



**SOMMERS
FINANCIAL
MANAGEMENT**

Sommers Financial Management, LLC

144 S. 14th Street St. Helens, OR 97051

503.397.1545

www.SommersFinancial.com

May 1st, 2020

This Brochure provides information about the qualifications and business practices of Sommers Financial Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 503.397.1545 or info@sommersfinancial.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.

Sommers Financial Management, LLC 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 provide you with information about which you determine to hire or retain an Adviser.

Additional information about Sommers Financial Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure date May 1st 2020 is a new document prepared according to the SEC's new requirements and rules. The previous update to our brochure was dated March 1st, 2019.

In this brochure:

1. Item 5A – we updated our Wealth Management Fee schedule to include a one-time fee of 1% of AGI up to \$1,600 for clients who do not have us manage more than \$250,000.
2. Item 5A – we removed the \$1,600 cap on Stand-Alone Financial Plan fees.
3. Item 5A – we added our monthly Investment Strategy Subscription fee schedule.
4. Item 13 – we added that we offer our clients an online client portal.

Pursuant to SEC Rules, we will ensure that you 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.

Currently, our Brochure may be requested by contacting Vivian Rupe, Client Relationship Manager, at 503.397.1545 or vivian@sommersfinancial.com.

Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents.....	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	1
Item 6 – Performance-Based Fees and Side-By-Side Management.....	3
Item 7 – Types of Clients	3
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	4
Item 9 – Disciplinary Information	5
Item 10 – Other Financial Industry Activities and Affiliations.....	5
Item 11 – Code of Ethics.....	5
Item 12 – Brokerage Practices	6
Item 13 – Review of Accounts	7
Item 14 – Client Referrals and Other Compensation	7
Item 15 – Custody	7
Item 16 – Investment Discretion	7
Item 17 – Voting Client Securities	8
Item 18 – Financial Information.....	8
Item 19 – Requirements for State-Registered Advisers.....	9
Brochure Supplement(s)	

Item 4 – Advisory Business

- A. Sommers Financial Management, LLC is a Registered Investment Advisor that provides investment management and financial planning to families, individuals, organizations and businesses. Sommers Financial Management, LLC was established in 2002, and the principal owner is Adam Sommers.
- B. Sommers Financial Management, LLC offers the following services:
 - i. Investment selection, discretionary account management & ongoing financial advice to individuals, families, organizations & businesses.
 - ii. Comprehensive, goal-based retirement & education planning with cash flow projections and consideration of tax effects.
- C. Sommers Financial Management, LLC tailors our advice to the needs of each client. Every investment management client receives a customized recommended portfolio allocation, along with customized recommendations for individual investment holdings within that allocation. Clients are permitted to place restrictions as to what investments can be placed into their accounts, as well as investments they prefer to hold.
- D. As of 5/1/2020, Sommers Financial Management, LLC managed \$65 million on a discretionary basis for approximately 350 clients.

Item 5 – Fees and Compensation

- A. We are compensated for our advisory services by fees billed to our clients only. We do not receive compensation or “soft dollars” a.k.a. kickbacks of service from any investment product provider or vendor, including our custodians.

Our standard fee schedules are as follows, and are negotiable:

For Wealth Management, including investment management, financial and tax planning advice, we charge the following annual asset-based fees, billed quarterly, unless otherwise stated in a client’s particular signed written agreement:

- 1.0% on the first \$250,000 of assets under our management
- 0.80% on the next \$750,000 of assets under our management

- 0.60% on the next \$2,000,000 of assets under our management
- 0.40% on the next \$3,000,000 of assets under our management
- 0.20% on any assets over \$5,000,000 under our management

For clients bringing less than \$250,000 under our management, we charge a one-time “Initial Planning Fee” of 1% of AGI up to \$1,600 due upon the signing of the Wealth Management agreement.

For Financial Plans, we have the following fee-schedule:

- Free online basic financial planning tools.
- Complimentary financial plans for wealth management clients with more than \$250,000 under our management.
- 1% of AGI for a one-time financial plan, with ongoing access to our online financial planning tools.

For “Non-profit” clients, we offer the following discounted annual investment management rate, billed quarterly at 0.09% per quarter:

- 0.36% on all assets under our management.

For our monthly Investment Strategy Subscription, we charge a minimum of \$25 per quarter per strategy, and based on total assets dedicated to our strategies:

- \$0 - \$1,000,000 2.5bps or 0.025% per quarter
- \$1,000,000 - \$5,000,000 2.0 bps or 0.02% per quarter
- \$5,000,000 - \$10,000,000 1.5 bps or 0.015% per quarter
- \$10,000,000+ 1 bps or 0.01% per quarter

B. Sommers Financial Management’s fees are typically deducted from client accounts, but can be billed directly to the client, to be paid from assets outside our purview, upon client request. We bill clients and/or deduct our fees quarterly for asset management. The one-time financial plan fee is billed and payable 50% at contract signing, and 50% upon plan delivery.

C. Sommers Financial Management’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 party fees such as fees charged by managers,

custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchanged traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Sommers Financial Management's fee, and Sommers Financial Management shall/does not receive any portion of these commissions, fees, and costs.

- D. Clients pre-pay our fees, for no more than three months in advance. Clients are not provided refunds for any fees collected by Sommers Financial Management. We explicitly state that no refunds of pre-paid fees will be pro-rated or provided.
- E. None of our Investment Advisor Representatives or 'supervised persons' accepts compensation for the sale of securities or other investment or insurance products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Sommers Financial Management does not charge performance-based fees.

Item 7 – Types of Clients

Sommers Financial Management provides portfolio management and advisory services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, private investment funds, trust programs, and other U.S. and international institutions.

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

- A. Sommers Financial Management, LLC uses both fundamental and technical analysis when selecting investments. We begin with an investment universe of about 200 ETFs, closed-end funds, and mutual funds. We then score each investment on metrics mostly related to risk-adjusted performance history, but also taking into consideration liquidity, and cost factors. We divide our universe into three buckets: Stocks, Bonds, and Alternatives. We then build client portfolios using those fundamentally- and technically-screened investments based on Risk Tolerance and Client Objective Questionnaires. Investing in stocks, bonds, and alternative investments involve risk of loss that clients should be prepared to bear.

- B. Our methods of fundamental and technical analysis have risks, as with any method of analysis. Fundamental and technical analysis are both based on historical figures and trends, which cannot be projected into the future. ETFs, Mutual Funds, stocks, bonds, hedge funds, closed-end funds, and bank CDs all offer differing levels of risk and volatility, for which clients should be prepared to bear. While we can state how a portfolio would have or has performed in the past, past performance is not necessarily indicative of future results. Also, we review and re-balance client investment allocations at least annually, and sometimes as often as quarterly, generating transaction costs and tax consequences. We attempt to limit transaction costs by using no-transaction fee funds and ETFs, as well as limit tax consequences by locating assets properly among different account types, and attempting to trade less frequently in non-tax-sheltered accounts. We attempt to act in our fiduciary capacity at all times when transacting on your behalf, with our conviction that those transactions are in your best interest.

- C. Sommers Financial Management recommends many different types of investments, but ETFs & Mutual Funds make up more than 80% of client portfolios. Material risks of ETFs include, but are not limited to, systemic market risk (risk of the entire market declining), liquidity risk (risk that there will not be ready and available buyers for your shares), and security-holding specific risks (risks that the fund holdings decline in value). We also utilize put and call options to hedge risks, which may involve a complete loss of principal in the option, which we equate to insurance premium payments.

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 Sommers Financial Management, LLC or the integrity of Sommers Financial Management, LLC's management. **Sommers Financial Management has no information applicable to this Item.**

Item 10 – Other Financial Industry Activities and Affiliations

- A. Sommers Financial Management, LLC shares an office with another LLC that provides bookkeeping, payroll, and tax preparation services. The managing member of both firms is Adam Sommers.

Item 11 – Code of Ethics

Sommers Financial Management, LLC strives for the highest standard of business conduct, and fiduciary duty to its clients. We strive to maintain confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

Subject to satisfying applicable laws, officers, directors and employees of Sommers Financial Management, LLC and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Sommers Financial Management LLC's clients. Personal securities transactions, activities and interests of the employees of Sommers Financial Management, LLC 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. Certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Sommers Financial Management, LLC's clients. In some circumstances employees are permitted to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored to reasonably prevent conflicts of interest between Sommers Financial Management, LLC and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Sommers Financial Management, LLC's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Sommers Financial Management, LLC will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis, unless such pro-ration will cause a commission cost to be an extraordinary amount as a percentage of investment to a client .

Item 12 - Brokerage Practices

Soft dollar benefits are not limited to those clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients.

Sommers Financial Management, LLC has the authority to determine, without obtaining specific client consent, securities to be bought or sold, and the amount of securities to be bought or sold. (Discretionary Authority)

Sommers Financial Management, LLC does not have the authority to determine the broker or dealer to be used, nor the commission rates paid.

Sommers Financial Management, LLC does recommend TD Ameritrade Institutional as a custodial broker. This recommendation is based on our judgment that this custodian provides the range and quality of brokerage services necessary to obtain the best available price and most favorable execution for the client. The basis for selecting any other broker we may recommend is based on the fact that they have capable brokers or traders, competent block/bunched trading coverage, good communication, ability to position, use of automation, administrative ability, and competitive commissions and fees.

Though Sommers Financial Management, LLC may recommend a custodial broker, clients may utilize the broker of their choice.

Item 13 – Review of Accounts

Sommers Financial Management, LLC performs account reviews on a quarterly basis. Additionally, company news and large swings in the markets trigger reviews of accounts holding sensitive investments. All holdings purchased with a time horizon of less than 12 months are reviewed on a monthly basis by Adam Sommers. Account and investment monitoring takes priority over any other service provided by Sommers Financial Management, LLC. Adam Sommers, principal owner, currently oversees and reviews all accounts managed by Sommers Financial Management, LLC.

Clients will receive monthly statements from their chosen custodial broker, in addition to a client portal, a quarterly newsletter, and a quarterly performance report from Sommers Financial Management, LLC. Upon request, Sommers Financial Management, LLC will provide a consolidated statement of accounts.

Item 14 – *Client Referrals and Other Compensation*

Sommers Financial Management, LLC does not pay referral fees to anyone other than employees of Sommers Financial Management, LLC. Employees must be Licensed Investment Advisor Representatives in order to be compensated for client referrals.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Sommers Financial Management, LLC urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Sommers Financial Management, LLC usually 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.

When selecting securities and determining amounts, Sommers Financial Management, LLC observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Sommers Financial Management, LLC's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Sommers Financial Management, LLC in writing.

Item 17 – Voting *Client* Securities

- A. Clients may grant Sommers Financial Management, LLC the authority to vote proxies on behalf of advisory clients. Clients may choose to retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Sommers Financial Management, LLC may provide advice to clients regarding the clients' voting of proxies.

If clients elect to have us vote on their behalf, clients are encouraged to contact us regarding votes pertaining to their investment holdings. We shall have no conflicts of interest regarding our authority to vote on client behalf, as we invest alongside our clients, and treat proxy votes as if they were (and likely are) referring to our own investments. Our fiduciary duty to our clients requires that we vote in your best interest, and our proxy votes will reflect as we would vote as owners of the securities.

We shall keep records by security holding, which will include scanned copies of our proxy votes. Clients may request a copy of how we voted their shares at any time. Clients may also request our written policy and procedure regarding proxy voting.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Sommers Financial Management, LLC's financial condition. Sommers Financial Management, LLC 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.

Sommers Financial Management does not require the prepayment of more than \$500 fees per client, six months or more in advance.

Item 19 – Requirements for State-Registered Advisers

A. Business & Education Background of the Principal Owner(s)

The principal owner of Sommers Financial Management, LLC is Adam M. Sommers. Mr. Sommers graduated Magna Cum Laude from Lewis & Clark College in Portland, Oregon with a Bachelor of Arts degree in Business. Prior to founding Sommers Financial Management, LLC, Mr. Sommers was a Corporate Controller for an international import business, as well as a Certified Application Specialist for an accounting software firm.