

## Form ADV Part 3: Relationship Summary Black Coral Financial Advisors, LLC

### Introduction

Black Coral Financial Advisors, LLC (“Black Coral Financial Advisors, LLC” or “we”) is an investment adviser registered with the U.S. Securities and Exchange Commission. We offer our clients investment advisory services. Clients should understand that the services we provide and fees we charge are different than those of a broker-dealer, and that it is important to understand the difference between the two. Free and simple tools are available to research firms and financial professional at <https://www.investor.gov/CRS>, which also provides educational materials about investment advisers, broker-dealers and investing.

### What Investment Services and Advice Can You Provide Me?

**Description of Services:** Black Coral Financial Advisors, LLC offers investment advisory services to retail investors. **Asset Management Services:** We provide asset management services which involves us managing and trading your designated account(s). We will discuss your investment goals and design a strategy to try and achieve your investment goals. We will continuously monitor your account when providing asset management services and contact you at least annually to discuss your portfolio. When engaging us for asset management services, you can choose whether you'd like us to provide services on a **discretionary** basis (we will have the authority to determine the type and amount of securities to be bought or sold in your account) or a **non-discretionary basis** (we will have to confirm any trades in your account with you before we place them). Please see **Item 16** of our **Form ADV Part 2A. Financial Planning and Consulting Services:** We provide financial planning and consulting services which includes developing a plan to maximize benefits, preserve assets, manage income, assist with estate and retirement plans and review insurance needs. Through our **Comprehensive Financial Counseling** services to individuals who purchase our services independently as well as to employees of employer sponsored financial services programs. We provide our clients with education, planning and investment advice guided by their personal objectives. Please see **Item 4** of **Form ADV Part 2A**.

**Limited Investment Offerings:** We do not primarily recommend one type of security to clients. Instead, we recommend investment portfolios designed to be suitable for each client relative to that client's specific circumstances and needs. However, we are limited in investment selection in that we can only invest your account in securities which are available on your custodian/broker-dealer's platform. When providing you services, we do not recommend or offer advice on any proprietary products. **Account & Fee Minimums:** We require a minimum of \$500,000 in order to open an account managed by us. To reach this account minimum, you can aggregate all household accounts. The minimum fixed fee generally charged for investment performance reporting on non-managed assets is \$1,500.

**Conversation Starters:** *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?

**Description of Principal Fees & Costs:** **Asset Management** fees are charged based on a percentage of assets under management, billed in arrears on a quarterly calendar basis, and calculated based on the fair market value of your account as of the last business day of the current billing period. The annual fee for asset management services will based upon a fee schedule which ranges between 0.75% and 1.00%. Because our fee is based upon the value of your account, we have an incentive to recommend that you increase the level of assets in your account. When engaging us for asset management services, you will also incur other fees and expenses. The broker-dealer/custodian on your account will charge you transaction fees for executing trades in your account. You will also be charged internal fees and expenses by the funds we invest in within your account. **Financial Planning and Consulting** services under a fixed fee arrangement is negotiable. Investment performance reporting on non-managed assets is a minimum of \$1,500. Discretionary management services on managed assets will be charged an additional fee based on the asset class – Fixed Income (Up to 0.50%) and Equities (Up to 1.00%). You will pay in advance a mutually agreed upon retainer that will be available for us to bill fees against for our services. Any unpaid fees are due immediately upon completion and delivery of the financial plan or consultation. For our **Comprehensive Financial Counseling** services, individuals who purchase our service independently are charged an annual flat fee. Employees of employer sponsored financial services programs are not charged a direct annual flat fee, rather, we charge the employer an advisory fee. **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. For more information about the fees we charge and the other fees and expenses you will incur, please see **Item 5 of Form ADV Part 2A**.

**Conversation Starters:** *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?**

**Standard of Conduct: When we act as your investment adviser**, we have 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 you. Here are some examples to help you understand what this means. 1) When we provide asset management services, we will ask that you establish an account with Fidelity Brokerage Services LLC, National Financial Services LLC or Charles Schwab & Co., Inc. to maintain custody of your assets and to effect trades for your account. Our recommendation is not based solely on your interest of receiving the best execution possible. They also provide us with research, products and tools that help us manage and further develop our business operations. As a result, we do not have to pay for such benefits, which save us money; however, these arrangements create a conflict of interest. See **Item 12 of Form ADV Part 2A**. 2) We actively manage our own personal accounts while at the same time managing your accounts and other client accounts. This creates different conflicts of interest for which we have developed procedures to mitigate and control for those conflicts. See **Item 11 of Form ADV Part 2A**. 3) When we recommend that you utilize a third-party money manager, we will receive a percentage of the fee which they collect from you. This creates a conflict of interest as we have an incentive to recommend managers who have such arrangements with us. 4) Our investment adviser representatives also serve as insurance agents. Through their role as such they may sell, for commissions, various insurance products. We have a conflict of interest in recommending these products to you because of the potential for additional revenue.

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

**Additional Information:** For more information about our conflicts of interests and the ways we are compensated, please see **Item 5** and **Item 10** of our **Form ADV Part 2A**.

**How Do Your Financial Professionals Make Money?**

**Description of Salary/Payment of IARs:** Our investment adviser representatives are compensated in two ways. First, they are compensated based on the annual flat fees that are charged to the client for non-discretionary investment advisory, tax, estate, insurance, and retirement planning services. Additional, in the event the client chooses to utilize our discretionary investment advisory services for implementation of the investment advice given, the investment adviser representatives are then paid base on the level of assets that the representative manages on a discretionary basis. This discretionary investment advisory service may create a conflict of interest due to the potential that it gives the representative an incentive to recommend the discretionary investment advisory service for implementation of the investment advice.

**Do You or Your Financial Professionals Have Legal or Disciplinary History?**

No. Neither us, nor our investment adviser representatives have a legal or disciplinary history to report. You can look up more information about us and our investment adviser representatives at <https://www.investor.gov/CRS>.

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

**Additional Information About Black Coral Financial Advisors, LLC**

Additional information about us and a copy of this relationship summary are available on the Internet at [www.blackcoralfa.com](http://www.blackcoralfa.com). You can also find our disclosure brochures and other information about us at <https://adviserinfo.sec.gov/firm/summary/154623>. If you have any questions or want an up-to-date copy of this relationship summary, we can be reached by phone at 973-352-8600.

**Conversation Starters:** *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?*