

Item 1 – Introduction: Key Financial, Inc. (“KFI”) is registered investment adviser with the Securities exchange Commission (SEC). We feel it is important for you to understand the principal business of Key Financial, and how advisory and brokerage services differ in order to determine which type of account is best for you.

There are free and simple tools available to research firms and financial professionals at www.investor.gov/crs, which also provides educational materials about investment advisers, broker-dealers, and investing.

Item 2 - Relationships & Services: “What investment services and advice do you provide?”

Key Financials’ principal business is providing advice that rises out of a comprehensive financial plan with continuous investment management. We will regularly monitor your investments on an ongoing basis as part of our standard service. We do not limit our advice and services to proprietary products or a limited menu of products or investments. We do not have a minimum account size requirement.

For additional information, visit KeyFinancialinc.com, or see KFI’s Form ADV Part 2A brochure.

Questions to Ask Us:

- *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, Conflicts, and Standard of Conduct: “What fees will I pay?”

Our primary business is providing ongoing financial planning with advisory investment management. Fees and costs for these services affect the value of your account over time. Generally, the greater the amount of assets in the account, the more you will pay in fees, and the firm may have an incentive to encourage you to increase the value of your account. However, our firm offers discounted rates at higher ranges of assets under management; so, you may be rewarded for increasing the value of your account(s) through the reduction of the percentage of the asset-based fees you are charged.

The broker-dealer (“custodian”) that holds your assets can charge you a transaction fee when we buy or sell an investment for you. These transaction fees are in addition to our advisory fee. You could also pay fees charged by the custodian for certain investments and maintaining your account. Some investments, such as mutual funds and exchange traded funds charge additional fees that will reduce the value of your investments over time.

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. Please refer to Item 5 of our Form ADV Part 2A for further information.

Question to Ask Us:

- *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 advisor, we have to act in your best interest and do not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your best interests. You should understand and ask us about these conflicts because they can affect the investment advice, we provide you. An example will help you understand what this means: If we recommend that you get a mortgage or a car loan instead of using invested assets to purchase a home or car, there is an inherent conflict of interest. Another might include consolidating accounts rather than have accounts that we do not manage. Further, financial professionals may receive expense reimbursement for due diligence trips, educational meetings, or client events from investment providers.

Question to Ask Us:

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

“How do your financial professionals make money?”

Our financial professionals are paid a fixed salary and can also receive an individual bonus based on exceeding expectations when providing a service to a particular client or group of clients. Irrespective of their role, every employee at Key Financial can receive a bonus at the end of the year based on a combined target formula of client retention and growth of clients we serve.

Question to Ask Us:

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

Item 4 - Disciplinary History: “Do you have legal or disciplinary history?”

Yes. In 2010 our firm was fined by the State of New Jersey for failure to submit registration in a timely manner and we have a financial professional with legal and/or disciplinary history. Visit www.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? For what type of conduct?*

Additional Information

You can find additional information about our investment advisory services on the SEC’s website www.adviserinfo.sec.gov by searching CRD #116240. You may also contact our firm at 610-429-9050 to request a current copy of our Form ADV Part 2 or up-to-date Form ADV Part 3 – this relationship summary.

Questions to Ask Us:

- *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?*