

## D. Scott Neal, Inc. Client Relationship Summary – June 2020 (Form CRS/Form ADV Part 3)

### Item 1. Introduction

The advisors of D. Scott Neal, Inc. (“DSN”, “we”, “our” or “us”) are investment professionals and the firm is registered with the U.S. Securities and Exchange Commission (“SEC”) as a registered investment advisor. Neither the firm nor any of its personnel are broker-dealers or broker-dealer representatives. Clients and prospective clients should be aware that advisory services and fees differ between investment advisors and broker-dealers and it is important for you, a retail investor, to understand the differences. This document, now a required disclosure, sets out important differences between us and other firms.

You may also find free and simple tools at [Investor.gov/CRS](https://investor.gov/CRS) that will enable you to check out firms and financial professionals. There you can also find some helpful educational materials about investing.

### Item 2. Relationships and Services

#### What investment services and advice can DSN provide its clients?

*Services:* DSN offers investment advisory services to individuals, families, and organizations (i.e. investors) through individually managed accounts using various types of securities, typically mutual funds and exchange traded funds, but also may include common and preferred stocks individual bonds, CDs and money market funds. We provide our services through investment accounts you maintain with an account custodian, such as Charles Schwab or TD Ameritrade. Those firms hold your assets and the accounts are titled in your name. DSN does not have custody or take possession of your assets. We do have limited discretionary authority over your account to determine the securities and the amount of each security to be bought or sold. We do that without your prior approval. Our discretion is active from the beginning of our relationship and will continue for the duration of our agreement. However, you may set restrictions such as a cash position to be left uninvested, positions to be held, or certain investments to avoid.

*Opening and Maintaining Accounts:* DSN does not require a minimum account size or investment amount to open or maintain an account. Through an inquiry about your current financial situation and financial goals, your risk tolerance and investment time horizon, we develop an investment profile to meet your individual needs and invest your account accordingly. As part of our service, we routinely monitor accounts and conduct periodic portfolio and security reviews to ensure that your investment profile and investments are consistent with your objectives and goals. The custodians send you monthly statements of account and we send you quarterly reports on your holdings and account activity. We remain on-call to discuss these things with you.

*Additional Information:* Additional information on relationships, fees and services can be found in Form ADV Part 2A (Items 4-7) which is available on our website at [dsneal.com](https://dsneal.com).

#### **Conversation starter between you and a financial professional on Relationships and Services**

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?

### Item 3. Fees, Costs, Conflicts and Standard of Conduct

#### What fees will I pay?

*Principal Fees and Costs:* DSN is paid for investment advisory services by its clients, not a third party. The fees can be paid directly by check, by credit card, or can be deducted from the accounts. DSN’s investment management fees are based on a percentage of all assets in your account. The fee is 1% or less annually and the full fee schedule is included in the DSN Form ADV Part 2A (Item 5). At our discretion, we may negotiate a different fee based on unique client circumstance. Fees are invoiced quarterly, in advance. We do not charge a fee to terminate our service agreement, which may be done at any time upon 30 days’ notice.

*Other Fees and Costs:* You may be charged fees in addition to what you pay DSN. Examples are fees for mutual funds and brokerage commissions, transaction fees, exchange fees, SEC fees, wire transfer, account maintenance fees, and other related costs and expenses which you may be charged by your account custodian either directly or indirectly. Commissions and transaction fees vary by custodian and may be more or less at other custodians. Where possible, we work to minimize the fees charged by the custodians.

*Additional Information:* 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. Additional information can be found in the DSN Form ADV Part 2A (Item 5) which is available on our website at [dsneal.com](http://dsneal.com).

**Conversation Starter between you and a financial professional on Fees and Costs on Investments**

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?

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

*When we act as your investment adviser, we act in your best interest and we put your interests ahead of our own. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us, or any investment professional, about these conflicts because they can affect the investment advice we provide to you. Here are some examples to help you understand what this means.*

*Examples of Conflicts of Interest:* 1) We make money through our asset-based fees that we charge for our services. While the percentage of fee goes down with more assets in your account, you will obviously pay more dollars as the account grows. We therefore have an incentive to encourage you to increase the assets in your account. 2) DSN employees may own some of the same securities that are in your investment account. To prevent conflicts of interest in trading, we have adopted a Code of Ethics and a monitoring system with procedures in place to insure that your interests come before ours when we trade in our personal accounts.

*Additional information:* Additional information on conflicts of interest can be found in our Form ADV, Part 2A (Items 7,8,10,11 and 12) which is on our website at [dsneal.com](http://dsneal.com).

**Conversation Starter between you and a financial professional on Conflicts of Interest**

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

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

DSN employees are compensated by salary and bonuses. Salaries are competitively determined and bonuses are based on individual and firm performance. None of our employees earn commissions or referral fees.

**Item 4. Disciplinary History**

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

*No.* There is no disciplinary information to report regarding DSN.

Additional information on can be found in our Form ADV, Part 2A (Item 9) which is on our website at [dsneal.com](http://dsneal.com). You may also visit [investor.gov/CRS](http://investor.gov/CRS) for free and simple search tools to research us and our financial professionals.

**Conversation Starter between you and a financial professional on Disciplinary History**

As a financial professional, do you have any disciplinary history? For what type of conduct?

**Item 5. Additional Information**

Jerry Zimmerer is DSN's Chief Compliance Officer and Scott Neal is its Chief Executive Officer.

If you have any questions about our services or if you wish to request a copy of the relationship summary, please contact us at 800-344-9098 or at [info@dsneal.com](mailto:info@dsneal.com). Additional information is also available on the SEC's website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

**Conversation Starter between you and a financial professional on Contacts and Complaints**

Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer?

Who can I talk to if I have concerns about how his person is treating me?