



Disclosure Brochure

Simon Financial Group, Inc.
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Simon Financial Group Inc. Disclosure Brochure

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To receive a copy of Simon Financial Group, Inc.'s Form ADV including all schedules write to them at One Bala Plaza, Suite 630, Bala Cynwyd, PA 19004 c/o SFG Form ADV-F.



Simon Financial Group's Mission Statement

Whether the goal is to enhance, preserve or transfer wealth, Simon Financial Group's objective is to help their clients hit all of their financial targets through conservative, value-based investing and thorough financial planning. Our investment and financial planning philosophy is geared towards limiting our client's risk while planning for and taking full advantage of appropriate investment opportunities.

Thank You

This brochure and any current supplement brochure contain information from Part II of Form ADV as required by the Securities and Exchange Commission (SEC) and the Pennsylvania Securities Commission, pursuant to the Investment Advisors Act and by certain states. Simon Financial Group, Inc. is the parent company of Simon Capital Management and Simon Insurance Corp.

Information regarding Simon Financial Group, Inc. or any of its subsidiaries has not been approved or verified by any government agency.

Periodically, this brochure and its statements are updated. You will receive a current copy of this brochure and any supplements at the time you sign your service agreement. If clients want a copy of this brochure following the initial delivery they should contact Simon Financial Group, Inc.

Information included in this brochure is a part of the agreement found within the brochure and is subject to change without notice.

Simon Financial Group
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Advisory Services & Fees

The investment philosophy of Simon Financial Group, Inc. (hereinafter referred to as SFG) is based on conservative, value-based investment principles. Our focus is to help our clients develop long-term investment strategies that favor solid, properly valued investments. One of our primary goals is to shield our clients from unnecessary market turbulence by concentrating on solid investments, as opposed to chasing trends.

The goal of SFG is to assist clients with the development of financial planning and investment strategies based on their risk tolerance, time horizon, tax bracket, investment experience and their stated objectives. To assist clients in developing these strategies, SFG can, but is not required to use various financial data gathering and investment risk-tolerance questionnaires. These tools will be used on an as needed basis for SFG clients.

SFG provides investment advisory services and manages investment accounts. SFG also provides investment and/or financial planning advice. Financial advice may include a written analysis with specific investment objectives and product recommendations. Any recommendations that can be implemented through SFG will be made available to clients. No client is contractually bound to implement any recommendation through SFG or any of its affiliates.

SFG is also licensed by the Pennsylvania Insurance Commission to sell insurance and to provide advice to clients on related matters.

Financial and investment recommendations will be client specific. Once SFG completes its investment and/or financial analysis, they will review their findings with each client prior to any investment implementation. Investment implementation will take place only after a client has had an opportunity to review and understand the recommendations.

It is the responsibility of each client to inform SFG as to the level of financial advice and investment management they are seeking. SFG will outline to each client their fee structure for the services they provide. Client fees for financial planning and investment management can be based on a percent of assets managed, hourly wages or flat fees. SFG does not offer any commission-based investment products or services. All fees are outlined in Schedule F of Form ADV and are negotiable. For an official fee schedule please contact Simon Financial Group, Inc.

The services provided by SFG can be distinctly categorized as (a) financial planning, (b) financial advice and (c) asset management. The percentage of time devoted by SFG to each practice is listed in this paragraph and is a reasonable approximation. SFG spends approximately ten (10%) percent of its time on investment advisory services and financial planning, seventy (70%) percent of its time managing investment accounts, ten (10%) percent of its time providing investment advice and ten (10%) percent of its time providing advice to clients about matters not involving securities.

Investment fees will be based on the daily value of each client's account(s). It will be based on the daily value from the preceding 3 months. SFG will be compensated exclusively in arrears for investment management. All fees will be paid from the Broker, Custodian or Trust on a quarterly basis to SFG.

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Client Cancellation:

Clients may terminate their advisory agreement with SFG at any time. To do so, they must provide in writing to SFG a letter rescinding SFG's advisory agreement and any investment authority SFG has. Once written notification has been received the relationship will be terminated and all investment management, financial planning and all other responsibilities related to investment management, financial planning and all other activities will cease. Clients are still required to make payments in full to SFG for investment management services and any other services requiring payment up to the date of cancellation.

If for any reason a client wishes to terminate their financial planning relationship with SFG they may do so by providing a written request to SFG within thirty (30) days of receiving their financial analysis. The client will be given a full refund of all financial planning fees. They will be refunded their fee within thirty (30) days of receiving the written request.

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Clients

SFG represents individual investors and businesses, but can also represent investment companies and their advisors. SFG also represents pension and profit sharing plans, trusts, estates and charitable organizations. SFG contracts with clients via SFG's advisory agreement and solicitors via SFG's solicitor's agreement. These documents clearly define each party's responsibility in the relationship. These documents outline client rights and responsibilities, advisor rights and responsibilities, solicitor rights and responsibilities, fee structure, solicitor compensation and contract cancellation.

SFG provides investment advice and asset management services to their clients. SFG can also provide financial planning advice and services to their clients. Each client has the option to choose which services best meet their needs. No client is required to use any specific service that SFG provides.

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Types of Investments

Equity Investments – The investment manager may invest in any unrestricted, publicly traded stock, mutual fund or exchange traded fund that is listed on any exchange or a national, over-the-counter market that is appropriate for a client.

Fixed Income Securities – The quality rating of bonds and notes must be “A” or better unless lower quality fixed income securities have been deemed appropriate for an investor. The portfolio may consist of traditional fixed income securities and will not consist of any derivatives. Maturity dates will vary depending on each client's needs.

Cash and Equivalents – The quality rating of commercial paper must be A-1 or better unless lower quality fixed income securities have been deemed appropriate for an investor. The assets of any money market or money market mutual funds should comply with this standard and/or the quality provisions for fixed-income securities.

Authorized investments are limited to investments described in Public Act 20 of 1943, as amended, and may consist of: Exchange Traded Funds (ETF), both equity and bond mutual funds, stocks, bonds, real estate, limited partnerships and REITs.

If mutual funds are used, preferences will be given to funds with low expenses who provide no-load (no-commission) mutual funds or who have waived all up-front sales charges. In some cases, mutual funds held less than a specified period of time may charge an early redemption fee. Redemption fees are mutual fund specific and vary. To determine if there is a redemption fee and its duration, each investor should refer to the mutual fund's prospectus where redemption fee information is outlined. For any specific questions, please contact SFG.

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Analysis, Research Data & Investment Strategies

It is Simon Financial Group's policy to invest in a manner designed to provide quality investment advice with the maximum security possible; while, at the same time, meeting the daily cash flow needs of its clients while complying with all state and federal statutes governing public investments.

Through fundamental and technical analysis SFG helps clients design and implement suitable investment programs. SFG has established the following objectives to help clients understand how it structures investment portfolios.

The primary objectives of SFG in priority order are:

1. **Safety-** Safety of principal is the leading objective of SFG investment program. Investments shall be made in a manner designed to preserve capital in the overall portfolio.
2. **Diversification-** SFG through asset allocation and investment analysis seeks to diversify client investments to protect them. Portfolios are designed to reduce risk by combining a variety of investments categories. Diversification can reduce the upside and downside potential of an investment portfolio. It can often be helpful under a wide range of economic conditions.
3. **Liquidity-** Investment portfolios shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
4. **Return on Investment-** Investment portfolios shall be designed in accordance with the investment risk constraints and cash flow characteristics of each investor. SFG's goal is to help clients wade through the varying investment cycles and economic conditions of the capital markets.

SFG encourages clients to minimize risk exposure by maintaining reasonable diversification and limiting equities to no more than a ten percent in any single security and to limit the total security's position (debt and equity) in any one company to no more than twenty percent of the portfolio. Reasonable sector allocations and diversification should also be maintained. While SFG recommends this formula to limit risk, they do understand that client needs vary and not all clients will follow these recommendations.

SFG uses investment rebalancing as a risk-management strategy. Once an investment model is implemented, rebalancing will take place as needed and vary depending on market and economic conditions along with each investor's individual needs. SFG, in some cases, maintains discretionary account authority allowing them to make appropriate changes. Investment authority is the responsibility of SFG and should be consistent with investment policy.

To help make the most appropriate investment decisions, SFG uses a variety of sources of information including mutual fund prospectuses, financial newspapers and periodicals along with reports outlining corporate activities of the companies in which SFG invests. This includes, but is not limited to, annual reports, corporate documents and any filings with the Securities and Exchange Commission.

SFG also uses research prepared by independent third party organizations to help them maintain the investment strategies specific to each of their clients. These investment strategies include long term purchases of securities held for more than one year, short term purchases representing securities held for less than one year, but more than thirty days, trading strategies which represent securities held for less than 30 days, margin transactions and options trading that includes covered and uncovered options along with spread strategies.

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Education & Business Standards

Members of SFG strive to provide their clients with the highest quality investment advice and financial planning services. For investment advisors to meet SFG's professional standards, they are required to meet certain educational and business qualifications.

SFG's investment advisors have a wide range of business and educational backgrounds and are required to have the appropriate investment licenses and registrations to transact business. SFG also offers comprehensive training specific to SFG and the needs of their advisors.

The president of Simon Financial Group, Inc., Scott J. Race was born on August 19, 1972 and is a Penn State University graduate. He started his career with American Investment Services where he spent his time helping individuals plan for retirement while maximizing the efficiency of their investments. In 2001, Mr. Race created Senior Essential, a boutique financial planning and investment firm, designed to help clients prepare for and/or maintain their investment portfolios during retirement. This boutique planning firm was the predecessor to Simon Financial Group. Simon Financial Group, Inc. was established in September of 2004.

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Business Activities

SFG is licensed with the Pennsylvania Department of Insurance and offers its clients a variety of insurance products and services. SFG holds the necessary licenses to assist their clients with life, accident and health insurance matters. SFG is fully licensed to conduct insurance transactions with individuals and various business groups.

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Financial Industry Activities or Affiliates

SFG is not registered nor does it have a pending registration with any broker-dealer or futures commission merchant, commodity pool operator or commodity-trading advisor. SFG has no other arrangements that are material to its advisory business or its clients with any related person as defined by the Securities and Exchange Commission.

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Client Transactions

SFG buys and sells for itself securities that it also recommends to clients. SFG will recommend these securities only when they meet Client investment objectives and risk tolerance. When SFG recommends any security transaction to a client, it will disclose any recent changes (changes occurring within the prior 14 days) it may have made concerning that security.

SFG does not buy securities, for itself, from or sell securities it owns to clients, nor does it, as broker or agent, effect securities transactions for compensation for any clients. SFG will not recommend to a client to buy or sell securities or investment products in which it has a financial interest beyond the ownership of common or preferred shares in its own portfolio.

Client agrees that securities held in their accounts and the income generated may decline due to conditions to which SFG has no control. This includes conditions affecting the general economy and the overall market. Contributing factors could include, but is not limited to local, regional, and global political, social, and economic instability along with currency, interest rate, and commodity price fluctuations. Client also confirms that all investments come with varying degrees of risk that could result in loss of principal, interest and income generated and that past performance is no indication of future results.

Client understands that SFG makes no promises, guarantees or warrants that any services performed will result in profit. Client may rely on information from SFG to be reasonably accurate and reliable. Client understands that the Agreement may only be modified upon written consent of the parties herein. Client agrees to discuss with SFG their financial needs and objectives openly and without hesitation and will promptly inform SFG of material changes to their financial circumstance. Client takes full responsibility for not informing SFG of any changes.

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Client Communication

Client understands that SFG may communicate information to them electronically. Electronic communication includes, but is not limited to email and/or the internet. Client understands that SFG may communicate with them via phone. This includes cell phone communication in all its forms. Client understands that cell phone communication may include text messaging unless otherwise specified by the Client.

SFG's principals and advisors are licensed insurance agents and may receive compensation from the insurance companies they represent. Clients are not required to use any insurance company SFG represents.

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Client Privacy

SFG has adopted written policies and procedures in order to safeguard and dispose of Client information in accordance with the rules and regulation promulgated under the Gramm Leach Bliley Act. The Firm only shares nonpublic personal Client information if permitted or required by law, at the Client's direction, or for necessary Client service. SFG's Privacy Policy contains important information regarding SFG's privacy procedures and can be delivered upon request and can be modified without notice.

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Account Management & Review

Client accounts will be managed on a self-directed basis. Client accounts will, at all times, be held solely in the name of the client and will require the client's authorization for withdrawal or modification. The client may, at any time, increase or decrease their position with regard to their managed asset. Clients may grant SFG investment discretion as defined in Part II of section 12 of form ADV. For a client to grant SFG investment discretion, they must initial the box in Section 2 titled Account Custody in SFG's Investment Advisory Agreement. Only by initialing this section will clients give SFG investment discretion.

By initialing this section, clients grant SFG full investment discretion. This will allow SFG to make investment changes on behalf of the client. This authority will not allow SFG to distribute money in any form without prior client consent. If Section 2 titled Account Custody in SFG's Investment Advisory Agreement is not initialed, SFG will assume that investment discretion was not authorized by the client and will manage the account(s) on a self-directed basis.

Clients will describe any limitations regarding investment discretion prior to any investment implementation. Discretionary limitations will be discussed and offered to all clients prior to any investment implementation. If the client offers no direction on limitations, it is understood that SFG will have full investment discretion.

In its day-to-day operations SFG provides to its clients:

1. Investment Advisory Services
2. Investment Account Management
3. Financial Planning Services

SFG does not impose any minimum asset value in order to open an investment account for a client or to maintain an investment account on behalf of a client.

SFG conducts portfolio reviews no less than once per year. Portfolio reviews consist of a full evaluation. Investment reviews will take place no later than on a client's contract anniversary date. Client portfolios will be evaluated and rebalanced, if necessary, to match the client's stated investment objectives. Investment objectives will be determined by a client's time horizon, risk

tolerance, tax bracket and stated goals. Changes in a client's time horizon, risk tolerance, tax bracket or stated goals prior to an annual review will trigger an evaluation. Prior to any investment implementation each client will undergo an evaluation to determine their acceptable range of investment risk along with their financial goals. From this evaluation an investment policy statement will be created and implemented.

Scott J. Race, President of SFG, and Investment Advisor Representative will oversee the review of all client portfolios and investment policy statements.

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Account Custody

Clients will establish and maintain, in their name, accounts into which they shall deposit funds and/or securities. Unless otherwise specified, accounts will be established with TD Ameritrade Institutional Services (member NYSE/SIPC), a division of TD Ameritrade Investor Services, Inc (hereinafter referred to as the Broker). TD Ameritrade is located at 5010 Wateridge Vista Drive, San Diego, CA 92122. These accounts will be referred to as managed assets.

Business clients who employ SFG to manage their Employer Sponsored Retirement Plans (hereinafter: ESRP) will abide by all Department of Labor guidelines as to how accounts will be established, maintained and safeguarded. ESRPs that require a Trust as a custodian will establish and maintain, in their name, accounts on behalf of the ESRP. ESRP Trustees will vary depending on client needs.

Client understands that the Broker and/or Trust, not Simon Financial Group, will have full custody of their funds and that they might be required to pay commissions to the Broker and/or the Trust with respect to all transactions affected in their account. Clients will receive statements directly from the Broker and/or Trust. SFG will not prepare regular client account statements or transaction documents. Client authorizes the Broker and/or Trust to forward copies of all confirmations, statements and/or reports to SFG.

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Disclosure

Client understands that the laws of the state of Pennsylvania and the Pennsylvania Department of Banking and Securities shall govern this agreement. Clients understand that SFG is required by law to obtain personal information that will be used to verify their identity. If any person is not willing to provide this information, SFG will be unable to represent them until this information is provided and verified. If SFG is unable to verify a person's identity, SFG will terminate the Agreement and take any necessary legal steps required by the governing authorities. Let it be stated that no assignment of any Simon Financial Group, Inc. Investment Advisory Service Agreement is allowed without written consent of the parties herein.

For any questions about Simon Financial Group, Inc. Disclosure Brochure please contact Simon Financial Group at 610-667-2450 or write to them at One Bala Plaza, Suite 630, Bala Cynwyd, PA 19004 care of Disclosure Brochure.

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