



## **INVESTMENT ADVISER REGISTRATION\***

### **Firm Brochure** (Part 2A of Form ADV)

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Certified Financial Planner™  
Registered Life Planner®

This brochure provides information about the qualifications and business practices of HARMONY FINANCIAL ADVISORS, LLC. If you have any questions about the contents of this brochure, please contact us at: 212-677-6100, or by email at: info@harmonyfinancial.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.

\*Registered with the United States Securities and Exchange Commission-2017

## Material Changes

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at 212-677-6100 or by email at [info@harmonyfinancial.com](mailto:info@harmonyfinancial.com).

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# Advisory Business

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## Firm Description

HARMONY FINANCIAL ADVISORS, LLC was founded in 2006 and is registered as an investment adviser with the U.S. Securities and Exchange Commission (SEC). Harmony Financial Advisors, LLC is an independent fee only investment adviser and we are not compensated in the form of commissions for selling any securities or insurance products.

We provide personalized investment advisory services including financial planning and investment management. Advice is provided through consultation with the client and may include: determination of financial objectives, review of current financial picture, cash flow management, tax planning, insurance review, asset allocation and investment management, education funding, retirement planning, and estate planning.

We provide an initial complimentary consultation, either in person or via telephone, to discuss our services and the needs of the client. In the event you decide to engage us, we will enter into a written agreement for services which will detail the services provided.

Initial and periodic reviews of the client's situation are communicated throughout the course of the relationship to assess the specific courses of action that need to be taken.

We coordinate with other professionals (e.g., lawyers, accountants, insurance agents, etc.) who are engaged directly by the client on an as-needed basis.

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## Principal Owners

Judith S. Haselton is the 100% stockholder of Harmony Financial Advisors, LLC.

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## Types of Advisory Services

Harmony Financial Advisors, LLC provides Financial Planning, sometimes referred to as Comprehensive Financial Planning, for clients covering all of the areas listed above under Firm Description.

In addition, Harmony Financial Advisors, LLC provides investment management services.

As of December 31, 2017, Harmony Financial Advisors, LLC managed approximately \$46,653,000 in assets for approximately 21 clients. All assets are managed on a discretionary basis.

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**Tailored Relationships**

For Financial Planning, the analyses and recommendations will be based on the client's financial situation and personal objectives as determined through the written information submitted and the adviser's personal interview with the client, and on current economic and tax factors. The firm does not provide legal advice or tax preparation and suggests that the client consult with his/her own accountant and/or attorney on tax preparation or legal matters relating to a financial plan.

For investment advisory services the objectives for each client are established using the analyses and recommendations from the client's previously completed Comprehensive Financial Plan. Clients may impose reasonable restrictions on investing in certain securities or types of securities.

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**Types of Agreements**

The following agreements define the typical client relationships.

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**Financial Planning Agreement**

A financial plan is designed to help the client with all aspects of financial planning. Clients are not required to undertake Investment Management Services.

The financial plan may include, but is not limited to: a cash flow projection, a net worth statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for Financial Planning services is provided at the hourly rate of \$400. The minimum fee is \$4,000. Fees are negotiable.

Estimated fees may be provided. In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, further work will be billed at the hourly rate of \$400 based on mutual agreement as to the scope of the work.

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## **Investment Management Agreement**

Upon completion of a financial plan many clients choose to have Harmony Financial Advisors, LLC manage their investment assets in order to obtain ongoing in-depth investment advice and planning.

A description of the service and fee for an Investment Management Agreement is provided to the client in writing prior to the start of the relationship.

An Investment Management Agreement includes:

- Investment recommendations appropriate to the client's stated goals and preferences.
- Implementation of investment and money management decisions.
- Quarterly consolidated portfolio summaries designed to assist the client in monitoring investments.
- Annual report of sold assets for the preparation of tax returns.
- Consultations on investments as needed.
- Review and update of the client's financial plan as needed.

The annual Investment Management Service Agreement fee is based on a percentage of the investment assets according to the following schedule:

1.00% of the first \$1,000,000 plus

0.75% of the balance over \$1,000,000

The minimum annual fee is \$10,000 and is negotiable.

Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the Investment Management Service Agreement is an ongoing agreement the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

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## **Asset Management**

Assets are invested primarily in no-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Brokerages may charge a transaction fee for the purchase of some funds.



Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. Harmony Financial Advisors, LLC does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, and U. S. government securities.

Initial public offerings (IPOs) are not available through Harmony Financial Advisors, LLC.

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### **Termination of Agreement**

A client may terminate any of the aforementioned agreements at any time by notifying Harmony Financial Advisors, LLC in writing and paying the rate for the time spent on the Financial Planning Agreement or Investment Management Service Agreement prior to notification of termination. If the client made an advance payment, Harmony Financial Advisors, LLC will refund any unearned portion of the advance payment.

Harmony Financial Advisors, LLC may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, Harmony Financial Advisors, LLC will refund any unearned portion of the advance payment.

## **Fees and Compensation**

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### **Description**

The fee for Financial Planning services is at the hourly rate of \$400. A deposit is required to initiate work and the balance of fees are payable on completion of the financial planning process. It is anticipated that completion will be within three (3) months of the deposit fee.

Investment advisory services are offered for an annual fee based on a percentage of assets under management with a minimum of \$10,000. Fees are payable quarterly in advance based on assets at the start of the quarter, calculated at 1% of the first \$1,000,000, plus 0.75% of the balance.

Fees are negotiable.

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### **Fee Billing**

Investment management fees are billed quarterly, in *ADVANCE*, meaning that we invoice the client *BEFORE* the three-month billing period has *BEGUN*. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Hourly fees in excess of the deposit for financial plans are due upon delivery of the financial plan.

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### **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Harmony Financial Advisors, LLC in its sole discretion may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to Harmony Financial Advisors, LLC.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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### **Past Due Accounts and Termination of Agreement**

Harmony Financial Advisors, LLC reserves the right to stop work on any account that is more than 90 days overdue. In addition, Harmony Financial Advisors, LLC reserves the right to terminate any financial planning engagement if a client has willfully concealed or refused to provide pertinent information about financial situations which are necessary and appropriate, in Harmony Financial Advisors, LLC's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

## Performance-Based Fees

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### Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Harmony Financial Advisors, LLC does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## Types of Clients

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### Description

Harmony Financial Advisors, LLC generally provides investment advice to individuals, couples, sole proprietors, and small businesses. Client relationships vary in scope and length of service.

### Account

Financial planning services are billed at an hourly rate of \$400. The minimum fee is \$4,000.

For investment management services, the minimum account size is \$1,000,000 of assets under management, which equates to an annual fee of \$10,000.

When an account falls below \$1,000,000 in value, the minimum annual fee of \$10,000 is charged, although fees are negotiable in some cases.

Clients receiving ongoing asset management services will be assessed a \$10,000 minimum annual fee, in most cases. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Harmony Financial Advisors, LLC has the discretion to waive the account minimum size and minimum fee.

## Methods of Analysis, Investment Strategies and Risk of Loss

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### Methods of Analysis

The main sources of information include Morningstar Principia mutual fund information, financial newspapers, magazines, newsletters, and research materials prepared by others, annual reports, prospectuses and Charles Schwab & Company's "Schwab Advisor Center" service.

The goal is to achieve the client's long-term objectives while minimizing volatility, a measure of risk. General recommendations for investments will be based on asset allocation percentages. Specific funds are chosen from those that regularly perform better than their peers and from the knowledge and experience of the adviser.

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### **Investment Strategies**

The primary investment strategy used for client accounts is strategic asset allocation. This means that we mix cash, fixed income and equity investments.

Asset allocation is a method of investing that attempts to attain a nominal rate of return while minimizing the amount of volatility. Volatility is a measure of risk.

We use passively-managed index and exchange-traded funds as the core investments, and then add actively-managed funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets. Specific mutual funds are chosen from those that regularly perform better than their peers and from the knowledge and experience of the adviser.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

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### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, their market values on existing bonds decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance business operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

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### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## **Other Financial Industry Activities and Affiliations**

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### **Financial Industry Activities and Affiliations**

Not Applicable

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

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### **Code of Ethics**

Sub contractors associated with Harmony Financial Advisors, LLC have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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### **Participation or Interest in Client Transactions**

Harmony Financial Advisors, LLC and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the Harmony Financial Advisors, LLC *Compliance Manual*.

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### **Personal Trading**

The Chief Compliance Officer of Harmony Financial Advisors, LLC is Judith Haselton. She reviews all sub contractor trades each quarter. Her trades are not reviewed by anyone. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

## **Brokerage Practices**

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### **Selecting Brokerage Firms**

Harmony Financial Advisors, LLC *DOES NOT* receive fees or commissions from any arrangements with Charles Schwab & Co.

Harmony Financial Advisors, LLC will assist clients with the implementation of financial plans using other agents and services as directed by the client. However, Harmony Financial Advisors, LLC requires clients to use Charles Schwab & Co. as custodian when Harmony Financial Advisors, LLC provides the client's investment advisory services.

Charles Schwab & Company is suggested to clients based on the best interests of the client and on the services made available to Harmony Financial Advisors, LLC to facilitate portfolio reviews. The firm has reduced commissions, access to a large number of no-load mutual funds—many with no transaction fees, access to load funds at net asset value and are sources for the adviser of information on investments and of due diligence on investment products. In addition, this company provides information on compliance and facilitates access to investment portfolio managers through scheduled conferences.

Harmony Financial Advisors, LLC may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co. Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Harmony Financial Advisors, LLC is independently owned and operated and not affiliated with Schwab. Schwab provides Harmony Financial Advisors, LLC with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no

charge to them so long as a total of at least \$10 million of the adviser's clients' assets is maintained in accounts at Schwab Institutional. The service is not otherwise contingent upon Harmony Financial Advisors, LLC committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Harmony Financial Advisors, LLC clients' accounts maintained in its custody, Schwab does not charge separately for custody. Schwab is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to Harmony Financial Advisors, LLC other products and services that benefit Harmony Financial Advisors, LLC in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Harmony Financial Advisors, LLC fees from its clients' accounts; assist with back-office functions, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of Harmony Financial Advisors, LLC accounts, including accounts not maintained at Schwab Institutional.

Schwab Institutional also makes available to Harmony Financial Advisors, LLC other services intended to help Harmony Financial Advisors, LLC manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to Harmony Financial Advisors, LLC by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or part of the fees of a third party providing these services to Harmony Financial Advisors, LLC.

While as a fiduciary, Harmony Financial Advisors, LLC endeavors to act in its clients' best interests, the adviser's requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Harmony Financial Advisors, LLC of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

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**Best Execution**

Most trades are mutual funds and exchange-traded-index funds that are not associated with best execution standards.

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**Soft Dollars**

See Selecting Brokerage Firms above.

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**Order Aggregation**

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

## **Review of Accounts**

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**Periodic Reviews**

Judith Haselton, CFP® performs account reviews quarterly. Account reviews are performed more frequently when market conditions dictate. Mutual fund performance reviews are performed at least quarterly.

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**Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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**Regular Reports**

Charles Schwab & Co sends clients monthly reports for their accounts.

Harmony Financial Advisors, LLC sends clients quarterly consolidated portfolio summaries designed to assist them in monitoring their investments.

Consolidated quarterly reports include:

Total Assets at the beginning of the period, Total Assets at the end of the period, Deposits, Withdrawals and the Internal Rate of Return for the Period. (Periods covered are the last three (3) and the last twelve (12) months);

A comparison between the Current Asset Allocation and the Target Asset Allocation categories;

Asset holdings in asset allocation order;

A computation of the Investment Management Fees.

## **Client Referrals and Other Compensation**

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**Incoming Referrals**

Harmony Financial Advisors, LLC has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate



planning attorneys, accountants, and other similar sources. The firm does not compensate referring parties for these referrals. However, Harmony Financial Advisors, LLC has an agreement with Horizon Planning, Inc. regarding clients referred to Harmony Financial Advisors, LLC by Horizon Planning, Inc. and fees are shared between firms for related client engagements.

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**Referrals Out**

Harmony Financial Advisors, LLC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

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**Other Compensation**

Not Applicable

## Custody

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**Account Statements**

All assets are held at qualified custodians, which mean the custodians provide account statements directly to clients at their address of record at least quarterly.

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**Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the report statements provided by Harmony Financial Advisors, LLC. Please notify us if you find any significant discrepancies.

## Investment Discretion

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**Discretionary Authority for Trading**

Harmony Financial Advisors, LLC accepts discretionary authority to manage securities accounts on behalf of clients. Harmony Financial Advisors, LLC has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought and sold. Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

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**Limited Power of Attorney**

Discretionary authority is granted via a limited power of attorney executed by the client, granted to us through the account application(s) you sign when opening account(s) at your investment account custodian.

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## **Trade Errors**

From time to time we may make an error in submitting a trade order on your behalf. In these situations, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

If a profit results from the correcting trade, the profit will remain in your account unless the same error involved other client account(s) that should have received the gain, not you. In this case, it is not permissible for you to retain the gain. Alternatively, we confer with you and you decide to forego the gain (e.g., due to tax reasons).

If the profit does not remain in your account and Schwab is the custodian, Schwab donates the gains of \$100 or more to charity. If a loss occurs greater than \$100, our firm will pay for the loss. Schwab may retain gains of \$100 or less, if they are not kept in your account, to offset administrative expenses. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

## **Voting Client Securities**

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### **Proxy Votes**

Harmony Financial Advisors, LLC does not vote proxies on securities. Clients are expected to vote their own proxies.

Clients will receive their proxies or other solicitations directly from the custodian. When assistance on voting proxies is requested, clients may contact Harmony Financial Advisors, LLC by phone, 212-677-6100, or email, [info@harmonyfinancial.com](mailto:info@harmonyfinancial.com).

## **Financial Information**

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### **Financial Condition**

Harmony Financial Advisors, LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

Harmony Financial Advisors, LLC is not required to provide a balance sheet because the firm does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$800 per client, and six months or more in advance.

# Business Continuity Plan

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## General

Harmony Financial Advisors, LLC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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## Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

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## Loss of Key Personnel

Harmony Financial Advisors, LLC has signed a Business Continuation Agreement with another financial advisory firm to support Harmony Financial Advisors, LLC in the event of Judith Haselton's serious disability or death.

# Information Security Program

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## Information Security

Harmony Financial Advisors, LLC maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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## Privacy Notice

Harmony Financial Advisors, LLC, an independent financial planning firm, is committed to safeguarding the confidential information of its clients. We hold all personal information provided to our firm in the strictest confidence. These records include information that we collect from clients in connection with any of the services provided by Harmony Financial Advisors, LLC. We have never disclosed information to nonaffiliated third parties, except as permitted by law, and do not anticipate doing so in the future. If we were to anticipate such a change in firm policy, we would be prohibited under the law from doing so without advising the clients first. We use health and financial information that the clients provide to us to help meet personal financial goals while guarding against any real or perceived infringements on the rights of privacy. Our policy with respect to personal information about clients is listed below.

We limit employee and agent access to information only to those who have a business or professional reason for knowing, and only to nonaffiliated parties as permitted by law. (For example, federal regulations permit us to share a limited amount of information about you with a brokerage firm in order to execute securities transactions on a client's behalf.)

We maintain a secure office and computer environment to ensure that information is not placed at unreasonable risk.

The categories of nonpublic personal information that we collect from a client depend upon the scope of the client engagement. It will include information about personal finances, information about health to the extent that it is needed for the planning process and information about transactions between the client and third parties.

For unaffiliated third parties that require access to personal information, including financial service companies, consultants, and auditors, we also require strict confidentiality in our agreements with them and expect them to keep this information private. Federal and state regulators also may review firm records as permitted under law.

We do not provide your personally identifiable information to mailing list vendors or solicitors for any purpose.

Personally identifiable information about the client will be maintained during the time we are engaged, and for the required time thereafter, that such records are required to be maintained by federal and state securities laws, and consistent with the CFP® Board Code of Ethics and Professional Responsibility. After this required period of record retention, all such information will be destroyed.

## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

Harmony Financial Advisors, LLC requires that advisers in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include an MBA and a CFP®. Additionally, advisers must have work experience that demonstrates their aptitude for financial planning and investment management.

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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the CFP® marks) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 72,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

**Education-** Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

**Examination-** Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

Experience- Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year);  
and

Ethics- Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

Continuing Education- Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field;

and

Ethics- Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

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**Judith Sidney Haselton, CFP®, RLP®**

Year of Birth: 1954

**Educational Background:**

- M.B.A. Columbia University Graduate School of Business, New York, NY, International Finance and Marketing 1980
- B.A. Macalester College, St. Paul, MN, Anthropology and Sociology, 1977.
- <sup>TM</sup>CERTIFIED FINANCIAL PLANNER<sup>TM</sup>, 2006
- Registered Life Planner®, Kinder Institute of Life Planning, 2007
- Certified Financial Transitionist<sup>TM</sup> Sudden Money Institute-Affiliated Advisor, 2008

**Business Experience:**

- Harmony Financial Advisors, LLC, Member, 12/2005 to Present
- SB Merger Corp., President/Founder, 01/2001 to 07/2002
- 1997 Corp. President/Founder, 06/1997 to 01/1999.
- Smith Barney, Inc. Vice President, Corporate Finance Department, 02/1987 to 10/1991.
- E.F. Hutton and Company, Inc., Vice President, Corporate Finance Department, 07/1983 to 02/1987
- Bank of America NT & SA Corporate Finance Officer, 07/1980 to 07/1983.

Disciplinary Information: Not Applicable

Other Business Activities: None

Additional Compensation: None

Supervision: Not Applicable since Judith Haselton is the only investment adviser and financial planner.

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None