fees, which are disclosed in a fund's prospectus. Sonata, as a practice, will select low fee exchange traded funds or no-load mutual funds over higher fee or load funds when selecting these investment products.

Sonata may choose to execute fixed income trades with firms other than the custodian/broker-dealer holding the client's account. This occurs when the other firm may have a more extensive inventory than the custodian. Typically, custodians charge an additional fee for settling trades executed in this manner. Sonata considers the additional fee when deciding whether to execute with or away from the custodian.

Such charges, fees and commissions are exclusive of and in addition to Sonata's fee, and Sonata shall not receive any portion of these commissions, fees, and costs.

Please also see Item 12, Brokerage Practices, of this Brochure for further information.

Item 6 – Performance-Based Fees and Side-By-Side Management

Sonata 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 Clients

Sonata provides portfolio management services to individuals, high net worth individuals, trusts, charitable institutions, foundations, and endowments.

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

Sonata uses the following methods of analysis as tools for selecting investments:

Fundamental analysis: analysis of companies' financial statistics such as balance sheet and income statements, past records of assets, earnings, management team, sales, products, and market sector. Fundamental analysis uses these factors as indicators of potential future trends for a particular stock or stock group.

Technical analysis: research into supply and demand for investments based on volume and price movements. Charting techniques are used to analyze trends and cyclical movement.

Sonata's primary investment strategy is Asset Allocation. Depending on a client's goals, objectives and risk tolerance, Sonata will allocate assets between stocks, bonds and cash. The amount allocated to each asset class depends on the client's time horizon for their goals and objectives.

Types of Securities

Sonata includes these assets in its investment advisory: Equity securities (exchange-listed securities, securities traded over-the counter); Warrants; Corporate debt securities; Commercial paper; Certificates of deposit; Municipal securities; Investment company securities (mutual fund shares); United States government securities; and Options contracts on securities.

Sonata uses all manners of research and available information in our allocation process.

Risk of Loss

Securities investments are not guaranteed and you may lose money on your investments. We ask our clients to work with us to help us understand their specific tolerance to risk.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would-be material to your evaluation of Sonata or the integrity of Sonata's management.

Sonata has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Sonata is not actively engaged in a business other than giving investment advice. Sonata does not sell products or services other than investment advice to clients. Sonata is not affiliated with any other business entity or industry nor is its employees.

Sonata is not paid cash by nor receives any economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients.

Item 11 – Code of Ethics

Sonata has adopted a Code of Ethics (“Code”) in compliance with the requirements of SEC for all supervised persons of the Firm. The Code is a set of policies and procedures put in place to protect the clients of the firm. The Code is based upon the principle that the directors and officers of the Firm, owe a fiduciary duty to the clients of the Firm to conduct their affairs, including their personal securities transactions, in such a manner as to avoid: (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the Firm; and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility. This fiduciary duty includes the duty of the Compliance Officer of the Firm to report violations of this Code to the Firm’s Board of Directors.

Subject to satisfying the Code and applicable laws, officers, directors, and employees of Sonata may trade for their own accounts in securities which are recommended to and/or purchased for the Firm’s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of Sonata will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

In addition, officers of the Firm may have accounts under Sonata's management. Accounts under Sonata’s management, bound by Sonata's Discretionary Agreement and Standard Fee Schedule, will be treated as standard account relationships. In which case, all account related activity, trading, reports and such, in those accounts will be treated as if the officer relationship did not exist. However, if the officer’s account is conducted under a fee schedule other than the Standard Fee Schedule, all transactions in said account will be subject to the same trading restrictions as an ordinary employee, as listed above.

Certain classes of securities and de-minimus share values have been designated as exempt transactions, based up on a determination that these would not materially interfere with the best interest of Sonata’s clients. The Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Sonata and its clients.

Sonata’s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting us at 206-256-4400.

Item 12 – Brokerage Practices

Custodian / Broker-Dealer Selection:

Charles Schwab & Co., Inc. and TD Ameritrade are the primary custodians being used for client assets outside of corporate trustee needs. These custodians have a straightforward commission structure, integrity, and financial stability and are the primary broker-dealers for placing trades for client accounts. Clients may and have chosen other custodians for their assets and we use those same custodians' trading desks for placing trades if other trading desks are not allowed or are not cost effective (i.e.: additional trading costs).

Trade Allocation / Block Trading:

Sonata may, but is not obligated to, aggregate trades for more than one client with transactions in the same securities at the same time. Blocking trades may prove advantageous to clients as transaction costs could be shared equally and on a pro-rated basis between all accounts included in the aggregated trade. Prior to any aggregated trading, if any, Sonata will, among other processes identify the number of shares to be aggregated and identify the client accounts that will participate in the block trade prior to placing the trade. If, when placing block trades, only a partial fill is accomplished, Sonata will utilize a proportional or random allocation across all participating client accounts.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price.

Sonata is not engaged in a broker-dealer client referral program.

A client who designates use of a particular broker-dealer, including a client who directs the use of a broker-dealer who will also serve as custodian should consider whether, under that designation, commission expenses; execution; clearance; and settlement capabilities; and whatever amount is regarded as applicable to custodian fee, will be comparable to those otherwise obtainable by the Firm. (If a client directs Sonata to use a particular broker or dealer, Sonata may not be authorized to negotiate commissions and may be unable to achieve best execution, and that a disparity in commission charges may exist among clients.)

Research:

During the last fiscal year, no transactions were directed to particular brokers in return for some products and services commonly referred to as soft-dollar arrangements.

Item 13 – Review of Accounts

Each account, or client relationship, is assigned to a Portfolio Manager who maintains authority and primary responsibility for management. Account reviews and personal meetings occur at least annually, or more frequently depending upon a client's investment objectives and guidelines; any material changes in clients' individual circumstances; or material changes in the market, political or economic environment.

Reports:

In addition to the monthly statements and confirmations of transactions that clients receive from their custodian/broker-dealer, Sonata provides a monthly or quarterly report based on client requirements. Written reports may reflect investment reviews, account performance and other factors related to a meaningful overview of the account. Sonata's portfolio accounting system prices all portfolio assets daily to assist portfolio managers in monitoring client activity. Reports and reviews are included in our fee.

Item 14 – Client Referrals and Other Compensation

Sonata does not engage in a fee for client referral service with third parties.

Sonata enjoys an Advisory Council of professionals in their own industries that assist the Firm in industry specific real situation analysis. Equal and lump sum nominal remuneration for these Advisory Council members exists at the beginning of Sonata's fiscal year to cover costs of meals, travel, and other miscellaneous meeting expenses that the members of the Advisory Council may incur when participating in discussions with Sonata.

The Advisory Council does not participate in any way with the management of client assets nor the recommendation of securities investments.

Item 15 – Custody

Under Item 5, Fees and Compensation, of this Brochure we disclosed that Sonata directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. The custodian does not calculate the amount of the fee to be deducted. It is important for clients to carefully review their custodial statements. Clients should contact us directly if they believe that there is an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, Sonata also sends reports directly to our clients on a monthly or quarterly basis depending on the needs of the client. We urge our clients to carefully compare the information provided on these statements with those of the custodian. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Sonata does not have actual custody of client accounts.

Item 16 – Investment Discretion

Sonata receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Sonata is mindful of clients who wish to avoid certain assets or types of assets in the management of their accounts. Sonata reserves the right to not engage you as a client or to terminate an agreement with a client if we determine the restrictions desired prohibit us from delivering our advisory services as defined in our agreement with you. Investment restrictions must be provided in writing to Sonata prior to and the potential implementation of the advisory relationship.

Item 17 – Voting Client Securities

Sonata will vote proxies for Client accounts. However, Client's may retain the right to vote their own proxies by submitting to us in writing their request to vote their own proxy material. Clients may also direct Sonata's votes on particular issues in writing, electronically or physically, keeping in mind time-frames of voting materials' voting deadlines and when voting materials are received.

Sonata believes that proxy voting is an important right of shareholders and that reasonable care and diligence must be undertaken to ensure that such rights are properly exercised. Sonata votes proxies in the manner it believes is in the best interest of its clients. Sonata considers these factors when evaluating proxy issues; *the company's or management's long-term track record of creating value for shareholders. Generally, Sonata will consider the recommendations of management with a good record over one with a poor record; *whether current proposals being considered will significantly enhance or detract from long-term value for existing shareholders; and *whether a poor record of long term performance resulted from poor management or from factors outside of managements control.

Management-sponsored resolutions can be grouped in four main categories; (1) Non-Salary Compensation Programs; (2) Capitalization Proposals; (3) Anti-Takeover Measures; and (4) Miscellaneous Governance

Compensation and Benefits: Sonata believes that management is generally in the best position to assess compensation and benefits, assuming that our assessment of management has had a good long-term record of providing shareholder value as mentioned above. We will vote for management on matters of compensation and benefits.

Capitalization Proposals: We believe management deserves the benefit of any doubt when it comes to such matters as estimating an adequate supply of shares for acquisitions, employee-benefit programs, financings, or splits.

Anti-Takeover: With regard to Anti-Takeover Issues and Shareholder Rights, Sonata considers proposals covering these subjects on a case-by-case basis. Our voting is based mainly on investment considerations and we believe that anti-takeover measures generally diminish the potential for investment returns.

Miscellaneous Governance and Social, Political and Environmental Issues: Regarding these, our view is that responsibility of corporations is to make money for their investors in legal enterprises. We will evaluate these proposals on their effect on shareholder value rather than on their ideological merits. Sonata typically follows management's recommendations on such issues.

Sonata votes with the best interest of its clients in mind. Should a conflict of interest arise on a particular issue, Sonata adheres to its voting guidelines.

Our proxy voting policy is available to upon written request as well as clients may request information on how Sonata voted the securities in their accounts(s).

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Sonata's financial condition. Sonata has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.