

Our firm, Scott Smith Financial, Inc. (SSF), is an investment adviser registered with the State of Michigan. We feel that it is important for you to understand how advisory and brokerage services and fees differ in order to determine which type of account is right for you. There are free and simple tools available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about investment advisers, broker-dealers, and investing.

*Planning to talk to us? Look for the shaded boxes in this document – you will see helpful questions you might want to ask.*

## **What investment services and advice can you provide me?**

We are a registered investment adviser that offers investment advisory services to retail investors and to the sponsors of qualified retirement plans (401k plans). Our advisory services include Asset Management and Financial Planning & Consulting. If you open an advisory account with our firm, we will meet with you to understand your current financial situation, existing resources, goals, and risk tolerance. Based on what we learn, we will create a financial/retirement plan for you and recommend a portfolio of investments that is monitored and rebalanced to meet your changing needs, stated goals and objectives. We will also offer you advice on a regular basis and update your financial/retirement plan as needed.

Our Retail services primarily consist of a wrap fee program which features diversified asset allocation models appropriate for each client's needs, typically invested in mutual funds and exchange-traded funds. When clients establish a wrap fee account, they give us limited discretionary authority to place orders through custodians, select investments in their model, reallocate assets and rebalance accounts in accordance with their investment objectives. Wrap fee clients may place reasonable restrictions on their accounts.

Financial Planning & Consulting is also offered as a separate service for an additional flat and/or hourly fee. We do not monitor your investments for the Financial Planning & Consulting service.

*Additional information about our advisory services is located in Item 4 of our Firm Brochure, which is available online at <https://adviserinfo.sec.gov/firm/summary/138393>.*

*Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me?*

*What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

## **What Fees will I Pay?**

Wrap fee clients pay a advisory fee, which includes most transaction costs and fees to a broker-dealer that has custody of these assets. The wrap fee does not include certain account and securities-related costs, including those embedded in the mutual funds and ETFs the model is invested in.

Our wrap fee is an ongoing quarterly fee based on the value of the investments in your account. The maximum annual fee is 1.50%. The more assets you have in your advisory account, the more

you will pay us. We therefore have an incentive to increase the assets in your advisory account in order to increase our fees. Our firm's fees will be automatically deducted from your advisory account, which will reduce the value of your advisory account. In rare cases, our firm will agree to send you invoices rather than automatically deduct our firm's fees from your advisory account.

Financial Planning and Consulting is also offered for a maximum flat fee of \$5,000 or a maximum hourly rate of \$350. We charge an upfront retainer when you sign an agreement.

*Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

Additional information about our fees is located in Item 5 of our Firm Brochure, which is available online at <https://adviserinfo.sec.gov/firm/summary/138393>.

### **What are your legal obligations to me when acting as my investment professional? How else does your firm make money and what conflicts of interest do you have?**

*When we act as your investment adviser*, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:

Our advisors have an economic incentive to encourage you to invest money through them, since this increases their compensation (because they are paid in part based on the assets they manage). While we do not believe this is a material conflict, you should be aware of this.

Our firm's financial professionals include licensed insurance agents who sell insurance products for a commission. They have an incentive to recommend insurance products to you in order to increase their compensation.

### **How do your financial professionals make money?**

Our financial professionals are compensated based on the amount of client assets that they service, and the time and complexity required to meet client's needs.

*How might your conflicts of interest affect me, and how will you address them?*

Additional information about our conflicts of interest is located in Item 10 of our Firm Brochure, which is available online at <https://adviserinfo.sec.gov/firm/summary/138393>.

### **Do you or your financial professionals have legal or disciplinary history?**

No, none of our financial professionals have legal and/or disciplinary history. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

### **Additional Information**

You can find additional information about our firm's investment advisory services on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #138393. You may also contact our firm at (248) 946-4515 to request a copy of this relationship summary and other up-to-date information.

*Who is my primary contact person? Who can I talk to if I have concerns about how this person is treating me?*