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**Item 1 – Cover Page**

**Schnall Advisory Services, Inc.**

182-34 80th Road

Jamaica Estates, NY 11432

212-967-6155

**Firm Brochure**

(Part 2A of Form ADV)

This Brochure provides information about the qualifications and business practices of Schnall Advisory Services, Inc. If you have any questions about the contents of this Brochure, please contact us at 212-967-6155 or by email at [darinschnall@schnalladvisory.com](mailto:darinschnall@schnalladvisory.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Schnall Advisory Services also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

March 2, 2023

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## **Item 2 – Material Changes**

There are no material changes in this brochure from the last annual updating amendment of Schnall Advisory Services, Inc. on 02/09/2022. Material changes relate to Schnall Advisory Services, Inc. policies, practices or conflicts of interests only.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, the Brochure may be requested by contacting Darin Schnall, President at 212-967-6155 or [darinschnall@schnalladvisory.com](mailto:darinschnall@schnalladvisory.com).

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## **Item 4 – Advisory Business**

### **Firm Description:**

Schnall Advisory Services, Inc. was founded in June 1995 by Darin Schnall, the principal owner. The firm is registered with the SEC as a Registered Investment Advisor. The predecessor firm was Darin Schnall CFP, CPA, MBA.

Schnall Advisory Services, Inc. provides personal financial planning and investment management to individuals, families, trusts and estates. Schnall Advisory Services, Inc. works with clients to define financial objectives and to develop strategies for reaching those objectives, some of which may include: identification of financial goals, tax planning, investment management, education funding, retirement planning, risk management, estate planning, charitable goals, and/or other issues specific to the client.

The firm's compensation is solely from fees paid directly by its clients. The firm does not receive commission based on the client's purchase of any financial product, including insurance. No commissions in any form are accepted. No referral fees are paid or accepted. No benefits are received from custodians/broker-dealers based on client securities transactions ("soft dollar benefits").

The assets under the direct management of Schnall Advisory Services, Inc., are held by independent custodians, including Fidelity Investments TD Ameritrade, or others, in the client's name.

### **Principal Owner:**

Darin Schnall is a 100% stockholder of Schnall Advisory Services, Inc.

### **Types of Advisory Services:**

Schnall Advisory Services, Inc. (hereinafter also referred to as the "Adviser"), through Darin Schnall, the President of the Adviser, provides professional asset management services, wealth management and financial planning on behalf of its advisory clients. Such professional asset management services involve furnishing continuous asset management advice and asset allocation advice. The Adviser also provides analysis and specific strategies of the following areas: retirement planning, investment asset allocation, income tax planning, college funding, cash and debt management, insurance and estate planning. All written reports in connection with these financial planning services are customized based on each client's specific objectives and are reviewed with each client.

In performing its services, Schnall Advisory Services, Inc. is not required to verify any information received from the client or from the client's other professionals. Each client is advised that it remains his or her responsibility to promptly notify Adviser when there is any

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change in his or her financial situation or financial objectives for the purpose of reviewing, evaluating, or revising previous recommendations.

Schnall Advisory Services does not participate in wrap fee programs.

**Tailored Relationships:**

Advisory services are tailored to the individual needs of clients, taking into account risk tolerance, age, assets, income and other considerations. Client goals and objectives are clarified in meetings and via correspondence, and are used to determine the course of action for each individual client. The goals and objectives for each client are documented in our client relationship management system and in client files, either in hard copy or in electronic files.

**Managed Assets:**

Assets under Management were \$102,809,844 at December 31, 2022. All of the assets are managed on a discretionary basis.

**Item 5 – Fees and Compensation**

**Description:**

Schnall Advisory Services, Inc. bases its fees on a percentage of Assets Under Management, fixed fees, and hourly rates.

**Fee Schedule and Billing:**

The Adviser's standard fee schedule is as follows:

The annual fee charged is 1% for up to the first \$1 million of assets under management (AUM) and .75% for assets above that level. Fees are negotiable depending on the type and size of the account and the particular circumstances of the client. Further, advisory fees in connection with comprehensive financial planning only, would typically not exceed a fee of \$10,000 annually. The hourly rate for financial planning advice only is \$400 with a four-hour minimum. All fees are subject to a written signed agreement.

The Adviser collects its standard fee from client assets and is payable quarterly, in arrears. A pro rata fee will be charged for any period less than the full calendar quarter. Further, clients whose cash balances are swept into money market funds or which are invested in mutual funds, may, in effect, be paying two advisory fees. Clients may be paying a management fee on the portion of their assets that are invested in the money market funds and/or mutual funds to the fund's investment adviser plus a quarterly fee on the market value of assets under the Adviser's management, which includes the assets invested in the money market funds and/or mutual funds. Clients are encouraged to carefully review any

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relevant prospectus and/or offering documents associated with the Adviser's investment recommendations.

### **Other Fees**

Custodians may charge transaction fees on purchases and sales of certain mutual funds, stocks, bonds and exchange-traded funds (ETF). These transaction charges are small and are incidental to the purchase or sale of a security. They are typically \$7.95 to \$40. Our custodians have eliminated transaction fees for ETF's.

Mutual funds and ETF's generally charge a management fee for their services as investment managers. The management fee is included in the expense ratio. Mutual fund fees also include transaction charges for the purchase or sale of securities within the fund and may charge other fees as disclosed in the fund prospectus. These fees are in addition to the fees paid by the client to the Adviser.

Please see the section entitled "Brokerage Practices" in Item 12 for more information.

### **Compensation: Additional Information**

The firm's compensation is solely from fees paid directly by clients. The firm does not receive commission based on the client's purchase of any financial product, including insurance. No commissions in any form are accepted.

### **Item 6 – Performance-Based Fees**

Adviser does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Schnall Advisory Services, Inc. does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the Adviser to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset-based fees allows the Adviser to participate in the growth of the client's wealth. This also means that our fees can decline when the client's portfolio declines in value.

### **Item 7 – Types of Clients**

#### **Description**

Schnall Advisory Services, Inc. provides investment advice to individuals, trusts, and individual 401k / Profit Sharing Plans. The minimum initial account size is \$500,000.

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## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

Security analysis methods at Schnall Advisory Services, Inc. include fundamental analysis. The main sources of information include Morningstar reports, fund prospectuses, financial newspapers and magazines, research materials prepared by others,, and annual reports. Adviser also attends on and off site visits with fund and portfolio managers, investment webinars, conference calls, and industry conferences.

### **Investment Strategies**

The primary investment strategy that we use for clients is strategic asset allocation. Portfolios are generally globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives, income needs, and income tax situation stated by the client. The client may change these objectives at any time by contacting the Adviser. The client's goals and objectives, and any changes, are reviewed during meetings and via correspondence with the client. Each client portfolio is constructed solely for that client. The Adviser does not use model portfolios, and we do not utilize composites to illustrate results.

### **Risk of Loss**

All investment programs and securities have certain risks that are borne by the investor. Our investment approach keeps the risk of loss in mind. However, as with all investments, clients face investment risks including the following: loss of principal risk, interest-rate risk, market risk, inflation risk, business risk, liquidity risk, and financial risk.

## **Item 9 – Disciplinary Information**

The Adviser and its employees have not been involved in any legal or disciplinary events, related to past or present activities.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Schnall Advisory Services, Inc. provides tax planning and preparation to a limited number of clients.

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## **Item 11 – Code of Ethics, Client Transactions and Personal Trading**

### **Code of Ethics**

Schnall Advisory Services, Inc. is committed to a Code of Ethics. The key points are: placing the clients' interest first, objectivity, confidentiality, competence, fairness and suitability, integrity and honesty, regulatory compliance, full disclosure, and professionalism. CFP® designees are also held to a Code of Ethics as outlined by the CFP® Board of Standards. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

### **Participation or Interest in Client Transactions**

The adviser may at times buy or sell securities that are also held by clients.

## **Item 12 – Brokerage Practices Institutional**

### **Selecting Brokerage Firms**

The Adviser recommends two brokerage companies, Fidelity Investments Institutional and TD Ameritrade Institutional. The custodian is recommended based upon the proven integrity and financial position of the firm, best execution of orders at low commission rates and the quality of client service.

The Adviser does not receive fees or commissions from any custodian but does receive electronic delivery of client information and internet-based trading platforms.

The Adviser reviews the execution of trades daily and trading fees annually. The Adviser does not receive any portion of the trading fees.

### **Soft Dollars**

Schnall Advisory Services, Inc. does not receive soft dollar benefits from the custodians to whom we recommend clients.

### **Directed Brokerage**

The Adviser does not direct brokerage for any client transactions.

## **Item 13 – Review of Accounts**

### **Periodic Reviews**

The frequency of reviews depends upon each client. The Adviser reviews the portfolios and all transactions entered into for investment advisory clients, to determine that correct trades have been made in all client accounts. Internal evaluations of each client account will be



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conducted on a monthly basis in order to review asset allocations and investment performance.

All accounts are reviewed on a periodic basis by Adviser to ensure adherence with client objectives and guidelines. Clients are encouraged to keep the Adviser informed as to any personal changes in their financial condition. The Adviser cannot make any material changes to a client's portfolio, if it is not informed as to the client's particular developments. Therefore, a client that encounters any material financial developments should inform the Adviser immediately.

### **Review Triggers**

Account reviews for clients are performed more frequently when market conditions dictate, or when a client's objectives change. An investment review may be triggered by the following: a client request, changes in market condition, new information about an investment, changes in tax laws, or other important changes.

### **Regular Reports**

Financial reports and updates will be provided directly to clients, upon request. For instance, clients receive monthly custodian statements detailing their asset positions and any trades occurring since the last statement. Annual reports are also provided upon request, which include account performance, portfolio holdings, asset allocation analysis and updates to financial plan reports.

## **Item 14 – Client Referrals and Other Compensation**

### **Client Referrals**

Schnall Advisory Services, Inc. referrals have come from current clients, accountants and other sources. The firm does not pay for referrals.

## **Item 15 – Custody**

### **Account Statements**

All assets are held at qualified custodians, who provide account statements directly to clients at their address of record monthly. If clients have signed up for electronic delivery, they will receive an email monthly that their statements are available online. Clients are encouraged to carefully review their statements provided by their custodian.

### **Custody**

Adviser does not have custody of client funds.

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## **Item 16 – Investment Discretion**

### **Discretionary Authority**

Adviser accepts discretionary authority from the client at the outset of an advisory relationship to select the investments. In all cases, however, such discretion is to be exercised in a manner consistent with the Investment Guidelines and stated investment objectives for the particular client.

Discretionary trading authority facilitates placing trades in clients' accounts on their behalf, so that we may promptly implement the investment policy that they have approved. If different from Investment Guidelines, clients are provided with an opportunity for review and discussion prior to implementation of recommendations.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Schnall Advisory Services, Inc. does not vote proxies on behalf of advisory clients.

## **Item 18 – Financial Information**

Schnall Advisory Services, Inc. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required because Adviser does not serve as a custodian for client funds or securities, and does not require prepayment of more than \$1,200 per client, six months or more in advance.