

## Item 1. Introduction

- A. Sculati Wealth Management, LLC (SWM)** is registered with the Securities and Exchange Commission (SEC) as an investment advisor (IA) servicing the retail investor (RI). Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences.
- B.** Free and simple tools are available to research firms and financial professionals at [www.Investor.gov/CRS](http://www.Investor.gov/CRS), which also provides educational materials about broker-dealers, IAs, and investing.

## Item 2. Relationships and Services

- A. What investment services and advice can you provide me?**
- B.** SWM offers investment advisory services to RIs. These services are fee-only, investment assets under management (AUM) through the following individual and joint account types: taxable brokerage, individual retirement, trust & estate, charitable organization, foundations, pensions and profit-sharing plans, and small business. SWM furnishes advice to RIs on matters not involving securities, such as financial planning, taxation issues, trust issues, etc. SWM does not custody the assets in the accounts of RIs. SWM will trade individual securities such as: equities, fixed income, mutual funds, exchange traded funds (ETFs), and cash equivalencies.
- Monitoring:** SWM will monitor RIs investments as a standard service. SWM monitors AUM daily. The only material limitations are hours in a day, and access to information.
- Investment Authority:** SWM has discretionary authority over all AUMs. This authority never expires. Events surrounding the trading of investment securities to fulfill the RI's financial plan or investment policy statement (IPS) will trigger this authority.
- Limited Investment Offerings:** SWM will offer advice on investment securities available to RIs at the custodian where the accounts are held. Limitations exist where SWM will need to research unique securities before offering advice.
- Account Minimums:** Minimum account size and annual fee of \$250,000 and \$2,500, respectively.
- C. For additional information, please see:** Form ADV Part 1 - Items 1.A., 2.A 3.E., 3.F.(1), 3.G., 3.H., 3.J., 5.K.(1)(b), 8.C., 9.A., 9.B(1), 9.D.(1); Form ADV Part 2A - Items 4., 5., and 7.; SWM IMA - Pages 1-2

### Conversation Starter - Ask 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?

## Item 3. Fees, Costs, Conflicts, and Standard of Conduct

### A. What fees will I pay?

- i. Description of Principle Fees and Costs:* Fees are based on a percentage of AUM. The fee is calculated on the closing value of the last business day of the previous quarter. SWM uses the following fee schedule when generating bills:

Breakpoints	All Assets
\$0 to \$1 Million	1.00%
Next \$1 Million	.80%
Next \$1 Million	.60%
Above \$3 Million	.40%

SWM does not participate in wrap fees. SWM does not receive remuneration from additional fees that may be charged by the custodian of the RI's AUM. With respect to addressing conflicts of interests, the more assets there are in a retail RI's advisory account, the more a RI will pay in total dollar fees. SWM has an incentive to encourage the RI to increase AUM.

- ii. Description of Other Fees and Costs:* Custodians may charge fees on trades of securities. Generally, these fees are minor and dependent on the custodian where the assets are held. Mutual funds and ETFs may charge a management fee for the services they provide. SWM receives no payment for these fees.
- iii. 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. Please review SWM's: Form ADV, Part 1 - Items 5.A., B., C., and D.; Form ADV Part 2A and Schedule A of the IMA for additional information.

**Conversation Starter - Ask 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 acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?*

**B. What are your legal obligations to me when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?**

- i. **Standard of Conduct:** When we act as your investment advisor, 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 an inherent conflict of interest. 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:
- ii. **Examples:** SWM does not make money or have a conflict of interest around proprietary products, third-party payments, revenue sharing agreements, or principal trading. SWM makes money based on AUM. SWM has a conflict of interest to advise RIs to increase his or her AUM, as this event increases the money that SWM earns. If a RI experienced a rollover qualifying event, such as retirement or a career change SWM may advise completing an IRA rollover.
- iii. **Additional Information:** *Please refer to item 4.A., in SWM's Form ADV Part 2A.*

**Conversation Starter - Ask your financial professional:**

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

**C. How do your financial professionals (FP) make money?**

- i. SWM's FPs are only compensated in cash. FPs are compensated with salaries based on the services and functions they perform, the revenue earned from the FP's AUM, the total annual revenue and expenses of SWM, or any combination of the above. This can create a conflict of interest for FPs to encourage RIs to contribute to assets already managed by SWM or its FPs.

**Item 4. Disciplinary History**

- A. Does SWM or your FPs have legal or disciplinary history?
- B. Not applicable as we have no legal or disciplinary history.
- C. SWM and all FPs working at SWM have not had any legal or disciplinary history through 6/19/2020.
- D. Search tool and Conversation Starter
  - a. **Search Tool:** Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research SWM and SWM's FPs.

**Conversation Starter - Ask your financial professional:**

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

**Item 5. Additional Information**

For additional information about our services, please visit our website at [www.sculatiwealth.com/compliance/](http://www.sculatiwealth.com/compliance/) for SWM's Form ADV Parts 1, 2 and 3. You can also visit <https://advisorinfo.sec.gov/> for these items as well. If you would like additional, up-to-date information or a copy of this disclosure, please call 248-325-9947 or e-mail [nathan@sculatiwealth.com](mailto:nathan@sculatiwealth.com).

**Conversation Starter - Ask your financial professional:**

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