

TimeScale Financial, Inc. – Form CRS

Item 1 – Introduction

TimeScale Financial, Inc. (“we” or “us”) is registered with the Securities Exchange Commission (“SEC”) as an investment adviser. Our services and compensation structure differ from a registered broker-dealer, and it is important for you to understand the differences between those structures. Free and simple tools are available to research firms and financial professionals at www.investor.gov/CRS. The site also provides educational materials about broker-dealers, investment advisers and investing. The italicized sentences appearing in text boxes below are intended to be “conversation starters” for you to have with us, as required by the instructions to Form CRS.

Item 2 – Relationships and Services

What investment services and advice can you provide me?

As a fiduciary, we offer to provide investment management, financial planning, and consulting services to individuals and their trusts and estates (“clients,” or “you,”). We manage portfolios on a wrap basis as described in Item 3 below, focused on each client’s unique investment objectives, risk tolerance, investment time horizon, withdrawal requirements, and other special circumstances. We monitor portfolios periodically and make changes to them as we deem necessary. We generally manage portfolios on a discretionary basis, for which we would have the authority to buy and sell investments in your accounts without speaking to you before doing so. However, you can place reasonable restrictions on the securities that we buy by notifying us, in writing. We may also agree in limited cases to manage your portfolio on a non-discretionary basis, for which you would make the ultimate decision regarding the purchase or sale of investments, and we could not execute any account transactions without obtaining your prior consent. We do not have to limit the type of securities we trade for clients to proprietary products or a limited group or type of investment, but we generally construct and manage portfolios containing mutual funds and/or exchange-traded funds (“ETFs”) and to a lesser extent, individual equities, individual bonds and other types of investments as we deem appropriate. While we do not formally impose a minimum dollar amount to open and maintain an advisory account or establish a relationship, we prefer to work with clients having investable assets of at least \$500,000 designated for our management. We may also provide financial planning and consulting services as part of our investment advisory services without additional charge, or on a stand-alone separate fee basis. When we provide those services, we rely upon the information clients provide and do not verify or monitor that information while or after providing these services. Our financial planning consulting services are completed upon the communication of our recommendations to the client. For more detailed information about our Advisory Business and the Types of Clients we generally service, please see Items 4 and 7 respectively, in our [ADV Part 2A Brochure](#) and Items 4 and 5 respectively in our [ADV Part 2A Appendix 1 Wrap Fee Program Brochure](#).

Conversation Starters:

<i>Given my financial situation, should I choose an investment advisory service? Why or why not?</i>
<i>How will you choose investments to recommend to me?</i>
<i>What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?</i>

Item 3 – Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

For wealth management services that combine investment management and financial planning, the annual fee is based upon a percentage of the aggregate market value of all client assets under management, ranging between 1.2% of the value of assets between \$250k and \$999,999 and 0.80% on the value of assets exceeding \$5M. Clients who maintain less than \$250,000 under TimeScale’s management pay a \$250 monthly flat fee for the same services. We make fee adjustments for inflows and outflows during the billing quarter. We charge for those services as part of a wrap fee program, which means that our fee covers trade execution, custody, reporting, and our investment advisory services. We receive the balance of the fee after all other costs (including transaction fees) have been paid to the broker-dealer / qualified custodian (Schwab). We either deduct that annual fee from one or more of your investment accounts or bill you for those services quarterly, in advance. Because that fee is based on the amount of your assets under our management, the more assets you designate to us for management, the more you will pay us for our services. Therefore, we have an incentive to encourage you to increase the amount of assets that you designate for our management. However, as the value of assets under our management increases, the fee percentage may decrease incrementally. Our negotiable stand-alone financial planning and consulting fees generally range between \$3,000 and \$20,000 on a fixed fee basis. Certain of our financial professionals are registered representatives of a broker-dealer and are licensed insurance agents in their separate and individual capacities, from whom clients could purchase securities or insurance products on a commission basis. This presents conflicts of interest as described below. For more detailed information about our investment advisory and other fees and expenses, please see Item 5 in our [ADV Part 2A Brochure](#) and Item 4 in our [ADV Part 2A Appendix 1 Wrap Fee Program Brochure](#). Your account will be held with a qualified custodian. Clients are generally responsible for the fees and expenses charged by qualified custodians and imposed by broker dealers to maintain accounts, provide account services, and execute securities transactions. While wrap fee program clients do not pay transaction charges incurred with Schwab, the wrap fee does not compensate for certain other charges and administrative fees payable by the client, including but not limited to

transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees and SEC fees. If your assets are invested in mutual funds, ETFs, or other registered and unregistered investment companies, you will bear your pro rata share of the investment management fees and other fees of the funds, which are in addition to the fees you pay us. These fees and expenses are described in each fund's prospectus or other offering documents. 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 detailed information about our fees and costs related to our management of your account, please see Item 5 in our in our [ADV Part 2A Brochure](#) and Item 4 in our [ADV Part 2A Appendix 1 Wrap Fee Program Brochure](#).

Conversation Starters:

Help me understand how these fees and costs might affect my investments. If I give you \$500,000 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?

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 some examples to help you understand what this means:

- * Certain of our financial professionals are licensed to sell commission-based securities or insurance products. This presents conflicts of interest, because they can recommend that you purchase commission-based products based upon the compensation they will receive, rather than your individual need.
- * We may recommend that you engage a particular custodian from whom we receive support services. This presents a conflict of interest, because our receipt of their support makes us more inclined to continue using and recommending them.
- * We may recommend rollovers out of employer-sponsored retirement plans and into Individual Retirement Accounts that we manage for an asset-based fee. If we do not currently manage your account held with your employer's plan, this will increase our compensation.

Conversation Starters:

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

For more detailed information about our conflicts of interest, please review Items 4, 5, 10, 11, 12, and 14 of our [ADV Part 2A Brochure](#) and Items 4, 6, and 9 of our [ADV Part 2A Appendix 1 Wrap Fee Program Brochure](#).

How do your financial professionals make money?

Our financial professionals are generally compensated on a salary basis and are eligible to receive discretionary bonuses based on individual performance that include but is not necessarily based on the acquisition of new clients and their growth of assets. In addition, two of our financial professionals are equity owners of the firm, who stand to receive a share of the firm's profits. These payment structures present conflicts of interest, as they could incentivize our financial professionals to recommend that you place additional assets under our management. You should discuss your financial professional's compensation directly with your financial professional.

Item 4 – Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

Yes. We encourage you to visit www.investor.gov/crs for free and simple tools to research our firm and our financial professionals. We also encourage you to ask us the following “conversation starter”:

Conversation Starters:

As a financial professional, do you have any disciplinary history? If so, for what type of conduct?

Item 5 – Additional Information

Additional information about our firm is available on the SEC's website at www.adviserinfo.sec.gov. You may contact our Chief Compliance Officer at 978- 777-3116 to request a current copy of our [ADV Part 2A Brochure](#), [ADV Part 2A Appendix 1 Wrap Fee Program Brochure](#), ADV Part 2B, or our relationship summary.

Conversation Starters:

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