



## **Koch Financial Partners, LLC**

*Focusing on what matters.*

### Privacy and Data Security Policies

March 2017

To Each of our Advisory Clients:

Like many of our clients, you may be receiving a multitude of mailings from financial institutions that include privacy statements. These mass mailings are in response to the Federal Trade Commission's Gramm-Leach-Bliley Act (the "Act"). As required by the Act, financial institutions must provide consumers with a notice of the Firm's privacy policies and practices, and must not disclose nonpublic personal information about a consumer to nonaffiliated third parties unless the institution provides certain information to the consumer and the consumer has not elected to opt out of the disclosure. The Act also requires the financial institutions to notify all clients of their policies and procedures and to develop appropriate standards designed to protect customer information. You will want to carefully review these privacy notices to understand which firms may be sharing or selling information about its clients and, if desired, you will want to "opt out" of this process. In most cases, this can be accomplished with a signed and dated letter. You do not need to opt out at Koch Financial Partners, LLC ("KFP") because we do not sell your data to outside entities.

The Act also revised the Federal definition of "financial institutions" to include investment advisers and that is why you are receiving our letter today. Section 504 of the Act required the Securities and Exchange Commission (SEC) and other federal agencies to adopt rules implementing notice requirements and restrictions on a financial institution's ability to disclose nonpublic personal information about consumers. The Act also required the SEC to establish for financial institutions appropriate standards to protect customer information. In response, the SEC adopted a new "Privacy Rule" known as Regulation S-P, which was designed to implement the requirements of the Gramm-Leach-Bliley Act with respect to financial institutions subject to the Commission's jurisdiction under that Act. As a State-regulated Investment Adviser, KFP defers to and maintains compliance with the Privacy Rule.

**We at KFP value your trust and confidence and carefully handle the nonpublic personal information we possess.** This information generally will include:

- Information provided from applications, forms and other information provided to us either verbally or in writing, and include but are not limited to, your name, address, phone number, account information, social security number, employment, assets, income and debt;
- Information about your transactions, accounts, trading activity and parties to transactions;
- Information from other outside sources;
- Any other information that is deemed to be nonpublic personal information as defined by the Gramm-Leach-Bliley Act and by the SEC's Privacy Rule, to which most state-regulated Investment Advisory Firms defer.

The Act and Privacy Rule have no effect on the way we do business. We will never sell our Clients' nonpublic personal information to any other person or entity. We will only share information when you have directed us to do so with a written authorization or by application to facilitate a financial service offered through our firm or where we may be required to provide information by law or regulation. We do not provide information to mailing list vendors or solicitors.

Here are some examples of when information may be provided according to the aforementioned: From time to time throughout the year, you may personally authorize us to share information with your personal accountant. You may want to use investment or insurance services with an unaffiliated financial services firm (broker/dealer, custodian, trust department or insurance company) and in writing or by application, you will be directing us to share information in order to work with these firms on your behalf and only for the services you have requested. Additionally, since KFP is regulated by the State Securities Division, we may, from time to time, expect regular audits by the State to ensure compliance with regulatory rules and regulations. KFP is required to open all of its required books and records for review by Regulators.

Our internal procedure for handling your personal information is unaffected by the Privacy Rule. KFP restricts access to its records to only those persons who have a need to obtain information in order to deliver advisory or administrative services. If you should have any questions or concerns regarding our privacy policy and procedures, please do not hesitate to contact me directly.

***Secure Environment.*** We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk. We have agreements with all employees and independent contractors to maintain your privacy. KFP maintains physical, electronic and procedural safeguards that comply with federal and state regulations to protect your confidential information. Any breach of this policy by KFP or one of its agents that may compromise your confidential data will be reported to you as required by Oregon law.

***How we Protect your Confidential Information.*** KFP personnel work on office computer systems, networks and printers that are approved by the company. All hardware used to work with confidential client data in electronic form must be secured with an updated anti-virus program and stored on an encrypted disk drive. Confidential client information will be backed up only through use of KFP's outside provider. KFP does not allow confidential client information to be copied onto disks or flash drives, or emailed to outside parties who are not KFP personnel, except as directed by you or as done by KFP for a legitimate business purpose. Laptops, flash drives and other disk drives containing confidential client information must never be stored in a vehicle or unsecured place outside of the approved offices.

Confidential client data is kept active for up to one year after the conclusion of a business engagement. After one year, if there is no further engagement, client data is archived and stored securely. Personal information, such as social security numbers, account numbers, etc, are redacted prior to archiving. After five years, client data is destroyed securely.

This communication gives us another opportunity to express our appreciation for your continued business. We are dedicated to providing you with personalized services and always want to know how you think we're doing.

We always look forward to hearing from you. If you would like to reserve some time to review your financial and investment needs to determine if your assets are positioned to satisfy future needs, please give us a call. The value and usefulness of the planning services we provide are dependent upon availability of current information and upon your active, ongoing participation in your plan.

Please do not hesitate to call on us if we can be of any further assistance.

Best regards,

Shawn Koch, JD, CFP®  
Principal and Founder

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