

## Customer Relationship Summary (Form CRS)

July 1, 2020

### Introduction



Diversified Financial Advisors Inc. (“DFA”) is registered as an investment adviser with the Securities and Exchange Commission (<https://www.sec.gov>). DFA’s investment advisers are also registered representatives with LPL Financial. LPL Financial is a FINRA (Financial Industry Regulation Authority <https://www.finra.org> ), SIPC (Securities Investor Protection Corporation <https://www.sipc.org> ), and MSRB (Municipal Securities Rulemaking Board <https://www.msrb.org> ) member firm.

DFA offers both brokerage services and investment advisory services. Brokerage and investment advisory services and fees are different and it is important that retail investors understand the differences. Free and simple tools are available for you to use at <https://www.investor.gov/CRS>, a website maintained by the SEC. These tools can provide educational materials about broker-dealers, investment advisers, and investing. For example, you can go to that website and access a financial professional’s experience and education.

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

DFA provides investment advisory services to its clients on a discretionary basis. We provide investment advisory services to individuals, high-net-worth individuals, trusts, endowments, small businesses, family offices and other institutional clients as well as servicing employee benefit plans. Continuous advice is provided to our advisory clients regarding the investment of client funds and is based on the individual needs of the client. Through discussions with our clients, we come to understand our clients’ objectives, goals, time horizons, risk tolerance, liquidity needs and financial circumstances. As appropriate, we may also review and discuss a client’s prior investment history, as well as family composition and background. Based upon these discussions, we will make a suitable investment recommendation to the client. There is no minimum investment amount or minimum account size required to receive investment advisory services from DFA.

The Firm typically has discretionary authority with regard to its investment management services. This means that we are granted authority to make trades in client accounts without obtaining the client’s consent prior to trading. There are no limitations on the types of investments that can be made on your behalf unless the client informs us of any restrictions.

The Firm’s financial planning and consulting services include recommendations regarding securities and other investments. The financial plans prepared by DFA are individualized for clients and can include one or more of the following activities: investment analysis and planning, insurance analysis, retirement planning, business and personal financial planning, and distribution strategy and analysis.

Your investment adviser is also a registered representative (“RR”) of LPL Financial. As an RR, when insurance related business is transacted with advisory clients, your Advisor will receive commissions from the sale of products to Clients. Clients are advised that the fees paid to DFA for investment advisory services are separate and distinct from the commissions earned by any individual for selling insurance products.

A full description of our investment advisory services can be found in our firm brochure (prepared in accordance with SEC Form ADV, Part 2A) (Firm Brochure) and is available on the DFA website, [www.diversifiedfa.com](http://www.diversifiedfa.com).

#### Conversation Starters: Questions you may want to discuss with your financial professional –

- *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?

Asset-based fees are assessed and collected quarterly, in advance based upon the previous calendar quarter end account balance. Many factors determine proposed fee rates, including size, complexity and composition of the services to be provided. While fees are negotiable based upon these factors, generally, the Firm’s advisory fees will not exceed 1.25% per annum.

Financial planning and consulting services are made available at no additional charge to those clients who have engaged DFA to provide ongoing investment management services. In all other cases, DFA charges a flat fee for these services that is determined based upon the scope and complexity of the engagement. 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.

#### Conversation Starters: Questions you may want to discuss with your financial professional –

- *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 providing recommendations when acting as my investment adviser?  
How else does the firm make money and what conflicts of interest do you have?***

When DFA provides recommendations as an investment advisor, DFA is acting in the client's best interest, and not putting the company's interest ahead of the client. At the same time, the way DFA generates revenue can create a conflict of interest. For example, in an investment advisory account, there is an incentive to boost assets under management, to increase management fees; in a broker-dealer arrangement, there is an incentive to recommend more transactions to collect more commissions.

As part of our investment advisory services to you, it is possible that we will recommend you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you do this, we will charge our management fee on those assets. This presents a conflict of interest because this could be an incentive to recommend the rollover.

The receipt of commissions based on the sales of insurance products by your Adviser presents a potential conflict of interest. As fiduciaries, we must act primarily for the benefit of investment advisory clients. As such, we will only transact insurance related business with Clients when fully disclosed, suitable, and appropriate. Further, we must determine in good faith that any commissions paid to our representatives are appropriate. Clients are informed that they are under no obligation to use any individual associated with DFA for insurance products. Clients may use any insurance or brokerage firm or agent that they choose. DFA does not charge an advisory fee on assets which we have received a commission for the sale of the asset. The client should understand and ask us about these conflicts because they can affect the recommendations and investment advice that you receive.

For additional information about potential conflicts of interest, please see our relationship guide, entitled *Regulation Best Interest Disclosure*, and our Firm Brochure, which are available on the DFA website, [www.diversifiedfa.com](http://www.diversifiedfa.com).

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

In their capacity as your adviser, financial professionals receive a portion of the transaction-based compensation received by the Firm for the sale of insurance and brokerage products. This is a conflict of interest because a commission is received for the sale of a product. Financial professionals also receive a portion of the net advisory fees collected on assets under management. This structure is a conflict of interest in that the compensation is based on the amount of assets overseen by each financial professional.

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

Neither the Firm nor its financial professionals currently have legal or disciplinary history requiring us to provide disclosure in this section. You may visit [Investor.gov/CRS](http://Investor.gov/CRS), which provides a free and simple search tool to research the Firm and its financial professionals. You should feel free to ask your financial professional the following questions regarding disciplinary history:

**Conversation Starters: Questions you may want to discuss with your financial professional –**

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

***Where can I find additional information?***

You can always ask your financial advisor for more information and request a copy of this Form CRS by calling our office at (314) 786-9000 or by emailing us at <https://www.diversifiedfa.com/disclosures>. If you have any concerns about DFA or would like to request a copy of our Form CRS or our Disclosure Brochure, please do not hesitate to call on us. You may also visit [Investor.gov/CRS](http://Investor.gov/CRS), which provides a free and simple search tool to research our Firm and its investment adviser representatives.

**Conversation Starters: Questions you may want to discuss with your financial professional –**

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