

*This brochure provides information about the qualifications and business practices of Clear Financial Advisors, LLC, and serves as a substitute client deliverable for form ADV 2A. If you have any questions about the contents of this brochure, please contact us at (248) 677-1762 or by email at: [info@clearfinancial.net](mailto:info@clearfinancial.net). 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 Clear Financial Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Clear Financial Advisors, LLC's CRD number is: 156303*



## **Clear Financial Advisors, LLC**

### **Form ADV Part 2A – Client Brochure**

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Firm Site

<http://clear.financial>

Online Advisor Site

<http://clear.investments>

Marketing Websites

<http://annarborfiduciary.com>

<http://annarborfeeonly.com>

<http://annuitysecondopinion.com>

<http://clearfinancial.net>

<http://detroitSMARTvestor.pro>

<http://flatfee401kadvise.com>

<http://gpsinvestingstrategy.com>

<http://growmyhsa.com>

<http://livoniafeeonly.com>

<http://michigancollege529advisor.com>

<http://novifeeonly.com>

<http://onlinefeeonlyfinancialadvisor.com>

<http://teachersfinancialadvisor.com>

*Registration does not imply a certain level of skill or training.*

Version Date: 10/5/2020

## **Item 2: Material Changes**

Clear Financial Advisors, LLC filed an annual amendment using the ADV Form 2A on 10/5/2020 with no material changes to report.

## Item 3: Table of Contents

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

This firm has been in business since January 2011, and the principal owner is Robert Paul Schmansky.

### B. Types of Advisory Services

Clear Financial Advisors, LLC (hereinafter "CFA") offers the following services to advisory clients:

#### *Investment Management Services*

CFA offers investment management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. CFA outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Investment management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment objectives
- Asset selection
- Regular portfolio monitoring

CFA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Risk Tolerance Questionnaire, which is given to each client.

#### *Financial Planning*

Financial plans and financial planning may include, but are not limited to: investment planning; insurance reviews; income tax planning; projections and analysis for retirement; Tax and executive compensation planning; retirement planning; college planning; cash flow; estate planning; and debt/credit planning. These services are based on fixed fees or hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

#### *Services Limited to Specific Types of Investments*

CFA limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, hedge funds, third party money managers, REITs, insurance products including annuities, private placements, government securities. CFA may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

CFA offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon each client's situation (income, tax levels, and risk tolerance levels) to match restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent CFA from properly servicing the client account, or if the restrictions would require CFA to deviate from its standard suite of services, CFA reserves the right to end the relationship.

### **D. Wrap Fee Programs**

CFA does not participate in any wrap fee programs.

### **E. Amounts Under Management**

As of October 2020 CFA client accounts held approximately \$17,015,094.

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

#### *Wealth Management Services Fees*

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
Assets Up To \$1,000,000	1.00%
Assets Over \$1,000,000	0.50%

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid monthly in advance, and clients may terminate their contracts with seven days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a month at the point of termination. Fees that are collected in advance will be refunded based on the prorated amount of work completed up to the day of termination within the month terminated. The fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the month up to and including the day of termination. (\*The daily rate is calculated by dividing the monthly AUM fee by the number of days in the termination month). Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract.

Advisory fees are withdrawn directly from the client's accounts with client written authorization. The authorization or agreement is limited to withdrawing contractually agreed upon investment adviser fees. The client is able to terminate the billing authorization or agreement required by this release at any time.

### ***Financial Planning Fees***

Depending upon the complexity of the situation and the needs of the client, CFA also offers the following financial planning services:

#### ***1) Hourly Fees***

Administrative service fees are billed at an hourly fee of \$75.

Financial planning services fees are billed at an hourly fee of \$250. These services include **projections and analysis for retirement and income tax planning.**

Investment advice services are billed at an hourly fee of \$350.

Hourly fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in advance based on the estimated number of required hours, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

#### ***2) Fixed Fees with a la carte services***

##### **Review services**

**Second Opinion.** This service includes a basic review of client's current financial position related to their expressed goals. A fixed fee will be quoted prior to the engagement which is based upon the complexity of the client's situation including but not limited to the number of investment accounts and the areas of advice a client requests a review of. Client is responsible for the implementation of any recommendations. We review a client's net worth, and saving percentage, which may include basic advice related to where a client is saving money. The fee for this service is based upon the complexity of the client's goals and advice requests and ranges from \$750 - \$5,000.

**Employer-based Retirement Plan Guidance.** This service includes a basic review of client's current employer-sponsored plan and a one-time asset allocation recommendation for a current investment account balance as well as future contributions. Recommendations are based upon an analysis of information gained from information provided by the client, discussions, and an analysis of the client's goals, current financial position, outlook for the future in terms of a client's financial picture and economic beliefs, and risk tolerance, need, and capacity. The fee for this service is \$500 per account per year.

## **Online Self-Guided Financial Plan and Employer Plan Recommendations**

We offer an online automated financial advisory and employer-based retirement plan investment guidance for a one-time fee which ranges between \$450 - \$2,500. Clients have continued use of the online software program to review their progress and email support for a period of one year. Additional services for subscribers are available on an a la carte basis.

### **B. Payment of Fees**

#### ***Payment of Investment Management Services Fees***

Investment management fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid monthly in advance.

Investment management fees are also invoiced and billed directly to the client monthly in advance. Clients may select the method in which they are billed.

#### ***Payment of Financial Planning Fees***

**Hourly** Financial Planning fees are paid via credit card, debit card, PayPal, personal check, and debited from client's account check. Fees are paid in advance, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

**Fixed** Financial Planning fees are paid via credit card, debit card, PayPal, personal checks, and debited from client's account. Fees are in advance, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

**Subscription** fees can be terminated by the client at any point. Monthly software access will continue until the end of the subscription period, and as such there will be no refund of the remaining monthly fee after notification of termination.

### **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CFA. See Item 12 of this brochure regarding broker / custodian.

### **D. Prepayment of Fees**

For CFA's own financial planning and investment management services CFA collects fees in advance, but never for work greater than 6 months in the future. Investment management fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the



billing period. Fees will be returned within fourteen days to the client via check or return to credit card.

The fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the month up to and including the day of termination. (\*The daily rate is calculated by dividing the monthly AUM fee by the number of days in the termination month).

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither CFA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

CFA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

CFA generally provides investment advice and/or investment management services to the following Types of Clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Company retirement plans including pension and profit-sharing plans
- ❖ Corporations
- ❖ Business or government entities

### ***Minimum Account Size***

There is an account minimum, \$16,667, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

CFA's methods of analysis include fundamental analysis and technical analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. **Technical analysis** involves the analysis of past market data; primarily price and volume.

### ***Investment Strategies***

CFA uses Long Term Trading strategies. While we do not advise on Short Term Trading, Short Sales, and Margin Transactions strategies, a fund manager we recommend may utilize these strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### ***Methods of Analysis***

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

### ***Investment Strategies***

Long Term Trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short Term Trading, Short sales, and margin transactions generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

CFA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international markets. However, managers may utilize short sales and margin transactions. Short sales and margin transactions generally hold greater risk of capital loss and clients should be aware that there is a chance of material risk of loss using any of those strategies.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither CFA nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither CFA nor its representatives are registered as a FCM, CPO, or CTA.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither CFA nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

CFA may select other managers for a client who seeks additional oversight. Managers are selected based on their management style, minimum asset requirements, ability to execute, and other considerations. CFA will be compensated directly from client assets in accordance to the advisory fee schedule listed in Item 5.A of this document and not receive compensation from any other manager.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics.

## **B. Recommendations Involving Material Financial Interests**

CFA does not recommend that clients buy or sell any security in which a related person to CFA has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of CFA may buy or sell securities for themselves that they also recommend to clients. CFA will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of CFA may buy or sell securities for themselves at or around the same time as clients. CFA will not trade non-mutual fund or non-ETF securities 5 days prior to or 5 days after trading the same security for clients.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

The Custodian will be chosen based on their relatively low transaction fees and access to mutual funds and ETFs. CFA will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

### ***1. Research and Other Soft-Dollar Benefits***

CFA receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

### ***2. Brokerage for Client Referrals***

CFA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

CFA allows clients to direct brokerage. CFA may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage CFA may not

be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

CFA maintains the ability to block trade purchases across accounts but will rarely do so. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed annually by Robert Paul Schmansky. Mr. Schmansky is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at IA are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Robert Paul Schmansky.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly a written report detailing the clients account which may come from the custodian.

Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or report updates for a fee.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

CFA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to CFA clients.

#### **B. Compensation to Non – Advisory Personnel for Client Referrals**

CFA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### **Item 15: Custody**

CFA does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the custodian. Clients will receive account statements from the custodian and should carefully review those statements.

### **Item 16: Investment Discretion**

For those client accounts where CFA provides ongoing supervision, CFA maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities is explained to clients in detail before an advisory relationship has commenced.

### **Item 17: Voting Client Securities (Proxy Voting)**

CFA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

CFA does not accept, require, nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither CFA nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

CFA has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19: Requirements For State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

CFA currently has one management person/executive officer; Robert Paul Schmansky. Robert Paul Schmansky's education and business background can be found on the Supplemental ADV Part 2B forms.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Robert Paul Schmansky's other business activities can be found on the Supplemental ADV Part 2B forms.

### **C. How Performance Based Fees are Calculated and Degree of Risk to Clients**

CFA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **D. Material Disciplinary Disclosures for Management Persons of this Firm**

No management person at CFA has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

### **E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Neither CFA, nor its management persons, has any relationship or arrangement with issuers of securities.