
INTRODUCTION

KUTSCHER BENNER BARSNESS & STEVENS, INC., (KBBS Financial), is a registered investment advisor (“RIA”) with the U.S. Securities and Exchange Commission. It is important for you to understand that fees differ between brokerage services, which we don’t provide, and investment advisory services, which we do provide. You can find free and simple tools to research firms and professionals at www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisors, and investing.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

As an SEC registered investment advisor, KBBS Financial offers its investment advisory and financial planning services to retail investors for an ongoing fee. Our financial planning with you could include collaboration on your personal balance sheet, cash flow planning, tax planning, retirement planning, portfolio usage and sustainability, charitable giving, Social Security claiming strategies, education planning, business succession, employer sponsored retirement plans and stock options, investment policy, asset allocation, risk management (insurance), and estate planning. Our investment recommendations often involve bank accounts, regular brokerage accounts, retirement brokerage accounts, employer sponsored retirement plans, commercial real estate, private equity and/or debt, annuities, open-end mutual funds, closed-end funds, ETFs, interval funds, legacy stocks and bonds. Our typical client portfolio consists mainly of open-end mutual funds and ETFs (exchange traded funds), and our recommendations are not limited to any particular menu of product types or types of investments. New clients generally must have sufficient assets to support an annual fee of \$10,000; however, we will accept new clients with a smaller amount of investment assets where clients have a reasonable prospect of adding significantly to their investment portfolios over time, or where the relationship is otherwise merited on both sides.

Your investment portfolio will be managed on a **non-discretionary basis**, meaning we will need **approval from you** before buying or selling any investments in your portfolio. You retain discretion over all such decisions and are free to accept or reject any recommendation we make. As part of our standard services, we continually monitor brokerage accounts for cash reserves and as circumstances require for asset allocation alignment, and aim to rebalance your accounts at least annually. You will sign an advisory agreement with us when we start our relationship that will apply as long as we work together, subject to amendments that may occur from time to time.

Additional information about our advisory services is located in Items 4 and 7 of our Firm Brochure, which is available at <https://adviserinfo.sec.gov/firm/brochure/107475>.

Questions to Ask Us

- 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?

Our typical compensation is essentially a fixed fee, usually reviewed and updated annually, that is based on your total investment portfolio. Our fee schedule ranges from 0.3% to 0.9% depending on the value of the investments in your portfolio. We charge a one-time, initial set-up fee in the first year of our engagement. Depending on distinctive aspects of clients’ holdings, our fees can vary and can be negotiated, and in rare cases we may agree to hourly fees. Although our primary focus is on your financial resiliency, there is typically a shared incentive to increase the value of your portfolio over time which will increase our fees over time. Our fee is normally automatically deducted from accounts each quarter.

The broker-dealer (or custodian) that holds your assets can charge you a transaction fee when you buy and sell an investment. These transaction fees are in addition to your advisory fee for our services. You could also pay charges imposed by the custodian holding your accounts for certain investments and maintaining your account. You can expect some investments such as mutual funds and exchange traded funds to charge additional fees that will reduce the net return on your investments. On average, our clients are charged between 0.10% and 1.5% for these custodial and mutual fund fees. The fees for private placement assets typically range from 1.5% to 3%.

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.

Additional information about our fees is located in Item 5 of our Firm Brochure, which is available at <https://adviserinfo.sec.gov/firm/brochure/107475>.

Questions to Ask Us

- 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?

CLIENT RELATIONSHIP SUMMARY

WHAT ARE YOUR LEGAL OBLIGATIONS TO ME TO WHEN ACTING AS MY INVESTMENT ADVISOR?

HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?

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 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 is an example to help you understand what this means:

Although we don't require our clients to open accounts at Charles Schwab, we do routinely recommend Schwab as a custodian. We have no affiliation with any brokerage firm and we don't accept referral compensation, but we do receive a range of services and discounts through Schwab's institutional brokerage platform. Some of those services help us administer client accounts, while others help us manage and grow our business. These may benefit our firm without directly benefiting a client, which can create a potential conflict of interest.

However, as your investment advisor and fiduciary, we act in your best interest and put your interest ahead of ours. We do not take commissions or invest in commission-based products. The firm's revenue is derived from the advisory fees we collect from our clients each quarter. Neither KBBS nor our advisors receive compensation for the sale of securities to our clients. In addition, we receive no compensation from any fund managers or other third-parties for the investments that we select for clients.

In our role as financial counsel, we do not serve as an attorney, accountant or insurance agent, and no portion of our services should be construed as legal, accounting or insurance services. Some of our financial advisors are also attorneys who provide legal counsel through a separate firm, KHBB Law PLLC. Any advisor providing legal advice does so through KHBB Law PLLC subject to the ethical and practice requirements of the Washington State Bar Association. No client is under obligation to engage KHBB Law for legal services.

Additional information about fiduciary duties and conflicts is located in Items 10, 11 and 12 of our Firm Brochure, which is available at <https://adviserinfo.sec.gov/firm/brochure/107475>.

Questions to Ask Us

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

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Our financial professionals are employees of the firm and are paid fixed salaries, and professional owners also receive a share of the firm's profits. Employees may also receive bonuses at the firm's discretion. Compensation is not based on sales, client assets serviced or financial recommendations. No employee receives any compensation that can be attributed directly to specific client needs, investments recommended, or commissions, etc.

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

No, neither our firm nor any of our financial professionals have any legal or disciplinary history. Please visit investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Questions to Ask Us

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

ADDITIONAL INFORMATION

You can find additional information on our firm's investment advisory services on the SEC's website at adviserinfo.sec.gov/firm/summary/107475. You can also visit our website at kbbsfinancial.com to find out more about us.

If you would like additional, up-to-date information or a copy of this disclosure, please call (206) 462-6100.

Questions to Ask Us

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