

## **Shapiro Financial Security Group, Inc.** **Client Relationship Summary (Form CRS) March, 2023**

Shapiro Financial Security Group, Inc. (“Shapiro Financial”) is an *investment adviser* federally registered with the Securities and Exchange Commission (“SEC”). Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

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

We provide investment management, financial planning and consulting services to individuals, trusts, and estates. Our investment decisions are based on your objectives, including an assessment of your risk tolerance, time horizon and other factors that may impact your investment needs. We primarily allocate your assets among mutual funds and ETFs, and may also invest debt and equity securities depending on your investment objectives.

- As part of our investment management services, regular account reviews are generally conducted on a quarterly or semi-annual basis, and we monitor all accounts on an on-going basis to be sure they meet your objectives. We provide a report on your account from time to time upon your request. Your custodian will provide regular statements of your account holdings and activity, and transaction confirmation notices.
- You will open a custodial account directly with a third-party custodian and grant us trading authority to buy and sell investments in your account without asking you in advance (a “*discretionary*” account). You can also designate specific assets within your account as *non-discretionary* or ask us to consult on a *non-discretionary* account or an account managed elsewhere. For *non-discretionary* assets, you make the ultimate decision to purchase or sell an investment. And for all accounts, only you can add funds to or withdraw funds from your account.
- We have no *minimum account size*, and we use our discretion and fee structures (described below) to accommodate clients with varied account sizes.

*More information about our services is available in Item 4 of Part 2 of our Form ADV, available online at [https://www.shapirofsg.com/files/shap\\_finl\\_sec\\_grp\\_discl\\_brochure\\_2023-03-23\\_amended.pdf](https://www.shapirofsg.com/files/shap_finl_sec_grp_discl_brochure_2023-03-23_amended.pdf)*

#### ***Conversation Starters to ask our financial professionals:***

*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?**

We charge a negotiable fixed and/or hourly fee for financial planning and consulting services, generally ranging from \$1,000 to \$7,500 on a fixed fee basis and/or from \$70 to \$350 on an hourly basis, depending on the level and scope of the services and the professional rendering the services.

We provide discretionary and non-discretionary investment management services for an annual fee of 1.25% on the first \$100,000 of assets under management, 1.00% on the next \$150,000, and 0.80% on the next \$250,000, 0.65% on the next \$500,000 and a negotiable rate on assets above \$1 million, charged quarterly, in advance. We bill certain clients with accounts less than \$50,000 using hourly rates or a negotiated management fee.

Our minimum annual fee is \$500/year, unless waived in our sole discretion.

- The fees we earn increase as the assets we manage grow, so we benefit from long-term growth in our accounts and from the contribution of new assets to the accounts that we manage.
- In addition to our management fees, you may incur charges such as custodial fees, brokerage commissions, transaction fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and other electronic fund fees, and other fees and taxes imposed by the custodian maintaining your account, as well as charges imposed directly by a mutual fund or ETF in your account for fund management fees and other fund expenses.

- The more assets (including cash) you have in the advisory account, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly even if no investments are bought or sold in your account.

**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.**

*More information about our fees is available in Item 5 of Part 2 of our Form ADV, available online at [https://www.shapirofsg.com/files/shap\\_finl\\_sec\\_grp\\_discl\\_brochure\\_2023-03-23\\_amended.pdf](https://www.shapirofsg.com/files/shap_finl_sec_grp_discl_brochure_2023-03-23_amended.pdf)*

**Conversation Starter to ask our financial professionals:**

*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 have a duty 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 to you. Here is an example to help you understand what this means.*

- Because we earn asset-based fees, we earn more money the more assets (including cash) you have in your advisory account. This not only gives us an incentive to grow the assets in your account in order to increase our fees, but also gives us an incentive to recommend that you increase the size of your advisory account with us by adding assets.

*More detailed information about conflicts of interest between us and our clients is available in Part 2 of our Form ADV, including items 6, 10 and 11, available online at [https://www.shapirofsg.com/files/shap\\_finl\\_sec\\_grp\\_discl\\_brochure\\_2023-03-23\\_amended.pdf](https://www.shapirofsg.com/files/shap_finl_sec_grp_discl_brochure_2023-03-23_amended.pdf)*

**Conversation Starter to ask our financial professionals:**

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

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

Our financial professionals receive a salary or wages and are eligible for annual bonuses. Compensation is designed to attract and retain the highest quality professionals, and is based on a variety of factors, including industry experience, professional qualifications, demonstrated skill, and the time and complexity required to meet a client's needs.

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

No. You can research Shapiro Financial and our financial professionals using the free and simple search tool available at [Investor.gov/CRS](http://Investor.gov/CRS).

**Conversation Starter to ask our financial professionals:**

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

### **Additional information**

Updated copies of this form and additional information about Shapiro Financial Security Group, Inc. can be found at <http://www.shapirofsg.com/engagement-disclosure-letters>. You can also request an up-to-date version of the Relationship Summary, or the more detailed Part 2 of our Form ADV, by calling us at 732-739-8991.

**Conversation Starter to ask our financial professionals:**

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