



SUMMIT FINANCIAL RESOURCES, INC.

Investment Advisory Brochure
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This brochure provides information about the qualifications and business practices of Summit Financial Resources, Inc. If you have any questions about the contents of this brochure, please contact us at 973.285.3600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Summit Financial Resources, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Summit is an SEC registered investment adviser. Registration does not imply a certain level of skill or training.

Item 2 Material Changes

There have not been any material changes since the last brochure dated March 30, 2018.

SFR recommends clients review this brochure along with the investment advisory brochure for its affiliate, Summit Equities, Inc. (SE) because we believe that the disclosures regarding SE are material to your understanding how SFR fits into the overall business model of the Summit entities (which is detailed in Item 4).

Item 3 Table of Contents

Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	5
Item 6	Performance-Based Fees and Side-By-Side Management	6
Item 7	Types of Clients	6
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9	Disciplinary Information	6
Item 10	Other Financial Industry Activities and Affiliations	6
Item 11	Code of Ethics, Participation or Interest in <i>Client</i> Transactions and Personal Trading	7
Item 12	Brokerage Practices	8
Item 13	Review of Accounts	8
Item 14	Client Referrals and Other Compensation	8
Item 15	Custody	8
Item 16	Investment Discretion	8
Item 17	Voting <i>Client</i> Securities	8

Item 4 Advisory Business

Description of the Advisory Firm

Summit Financial Resources, Inc. (SFR) is a New Jersey corporation which is an SEC registered investment adviser. Its sole business is providing financial planning services for a fee. Such services include planning and/or consulting in the following areas: investments, income tax, estate, insurance, cash flow, fringe benefit, college funding, pension, retirement, business continuity and consulting. Some of the persons involved in financial planning at SFR and its affiliates are admitted attorneys and/or CPAs. They act exclusively in a non-representative capacity and neither they nor Summit provide tax, accounting or legal advice to clients. Clients should make all decisions regarding the tax and legal implications of their investments and plans after consultation with their independent tax or legal advisors.

SFR's affiliate Summit Equities, Inc. (SE) is registered as a broker-dealer with the Financial Industry Regulatory Authority (FINRA) and with the SEC as a registered investment adviser and is also a member of the Securities Investor Protection Corporation (SIPC). Each of the investment advisory representatives (IARs) associated with SFR is also associated with SE as both an IAR and a registered representative (RR). IARs who (i) provide financial planning services through SFR; (ii) provide investment advisory services (including asset management) and brokerage services through SE; and (iii) insurance through Summit Risk Management, Inc. (SRM) are independent contractors. (Note – in limited circumstances, IARs may offer financial planning through SE, as well.) See Item 10, below, for a discussion of these affiliates. Some IARs operate under different business names (DBAs). As a broker dealer, SE maintains a fully-disclosed clearing relationship with National Financial Services LLC, a Fidelity Investments Company (NFS).

For purposes of this Investment Advisory Brochure, the term Summit shall include SFR, SE, and SRM.

Each advisory relationship at SFR is managed by one or more IARs who serves as the primary point of contact between Summit and the client and who determines which other resources within Summit to include in the investment advisory relationship. Some IARs incorporate more of Summit's resources in their provision of investment advisory services to their clients than others. If you have any questions, please speak with your IAR.

Summit has been in business since April 30, 1982.

Types of Advisory Services

SFR offers fee-based financial planning services. The services are based on fixed fees and the final fee structure is documented in the financial planning agreement. Financial planning is designed to meet the client's financial goals, needs and objectives. The scope of the financial plan varies depending on the client and typically involves some combination of a review of the client's current financial situation, including estate planning, insurance planning, education planning, retirement planning, business succession planning and portfolio analysis. SFR does not typically advise on business value analysis, and/or liquidations, or property and casualty insurance, but these components can be referred out to third parties for inclusion. The financial planning team includes income tax and estate specialists, insurance experts and/or

members of the Investment Management Committee, which is comprised of Steven Weinman, Chairman of the Board and Chief Investment Officer, Matthew Peterson, Chief Investment Strategist, Noreen Johnston, Director of Research and Daniel Cohen, Senior Investment Analyst. Neither SFR nor any of its affiliates offer legal, accounting or tax advice although they can work with clients' own counsel and tax professionals.

Following delivery of the financial plan, the investment advisory relationship terminates for clients who have engaged SFR for producing a financial plan. If implemented with SE, the client may use SE's brokerage and/or advisory services. If additional advisory services are selected by the client they will be covered under separate advisory agreements.

If financial planning clients choose to implement the recommendations contained in the financial plan through the IAR, the IAR will recommend that they do so through Summit. Clients are free to implement some or all of the recommendations and may do so through Summit or through other providers of such services. Charges may be lower if the plans are implemented away from Summit.

SE offers six primary types of asset management, in addition to financial planning. SFR encourages all clients and prospects to read SE's Investment Advisory Brochure for a fuller picture of Summit's business model and the conflicts of interests created thereby.

SFR does not manage any assets directly. See SE's Investment Advisory Brochure for a discussion regarding assets managed by SE.

Item 5 Fees and Compensation

SFR's financial planning fees are negotiable and are generally determined based on the nature and extent of the services being provided, the complexity of the client's circumstances, as well as the other aspects of the client's current and historical relationship with Summit. All fees are agreed upon prior to entering into an Agreement with any client. Fees are payable by check in advance and may change depending on whether or not new complexities present themselves. Any changes made to a financial plan fee will be discussed with clients in advance, and a new agreement will be signed to reflect the changes. The fees for financial planning have ranged from \$2,000 to \$25,000 in recent years, depending upon the complexity of the client situation. (Generally, the lower charges were for individual components of a plan, such as a cash flow analysis.) The fees charged to a client for preparation of a plan and related services are paid to Summit and a portion of the fees are paid to the IAR. Since Summit began providing these services, it has had other fee ranges in effect, which may have been lower or higher, as the case may be, than those described above. As new fee structures are put into effect, they are generally made applicable only to new clients, and fees to existing clients are generally not affected. Therefore, some clients may pay different fees than those shown above. If an IAR discusses matters relating to a plan with a client's tax or legal consultants pursuant to the client's request, the client may be charged a separate fee by those consultants. There is no minimum dollar value of assets or other conditions required of a client to receive these services. In the event the client is not satisfied, the client may request a fee refund in writing. Generally, the request must be within ten days of plan presentation and within six months of entering into the contract for planning or as otherwise negotiated by the client and IAR.

Fees and related charges and expenses for asset management services provided by SE are separate and additional to fees charged by SFR and are addressed in SE's Investment Advisory Brochure.

Item 6 Performance-Based Fees and Side-By-Side Management

SFR does not assess performance-based fees or other fees based on a share of capital gains on or capital appreciation of assets of a client.

Item 7 Types of Clients

SFR generally provides financial planning to individuals and high net worth individuals.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

SFR develops financial plans based on clients' representation of their financial goals, risk tolerances, expected expenses, etc. The IAR will consider information provided by the client (including but not limited to current or anticipated asset values, income, expenses, tax rates) and certain assumptions (such as interest rates, inflation, life expectancy and rates of return) in developing a full or partial financial plan. The IAR may utilize some or all of the financial planning resources through Summit, such as specialists in insurance, tax, estate planning, investments, and may utilize Summit software or off the shelf programs to assist in generating the plans. Each IAR decides how to approach the financial planning process.

Some financial plans also recommend specific asset allocations, insurance or investments or outside managers. Typically, these will involve long-term strategies. Clients are free to implement these recommendations through Summit, away from Summit, or not at all. In any case, SFR does not guarantee the success of any strategy it recommends and does not monitor the day-to-day performance of your specific investments (including those it may recommend itself).

The principal risks of the financial plans are that clients may provide inaccurate or incomplete information regarding their circumstances, and that the assumptions used in the plan do not turn out to be accurate. In all cases, investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 Disciplinary Information

There are no legal or disciplinary events for SFR or those persons who meet the definition of management persons for purposes of this brochure.

Item 10 Other Financial Industry Activities and Affiliations

Summit Equities, Inc. - SE is registered as a broker-dealer with the Financial Industry Regulatory Authority (FINRA) and with the SEC as a registered investment adviser. As an investment adviser, SE primarily provides six types of asset management services, which are detailed in SE's Investment Advisory Brochure. As noted above, all persons associated with SFR are also associated with SE. If SFR clients implement the investment recommendations in

their SFR financial plans, the IAR will act through SE, as a broker and/or as an adviser and be compensated accordingly. Registration as an investment adviser with the SEC does not imply a certain level of skill or training. There is a conflict in recommending implementation through SE because additional compensation is earned.

Summit Risk Management, Inc. – SRM is a New Jersey corporation and is licensed to sell various insurance products and may earn commissions or remunerations on such products. Many of the clients of SRM are also clients of SFR and SE. Most persons associated with SRM are also associated with SFR and SE. If SFR clients implement the insurance recommendations in their SFR financial plans, the IAR may act through SRM as an insurance agency and be compensated accordingly. There is a conflict in recommending implementation through SRM because additional compensation is earned.

Selection of Other Investment Advisers

As part of a financial plan, SFR may recommend that the client engage SE or an unaffiliated third party manager to provide asset management services. Although clients are free to implement some, all or none of the IAR's recommendations, and may do so through Summit or elsewhere, IARs have an incentive to steer clients to investment advisory programs and securities/insurance products offered by Summit (and those third party managers which have co-advisory or solicitation arrangements with Summit) and specifically to those programs/products with higher payouts. As noted throughout this Brochure, implementation of investment advisory recommendations is handled through Summit and clients are encouraged to read the SE Investment Advisory Brochure for a discussion of how IARs are compensated and the associated conflicts of interest.

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

Summit believes that it owes clients the highest level of trust and fair dealing. As part of its fiduciary duty, Summit places the interests of its clients ahead of the interests of the firm and its personnel. Summit has adopted a Code of Ethics that emphasizes the high standards of conduct that the firm seeks to observe. Summit personnel are required to conduct themselves with integrity at all times and follow the principles and policies detailed in its Code of Ethics.

Summit's Code of Ethics attempts to address specific conflicts of interest that it has identified or that could likely arise. Summit personnel are required to follow guidelines in areas such as prohibitions on insider trading, personal securities transactions, conflicts of interest, gifts, confidentiality and privacy, compliance procedures, certification of compliance, training, record keeping and adherence to applicable securities laws.

Clients may request a copy of Summit's Code of Ethics by contacting 973.285.3600 or by emailing compliance@sfr1.com.

Personal Trading Practices

Summit's associated persons are not permitted to acquire beneficial ownership of any securities in an initial public offering (IPO) or purchase any private placements without the prior written

approval of Summit's Chief Compliance Officer. SFR does not require pre-clearance for personal securities transactions other than IPOs or private placements.

Summit does not hold or trade securities for its own accounts. However, from time to time, representatives of Summit may trade in securities for their own accounts that they also recommend to clients, and they also trade in different securities that they do not feel are appropriate for certain clients. The conflict presented in this practice could lead to an IAR purchasing or selling a security in advance of a client and receiving a better price. Summit monitors such transactions to look for potential conflicts of interest and to ensure that representatives of Summit transact client business before their own when the same securities are being bought or sold at the same time.

Item 12 Brokerage Practices

SFR does not manage or execute trades for clients or for itself. See SE's Investment Advisory Brochure for a discussion of SE's brokerage practices.

Item 13 Review of Accounts

SFR procedures mandate that all complete, final financial plans are reviewed by a senior officer of SFR or a qualified member or designee of SFR's Professional Strategy Team. Draft or interim plans may be provided to clients prior to this review.

Item 14 Client Referrals and Other Compensation

Summit receives economic benefits from third parties in a number of ways. Although none of them arise directly from the financial plans generated by SFR, they are indirectly related to the plans since SE and/or SRM receives economic benefits from such parties if client recommendations are implemented through the other Summit entities. Some of this revenue is shared with the IARs. This is addressed in SE's Investment Advisory Brochure.

Item 15 Custody

SFR does not have custody of client funds or securities.

Item 16 Investment Discretion

SFR does not have client discretion.

Item 17 Voting *Client* Securities

SFR does not vote client proxies.

Item 18 Financial Information

SFR does not require clients to prepay fees of \$1200, six months or more in advance.