

Form ADV Part 3: Relationship Summary
Powell Financial, Inc. doing business as Powell Wealth

Introduction

Powell Wealth is an investment adviser registered with the U.S. Securities and Exchange Commission. We offer our clients investment advisory services. Clients should understand that the services we provide and fees we charge are different than those of a broker-dealer, and that it is important to understand the difference between the two. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about investment advisers, broker-dealers and investing.

What Investment Services and Advice Can You Provide Me?

Description of Services: Powell Wealth offers the following investment advisory services to retail investors. (1) Investment Supervisory Services involves us managing and trading your designated account(s). We will discuss your investment goals and design a strategy to try and achieve your investment goals. We will continuously monitor your account when providing asset management services and contact you at least annually to discuss your portfolio. Investment Supervisory Services are provided on a **discretionary** basis, meaning we will have the authority to determine the type and amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. For more information about investment authority, please see **Item 16** of our **Form ADV Part 2A**. (2) Selection of Other Advisers: Depending on your individual circumstances and financial needs, we can recommend third-party investment advisers who will be responsible for managing and trading your designated account(s). The selected third party adviser will manage your account on a **discretionary** basis. (3) Financial Planning Services involve us creating a written financial plan for you which covers mutually agreed upon topics. For more information about our services, please see **Item 4** of our **Form ADV Part 2A**.

Limited Investment Offerings: We limit investment advice and/or money management on mutual funds, equities, bonds, fixed income, debt securities, alternative investments, ETFs, real estate, third-party advisers, REITs, insurance products including annuities and government securities. We can use other securities as well to help diversify a portfolio when applicable. Investment portfolios are designed to be suitable based on your specific circumstances and needs. When providing you services, we do not recommend or offer advice on any proprietary products.

Account & Fee Minimums: We require a minimum of \$500,000 in order to open an account managed by us, which may be waived based on the needs of the client and the complexity of the situation.

Conversation Starters: 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?

Description of Principal Fees & Costs: Fees for our Investment Supervisory Services are charged based on a percentage of assets under management, billed in advance on a quarterly calendar basis, and calculated based on the fair market value of your account as of the last business day of the previous billing period. The annual fee for asset management services charged to clients varies and is negotiable but the maximum fee we charge is 1.25%. Because our fee is based upon the value of your account we have an incentive to recommend that you increase the level of assets in your account. When engaging us for Investment Supervisory Services, you will also incur other fees and expenses. The broker-dealer/custodian on your account will charge you transaction fees for executing trades in your account. You will also be charged internal fees and expenses by the funds we invest in within your account. Selection of Other Advisers. When we recommend that you utilize a third-party adviser, the third-party adviser's fees are billed separate from fees charged by PW. The total aggregate fee charged by PW and each third-party adviser will not exceed any limit imposed by any regulatory agency and will not exceed the maximum rate disclosed above. This creates a conflict of interest as we have an incentive to recommend managers who have such arrangements with us. Because we lower the fee we charge to offset the

fee charged by third-party advisers, we could be motivated to recommend lower-cost third party advisers so that we can charge a higher rate for our fee. Financial Planning Services can be provided under an hourly fee or fixed fee arrangement. Hourly fees range between \$200 - \$400 and fixed fees range between \$2,500 - \$25,000, depending upon the complexity of the situation and the needs of the client. Financial planning fees are due in advance. Any fees we charge for financial planning services will not cover the costs associated with implementing any recommendations we may make.

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. For more information about the fees we charge and the other fees and expenses you will incur, please see *Item 5 of Form ADV Part 2A*.

Conversation Starters: 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 Adviser? How Else Does Your Firm Make Money and What Conflicts of Interest Do You Have?

Standard of Conduct: 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. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are two examples to help you understand what this means. (1) When we provide Investment Supervisory Services, we will ask that you establish an account with Fidelity to maintain custody of your assets and to effect trades for your account. Our recommendation to use Fidelity is not based solely on your interest of receiving the best execution possible. We also recommend Fidelity because they provide us with research, products and tools that help us manage and further develop our business operations. As a result, we do not have to pay for such benefits, which save us money; however, these arrangements create a conflict of interest. (2) David Powell is also an insurance agent. In this capacity, he can sell, for commissions, various insurance products. We have a conflict of interest in recommending these products to you because of the potential for additional revenue.

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

Additional Information: For more information about our conflicts of interests and the ways we are compensated, please see *Item 5, Item 10, and Item 12* of our *Form ADV Part 2A*.

How Do Your Financial Professionals Make Money?

Description of Salary/Payment of IARs: David Powell and Charles Powell are the investment adviser representatives (IARs) of the firm. David is also the owner of the firm. He receives a salary and profits as an owner of the firm, so his compensation is based on the level of assets that he brings in to the firm. This creates a conflict of interest as it gives David Powell an incentive to recommend you invest more in your account with us due to the potential for increased payments.

Do You or Your Financial Professionals Have Legal or Disciplinary History?

No. Neither us, nor our investment adviser representatives have a legal or disciplinary history to report. You can look up more information about us and our investment adviser representatives at <https://www.investor.gov/CRS>.

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

Additional Information About Powell Wealth

Additional information about us and a copy of this relationship summary are available on the Internet at <https://www.powellwealth.com/>. You can also find our disclosure brochures and other information about us at <https://adviserinfo.sec.gov/firm/summary/144230>. If you have any questions or want an up-to-date copy of this relationship summary, we can be reached by phone at (704) 439-0027.

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

Amended Customer Relationship Summary

**Powell Financial, Inc. doing business as Powell Wealth
Summary of Material Changes Exhibit**

July 2025

This is a Summary of Material Changes, which describes the material changes since our Customer Relationship Summary was last filed in February 2023. Changes to our Customer Relationship Summary are as follows:

Our previous disclosure stated the following:

Selection of Other Advisers. When we recommend that you utilize a third-party money manager we will receive a percentage of the fee which they collect from you. This creates a conflict of interest as we have an incentive to recommend managers who have such arrangements with us.

The updated disclosure now reads as follows:

Selection of Other Advisers. When we recommend that you utilize a third-party adviser, the third-party adviser's fees are billed separate from fees charged by PW. The total aggregate fee charged by PW and each third-party adviser will not exceed any limit imposed by any regulatory agency and will not exceed the maximum rate disclosed above. This creates a conflict of interest as we have an incentive to recommend managers who have such arrangements with us. Because we lower the fee we charge to offset the fee charged by third-party advisers, we could be motivated to recommend lower-cost third party advisers so that we can charge a higher rate for our fee.