

Sonoman Investments LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Sonoman Investments LLC. If you have any questions about the contents of this brochure, please contact us at (305) 934-9069 or by email at: alopez@sonomaninvestments.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.

Additional information about Sonoman Investments LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Sonoman Investments LLC's CRD number is: 170794

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Sonoman Investments LLC on January 22, 2019 are described below. Material changes relate to Sonoman Investments LLC's policies, practices or conflicts of interests.

- Sonoman Investments LLC has updated brokerage practices (Item 12).

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Item 4: Advisory Business

Business Description

Our advisory firm is a registered investment adviser in Florida. We provide investment advisory services to individuals and corporations or business entities concerning various securities, including equities. As a registered investment adviser, we are held to the highest standard of client care – a fiduciary standard. As a fiduciary, we always put our client’s interests first and must fully disclose any potential conflict of interest. We do not directly hold customer funds or securities and all transactions are sent to our qualified custodian which executes, compares, allocates, clears and settles them. Our custodian also maintains our clients’ accounts and may grant clients access to them.

A. Description of the Advisory Firm

Sonoman Investments LLC (hereinafter “SI”) is a Limited Liability Company organized in the State of Florida.

The firm was formed in January 2013, and the principal owner is Alex Lopez-O'bryan.

B. Types of Advisory Services

Portfolio Management Services

SI offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. SI creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

SI evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SI will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

SI seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of SI’s economic, investment or other financial interests. To meet its fiduciary obligations, SI attempts to avoid, among other things, investment or trading practices that systematically advantage or

disadvantage certain client portfolios, and accordingly, SI's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is SI's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

Services Limited to Specific Types of Investments

SI generally limits its investment advice to equities, and primarily recommends U.S. stocks across all capitalization levels, within a value investing strategy, to a majority of its clients. SI may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

SI offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent SI from properly servicing the client account, or if the restrictions would require SI to deviate from its standard suite of services, SI reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. SI does not participate in any wrap fee programs.

E. Assets Under Management

SI has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 281,131.00	\$0.00	December 2018

Item 5: Fees and Compensation

A. Fee Schedule

Asset-Based Fees for Portfolio Management

Total Assets Under Management	Annual Fee
Up to \$500,000	1.50%
\$500,000 to \$1,000,000	1.25%
Over \$1,000,000	1.00%

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of SI's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally upon written notice.

SI uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

B. Payment of Fees

Payment of Asset-Based Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in arrears.

C. Client Responsibility For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SI. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

SI collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

Neither SI nor its supervised persons accept any compensation for the sale of securities or other investment 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

SI does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

SI generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ Corporations or Business Entities

Minimum Account Size

There is no account minimum for any of SI's services.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

SI's methods of analysis include fundamental analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Investment Strategies

SI uses long term trading.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither SI nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither SI nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither SI nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

SI does not utilize nor select third-party investment advisers. All assets are managed by SI management.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

SI has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. SI's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

SI does not recommend that clients buy or sell any security in which a related person to SI or SI has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of SI may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of SI to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SI will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of SI may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of SI to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, SI will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on SI's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and SI may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in SI's research efforts. SI will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

SI recommends M1 Finance, SEI Investments Management Corp, and Interactive Brokers LLC.

1. Research and Other Soft-Dollar Benefits

While SI has no formal soft dollars program in which soft dollars are used to pay for third party services, SI may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions (“soft dollar benefits”). SI may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client’s transactions paid for it, and SI does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. SI benefits by not having to produce or pay for the research, products or services, and SI will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that SI’s acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. Brokerage for Client Referrals

SI receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

SI will require clients to use a specific broker-dealer to execute transactions.

B. Aggregating (Block) Trading for Multiple Client Accounts

If SI buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, SI would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. SI would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client portfolio management accounts are reviewed at least twice annually only by Alex Lopez-O'bryan with regard to clients' respective investment policies and risk tolerance levels. All accounts at SI are assigned to this reviewer.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

SI does not receive any economic benefit, directly or indirectly from any third party for advice rendered to SI's clients.

B. Compensation to Non – Advisory Personnel for Client Referrals

SI may, via written arrangement, retain third parties to act as solicitors for SI's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. SI will ensure each solicitor is properly registered in all appropriate jurisdictions.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, SI will be deemed to have limited custody of client's assets and must have written authorization from the

client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

SI provides discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, SI generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

Item 17: Voting Client Securities (Proxy Voting)

SI will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

SI neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither SI nor its management has any financial condition that is likely to reasonably impair SI's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

SI has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements For State Registered Advisers

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

SI currently has only one management person: Alex Lopez-O'bryan. Education and business background can be found on the Form ADV Part 2B brochure supplement for such individual.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

C. How Performance-based Fees are Calculated and Degree of Risk to Clients

SI does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

D. Material Disciplinary Disclosures for Management Persons of this Firm

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

See Item 10.C and 11.B.