

## Form CRS – Client Relationship Summary

### Introduction

Paller Financial Services is an investment advisor registered with the Securities and Exchange Commission. Paller Financial Services is not a broker-dealer. We do use Charles Schwab for broker-dealer services to hold client accounts and place trades in those accounts. Investment advisor and brokerage fees differ, and it is important for the retail investor to understand the differences.

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 broker-dealers, investment advisers and investing.

### Relationships and Services

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

Paller Financial Services offers investment advisory services to retail investors. The types of investment accounts we manage range from individual investment accounts, to trust accounts, to retirement accounts and includes other types of accounts not mentioned here. The primary investment tools we use within accounts are low-cost exchange traded funds, individual stocks and occasionally mutual funds. Our firm offers tax preparation services, tax and financial planning services and retirement plan advisory services in addition to our investment advisory services.

We monitor client accounts as part of our investment advisory services. In gross we are continually monitoring the assets under our management as clients often share holdings (ETFs, Mutual Funds, etc.). Internally, at the client level, we do semi-annual reviews in addition to reviews on an on request and as needed basis (e.g. planning for a major purchase or retirement).

For the majority of our clients we take discretionary authority, meaning we are able to place trades in those client accounts without express authorization from the client. This authority is taken with the understanding that our trades align with the objectives the client has expressed for the account. For a small minority of our accounts, we manage on a non-discretionary basis, meaning the client has ultimate authority regarding the purchase or sale of an investment.

As an independent investment advisory firm, we are not beholden to proprietary products or a limited menu of products or investment types. Our goal is to offer investment advice that is appropriate for the investor and will help them build wealth and reach their goals.

Paller Financial Services does not have account minimums. We interview the client to determine if a mutually beneficial relationship can be established between our firm and prospective client.

Additional Information: Paller Financial Services is dually registered as a Registered Investment Advisory Firm and a CPA Firm. You can find additional information about our firm, our services and how to contact us by going to our website at <https://www.pallerfinancial.com>.

Questions to Ask Us:

- *Question: 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?*

### Fees, Costs, Conflicts and Standard of Conduct

#### ***What fees will I pay?***

Paller Financial Services charges an annual management fee of 85 basis points, billed quarterly on the total value of the client account(s). In simple terms, we bill 85/100 of 1% of the account value on an annualized basis. This fee is billed at the end of each quarter, meaning that ¼ or 25% of our annual fee is charged each quarter based on the ending value of the account(s) at the end of that quarter. While we believe this fee structure provides mutually beneficial incentives, “we win, when you win”, we acknowledge the biggest conflict of interest is that we are incentivized to encourage clients to give us more money to manage (e.g. invest in a brokerage account managed by Paller Financial vs. investing in a rental property).

The fee structure illuminated in the point above is the only form of compensation we receive for managing client investment accounts.

Separate and apart from our investment advisory fees, our firm does receive flat fees and hourly fees quoted on a case-by-case basis for financial and tax planning, tax preparation services and retirement plan advisory services.

With respect to addressing conflicts of interest, our lead investment advisors are required per their certifications to uphold the fiduciary standard. This means those under the fiduciary standard are required to act in the best interests of the clients they serve. That said, as mentioned above, conflicts of interest do arise. We seek to identify those conflicts of interest, acknowledge them and act in the best interests of our clients.

Separate from our investment advisory fees, additional fees and expenses may be incurred as we manage client accounts. These include: expenses associated with the underlying investments we select, the very infrequent transaction fee or an account maintenance fee. While we do not want fee avoidance to cloud the big picture objectives (e.g. incurring a higher fee to gain more informed exposure to an industry or region of the world), we do seek to limit and mitigate fees associated with our investment management activities as much as possible.

***You will pay fees and costs whether you make or lose money on your investments.*** Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

You may ask how fees and costs may effect your investments? To give you an illustration, let’s consider a \$10,000.00 investment. This hypothetical \$10,000 is invested and at the end of each quarter based on the value of the investment we levy our management fee. The calculation goes as follows:  $\$10,000 \times .002125$  (¼ of .0085 or 85% of 1% of the account value on an annual basis) = \$21.25 per quarter or \$85.00 annually. Again, this is a hypothetical illustration as the account value will fluctuate based on market performance.

What are your legal obligations to me when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have? Based on our licenses and certifications our advisors are required to adhere to the Fiduciary Standard, meaning we are required to act in your best interest. We take this responsibility very seriously, but that does not mean there are not conflicts of interest. Our biggest conflict of interest is that we are incentivized to encourage you to manage money with our firm (e.g. encouraging a client to keep money in an investment account rather than investing in a rental property). Conflicts of interest occur in virtually every setting in life. We believe it is important to identify and disclose them and consciously put the best interest of our clients first in consideration of those conflicts.

### **Standard of Conduct**

***When we act as your investment adviser, we have to act in your best interest and not put our interests 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.

Examples of how we make money and conflicts of interest:

We make money through managing client money. An example of a conflict of interest would be advising a client to potentially hold onto debt rather than take resources from the account to pay off the debt.

We make money through managing client money. Another example of a conflict of interest may be to encourage a client to avoid starting a business that could be in the client's best interest in order to avoid seeing the resources leave the account to fund the business.

How might your conflicts of interest affect me, and how will you address them? We seek to avoid conflicts of interest impact our clients. As mentioned previously, we are compensated to manage client money. This might encourage us to provide advice to clients that recommends maintaining liquidity and investing their resources with us rather than recommending options that would take resources away from the client accounts we manage. We acknowledge this reality and seek to provide the best advice for the client.

**Additional Information:** Paller Financial Services also provides Tax Preparation, Tax Planning and Financial Planning Services. These other business activities create a conflict of interest because of the receipt of additional compensation in that we are financially incented to provide these additional services. Clients are not obligated to use the Advisor for these other services.

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

Our financial professionals are compensated largely on a salary basis. Shareholders will likely receive additional compensation based on the firms performance and their profit allocation. Again, we seek to minimize conflicts of interest but our financial professionals are incentivized to see the business make money. At the most basic level to make payroll, then with performance bonuses, profit sharing and shareholder distributions to follow.

While our financial professionals are not directly compensated based on the number of accounts they serve or the assets they manage it is reasonable to assume that with added ability, experience and productivity compensation will increase over time. We always seek to put the clients interests first and to be reasonable and fair in the fees charged to our clients. Our goal is to cultivate mutually beneficial long-term relationships; unreasonable and excessive fees do not align with that goal.

**Disciplinary History**

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

No, our firm and/or financial professionals do not have any legal or disciplinary history. **Visit <https://Investor.gov/CRS> for a free and simple search tool to research our firm and our financial professionals.**

Questions to Ask Us:

- *As a financial professional, do you have any disciplinary history? If so, for what type of conduct?*

**Additional Information**

***You can find additional information about our firm's investment advisory services on the SEC's website at <https://adviserinfo.sec.gov> by searching CRD #161531. You may also contact our firm at 303-858-0045 and talk to any one of our investment professionals or support staff.***

Questions to Ask Us:

- *Who is my primary contact person?*
- *Is he or she a representative of the investment adviser?*
- *Who can I talk to if I have concerns about how this person is treating me?*