

SEC Form CRS

August 06, 2021



Managing Risk to Increase Wealth®

Is an Investment Advisory Account Right for Me?

MCS Family Wealth Advisors (MCS) is an investment adviser registered with the Securities and Exchange Commission (SEC) and provides investment advisory services, not brokerage services. **It is important to understand the differences between these types of investment service providers.** For help in comparing MCS to another financial service provider, see the [Comparison Matrix](#) on our website. You should carefully consider which types of services are right for you. You can research financial professionals at Investor.gov/CRS.

What investment services and advice can you provide me?

MCS was founded in 1990 by Michael Stalker, who remains a principal owner. As of December 31, 2020, we manage \$169,300,000 for 69 client relationships, including individuals, trusts, foundations, and company retirement plans. Our standard investment management services include ongoing economic and securities research, implementing an investment strategy, buying and selling securities on your behalf, and portfolio monitoring. We stand between you and the broker-dealers who sell investments, evaluating what they offer in order to select investments best suited for your objectives. Our services target investors whose combined investable assets exceed \$1,500,000. We also offer hourly financial planning and consulting services.

Questions you might ask us about our services:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments for me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

What fees will I pay?

Investment Management Fees

Fees for investment advice are paid quarterly after services have been delivered, based on the account market value at the end of the period, and prorated for any cash flows. Other portfolio expenses you pay include mutual fund fees, custodian trade commissions and wire transfer fees. We seek to minimize your costs – in 2019, non-MCS expenses averaged \$2 per \$10,000 of portfolio value.

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.

Questions you might ask us about fees:

- 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? Answer: About \$95 over one year, based on our average client asset management relationship of \$2.3 million.

Hourly Fees

MCS charges hourly fees for non-investment management advice. Hourly fees are based on the type of advice provided and the professional delivering the advice. Please see our [ADV Part 2](#) for our fee schedules.

What are your legal obligations to me when acting as my investment adviser?

Under federal law, MCS acts as a fiduciary. The SEC has found that Investment Advisers have “the duty of care and the duty of loyalty” which creates a “special relationship of trust and confidence” with clients. The table below lists differences between Broker-Dealer (BD) and Investment Adviser (IA) standards of care.

Standard of Care	BD	IA
Special relationship of trust and confidence ⁱ	No	Yes
Full and fair disclosure of conflicts of interest	Yes	Yes
Ensure conflicts do not taint their advice	Yes	Yes
Duty to provide advice in the best interest of client, seek best execution, and provide ongoing advice and monitoring	No	Yes

How else does your firm make money and what conflicts of interest do you have?

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. Our fees increase when your account value increases, and our fees decrease when your account value decreases. 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:

- Paying off your mortgage when that reduces the amount invested with us and the income we earn
- Advising you to move funds in a retirement plan or another account not managed by us to an account managed by us will increase our fees

Our business model eliminates many conflicts of interest. For example, we do not: receive compensation from the sale of securities or other investment products, pay for or receive fees for client referrals, have a financial interest in the securities we purchase for client accounts, charge performance-based fees, manage proprietary funds, or sponsor wrap fee programs.

How do your financial professionals make money?

The financial professionals at MCS earn a salary and benefits such as vacation time, sick time, pension plan contributions, health care benefits, or a company vehicle. They do not receive incentive fees, including but not limited to the amount of assets clients have invested with MCS, client referrals, the hours or amount billed to clients for hourly consulting, whether or not clients increase the amount they invest with MCS, or whether clients refer other clients to MCS.

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

MCS Family Wealth Advisors has no disciplinary history to report. To research financial professional disciplinary history, visit Investor.gov/CRS. When interviewing any financial professional, you should ask: “As a financial professional, do you have any disciplinary history? For what type of conduct?”

Additional Information

See our website (www.mcsfa.com) and ADV Part 2 for more detailed information. You may also call us at 800-525-8808 to request up-to-date information and request a copy of our relationship summary.

Questions you might ask before choosing any financial professional:

- Who is my primary contact person?
- Are they representatives of an investment adviser or broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?

ⁱ Advisers Act Release No. 455