

Scott Anderson Financial, Inc.

Scott K. Anderson, Jr. CPA, CFP®, EA

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Form ADV, Part 2A Brochure

June 30, 2019

This brochure provides information about the qualifications and business practices of Scott Anderson Financial, Inc. If you have any questions about the contents of this brochure, please contact us at 949-200-7111. 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.

Any reference to or use of the terms “registered investment adviser” or “registered,” does not imply that Scott Anderson Financial, Inc. or any person associated with Scott Anderson Financial, Inc. has achieved a certain level of skill or training.

Additional information about Scott Anderson Financial, Inc. is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

Revised June 30, 2019

The purpose of this page is to inform you of any material changes since the previous version of this brochure. If you are receiving this brochure for the first time this section may not be relevant to you.

Scott Anderson Financial, Inc. reviews and updates our brochure at least annually to make sure that it is still current.

There have been no material changes since our last update. We have completed a routine update of our assets under management and number of clients.

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ITEM 4 - ADVISORY BUSINESS

Description of Advisory Firm

Scott Anderson Financial, Inc. ("Scott Anderson Financial, Inc.," "we," "our," or "us") is a California Corporation. The principal office is located in Newport Beach, California. In May 2005, Scott K. Anderson, Jr. started operating as an investment adviser registered with the State of California as a sole proprietor. This business was incorporated in the state of California in July 2012.

Scott K. Anderson, Jr., CPA, CFP®, EA founder of Scott Anderson Financial, Inc. was born in 1945. He earned his Bachelor of Science in Chemical Engineering from the University of Pennsylvania in 1967. In 1969, he earned his Masters of Science in Oceanography, Scripps Institution of Oceanography from University of California - San Diego. In 1975, he earned his Masters in Business Administration, Stanford University. In 2005 Scott obtained his CFP® certification* and in 2006 he became an IRS Enrolled Agent**. In March 2008, Scott became a Certified Public Accountant***.

Scott is currently the President of Scott Anderson Financial, Inc. He has had over 35 years of experience with public and private companies most recently serving as Chief Financial Officer and Corporate Secretary for ICC Worldwide, Inc., a public company traded on the OTC market from October 2007 until October 2009. He has owned his own companies as well as serving as the interim accounting and chief financial officer in start-up and emerging companies. Including from 2000 to 2002, he served as Vice President, Finance, Treasurer and Corporate Secretary at Raining Data Corporation, which recently changed names to Tiger Logic. In addition, from 1985 to 1999, Scott was the Executive Vice President, Chief Financial Officer and Corporate Secretary at BBE Sound, Inc.

Scott serves as the Vice President, Secretary and Treasurer of GW Financial, Inc. of which his daughter Julianna A Bray is the President and CEO.

Scott teaches full time as an Instructor in Accounting at Chapman University. He has been teaching at Chapman since 2010. From 1994 through 2014, he also severed an Adjunct Faculty member in the Pepperdine MBA Program (Orange County Campus).

*The CERTIFIED FINANCIAL PLANNER™ and CFP® (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP® Board"). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. The CFP® is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To earn the credential, each CFP® candidate must have a bachelor's degree (or higher) from an accredited college or university and three years of full-time personal financial planning experience. In addition, candidates must take the CFP® Certification examination and complete a CFP® -board registered program or hold an accepted designation, degree or license. Every two years, CFP® certificate holders must complete a minimum of 30 hours of continuing education. More information regarding the CFP® is available at <http://www.cfp.net/default.asp>.

****An enrolled agent (EA) is a person who has earned the privilege of practicing, that is, representing taxpayers, before the Internal Revenue Service. Enrolled agents, like attorneys and certified public accountants (CPAs), are unrestricted as to which taxpayers they can represent, what types of tax matters they can handle, and which IRS offices they can practice before.**

There are two tracks to becoming an enrolled agent. The two tracks are:

- **Written examination.** You can become an enrolled agent by demonstrating special competence in tax matters by taking a written examination. This track requires that you -
 - Apply to take the Special Enrollment Examination (SEE);
 - Achieve passing scores on all parts of the SEE;
 - Apply for enrollment; and
 - Pass a background check to ensure that you have not engaged in any conduct that would justify the suspension or disbarment of an attorney, CPA, or enrolled agent from practice before the IRS.
- **IRS experience.** You can become an enrolled agent by virtue of past service and technical experience with the IRS that qualifies you for enrollment. This track requires that you -
 - Possess the years of past service and technical experience;
 - Apply for enrollment; and
 - Pass a background check to ensure that you have not engaged in any conduct that would justify the suspension or disbarment of an attorney, CPA, or enrolled agent from practice before the IRS.

More information regarding enrolled agents is available at <http://www.irs.gov>.

*****The American Institute of Certified Public Accountants (“AICPA”) issues the Certified Public Accountant (“CPA”) designation. The AICPA has several objectives:**

- **Uniting CPAs in the United States;**
- **Promoting and maintaining high professional standards of practice;**
- **Assisting in the maintenance of standards for entry to the accounting profession;**
- **Promoting the interests of CPAs;**
- **Developing and improving accounting education; and**
- **Encouraging cordial relations between CPAs and professional accountants in other countries.**

To earn the CPA designation, each candidate must pass the Uniform CPA Examination to qualify for a CPA certificate and license to practice public accounting. The exam is the same no matter where taken, but each state/jurisdiction has its own set of education and experience requirements that individuals must meet. Many states/jurisdictions now require or will require 150 semester hours of education for obtaining the CPA certification. Colleges and universities in these states/jurisdictions determine the curriculum for pre-licensure education of CPAs, which typically features a balance of accounting, business, and general education.

CPAs are responsible for adhering to the AICPA Code of Professional Conduct, which governs the performance of professional services by members. The Code of Professional Conduct provides guidance and rules to all members in public practice, industry, government, and education, in the performance of their professional responsibilities.

For each three-year reporting period, CPAs must complete 120 hours (or its equivalent) of continuing professional education.

Advisory Services Offered

Scott Anderson Financial, Inc. provides financial planning as an element of its overall investment management advice. We develop the clients' strategic long-term financial planning goals through consultations with each client. Scott Anderson Financial, Inc. reviews the client's current investment positions as well as possible future investment decisions. Financial planning services can be tailored depending upon the services requested and the client's stated needs and goals.

Scott Anderson Financial, Inc. provides a variety of asset management and monitoring services separate from financial planning services. Scott Anderson Financial, Inc. provides investment management services in which investment portfolios are actively managed and monitored. The assets included in this service will include exchange-traded funds, master-limited partnerships and/or mutual funds and, in the case of mutual funds, they will always be ones which can be purchased by the client with no commission paid to any salesperson. Each portfolio will be structured individually for the client's investment needs and risk tolerances, as best as those can be determined by the client and Scott Anderson Financial, Inc.

As of June 30, 2019, Scott Anderson Financial, Inc. had approximately \$19,226,132 of assets under management on a discretionary basis.

Non-Advisory Services

Mr. Anderson also teaches, gives seminars, prepares tax returns, and provides accounting services. These activities are not directly related to the financial planning and investment advice Mr. Anderson offers.

ITEM 5 - FEES AND COMPENSATION

Scott Anderson Financial, Inc. is a fee-only registered investment advisor and makes discretionary transactions in client accounts. The custodian of the client's account will usually charge additional maintenance or transactions fees, none of which are rebated directly or indirectly to Scott Anderson Financial, Inc.

Scott Anderson Financial, Inc. does primarily buy exchange-traded funds, master-limited partnerships and/or mutual funds for clients. We recommend such investment vehicles as part of a client's strategic plan. Any investment vehicle held in a client's account may be subject to deferred sales charges, 12b-1 fees, and other fund-related expenses, none of which are rebated directly or indirectly to Scott Anderson Financial, Inc. The fund's prospectus fully describes the fees and expenses.

All fees paid to Scott Anderson Financial, Inc. for financial planning or investment management services are separate and distinct from the fees and expenses charged by exchange-traded funds, master-limited partnerships and/or mutual funds. Such investment vehicles pay advisory fees to their managers, which are indirectly charged to all holders of investment. Consequently, clients with such investments in their portfolios could effectively be paying Scott Anderson Financial, Inc. and the exchange-traded fund, master-limited partnership and/or mutual fund manager for the management of their assets.

Scott Anderson Financial, Inc. provides services at an hourly rate ranging from \$150 to \$250 per hour, which may be negotiable depending on the complexity of the assignment. Fee ranges may be different for clients with a relationship with Mr. Scott Anderson prior to January 1, 2005. Lower fees for comparable services may be available from other sources. Generally, our hourly fees are payable in arrears once we deliver a financial plan to our clients.

Termination

Scott Anderson Financial, Inc. considers the planning phase of our services to be complete, and the agreement terminated upon delivery of a satisfactory planning project for hourly services. In the event that either the client or Scott Anderson Financial, Inc. wishes to terminate the financial planning agreement before completion of the plan, either party may terminate the agreement at any time by providing written notice to the other party. To ensure clear communication, we will consider the effective date of any termination to be the date we receive the termination notice.

Upon notice of termination of any financial planning or investment management engagement, we will provide you with an invoice for services provided through the date of termination. If you paid fees in advance that were more than the amount due for services, we will refund any unearned fees to you.

Other Compensation

Scott Anderson Financial, Inc. does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Clients have the option to purchase investment products that we recommend through any broker or agent they desire.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Scott Anderson Financial, Inc. does not charge 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

Scott Anderson Financial, Inc. offers financial planning and investment management services primarily to individuals, trusts and estates, and small business owners.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

Scott Anderson Financial, Inc.'s main sources of information include financial newspapers and magazines, presentations by management, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases. Other sources of information that Scott Anderson Financial, Inc. may use include Morningstar and the World Wide Web.

Investment Strategies

The primary investment philosophy that Scott Anderson Financial Inc. follows is Modern Portfolio Theory and focuses on the generation of dividends and interest income for client portfolios. More detail on this strategy can be found in the book *Making Sense on the Dollar* published by Scott K. Anderson, Jr in December 2012.

MPT holds that for a given level of risk across asset classes and allocate across asset classes Investing is the trade-off between risk and reward. In financial terms, risk is the potential positive or negative change in the price of an asset for any reason. An investment is made based on the expectation of a reward -- price appreciation and/or cash interest or dividends. But if the price goes down, even to zero, then the outcome of the investment will be a loss. Since all investing requires projections into the future, some investors will be right, and some investors will be wrong.

Actively managed funds, broad sector funds & exchange-traded funds are selected but a client's risk tolerance and personal investment parameters are considered before implementation. Portfolios are globally diversified to control the risk associated with traditional markets. Other strategies may include long-term purchases and short-term purchases.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. Scott Anderson Financial, Inc. helps the client identify their investment objectives, time horizon, risk tolerance, and tax considerations before developing an investment strategy. The client may change these objectives at any time. Each client needs to communicate their objectives and their desired investment strategy to Scott Anderson Financial, Inc.

The financial planning tools Scott Anderson Financial, Inc. uses to create financial plans for clients rely on various assumptions, such as estimates of inflation, risk, economic conditions, and cash on cash return. All return assumptions use asset class returns, not returns of actual investments, and do not include fees or expenses that clients would pay if they invested in specific products.

We cannot guarantee that clients will achieve the results shown in the plan. Results will vary based on the information provided by the client regarding the client's assets, risk tolerance, and personal information. Changes to the underlying assumptions or differences in actual personal, economic, or market outcomes may result in materially different results for the client. Clients should carefully consider the assumptions and limitations of the financial planning software as disclosed on the financial planning reports and should discuss the results of the plan with a qualified investment professional before making any changes in their investment or financial planning program.

We do not recommend individual securities to clients. However, we may make a general recommendation in the financial plan about investing a portion of your financial assets in securities. If the financial plan includes recommendations for investing in securities, you should understand that investing in securities involves risk of loss, and you should be prepared to bear that risk.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- **Market Risk:** The price of a security, bond or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any degree of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Non-domestic investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also commonly referred to as exchange rate risk.
- **Reinvestment Risk:** That is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric utility company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk to profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

ITEM 9 - DISCIPLINARY INFORMATION

Scott Anderson Financial, Inc. does not have any disciplinary information to disclose. Furthermore, Scott K. Anderson, Jr. does not have any disciplinary history to disclose.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Scott Anderson Financial, Inc. does not offer any other services or have any affiliates in the financial industry. Scott Anderson Financial, Inc. does not have any affiliation with any related person who is a broker-dealer, investment company, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

Scott Anderson does have an interest in, and is an investment adviser representative of, GW Financial, Inc. More information is available in *Item 2 – Educational Background and Business Experience*, below in Form ADV, Part 2B, Brochure Supplement.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Scott Anderson Financial, Inc. seeks to maintain the highest level of business professionalism, integrity, and ethics. Scott Anderson Financial, Inc. has established a Code of Ethics (the “Code”) pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”). As an investment adviser, Scott Anderson Financial, Inc. has an undivided duty of loyalty to act solely in the best interests of its clients, an obligation which includes the responsibility to make full and fair disclosure of all material facts, especially where Scott Anderson Financial, Inc.’s interest may conflict with those of its clients. In carrying on its daily affairs, Scott Anderson Financial, Inc. and all its employees, shall act in a fair, lawful and ethical manner, in accordance with the rules and regulations imposed by Scott Anderson Financial, Inc.’s governing regulatory authority (e.g., United States Securities and Exchange Commission, California Department of Corporations, etc.) The employees at Scott Anderson Financial, Inc. have committed to adhering to the Certified Financial Planner Board of Standards, Inc. Code of Ethics and Professional Responsibility. A copy of the Code of Ethics is available for review by clients and prospective clients upon request.

Participation or Interest in Client Transactions

Scott Anderson Financial, Inc. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Scott Anderson Financial, Inc. makes no purchases or sales of recommended securities for its own account. Employees are prohibited from effecting any securities transactions for themselves without full disclosure to Scott Anderson Financial, Inc. Scott Anderson Financial, Inc. recommends the purchase or sale of a security in which he or she has an interest, the recommendation will be accompanied by a full disclosure of the fact to the client.

Personal Trading

The Chief Compliance Officer of Scott Anderson Financial, Inc. is Scott K. Anderson Jr., CFP®, CPA, EA. He reviews all employee transactions each quarter. The review ensures that the personal trading of employees does not affect the markets, and that clients of Scott Anderson Financial, Inc., receive preferential treatment over employee transactions. Since most employee transactions are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

ITEM 12 - BROKERAGE PRACTICES

Selecting Brokerage Firms

Clients must maintain assets in an account at a “qualified custodian”, generally a broker-dealer or bank. We recommend that a client in need of brokerage and custodial services use Charles Schwab & Co., Inc. (“Schwab”). Member FINRA/SIPC. Scott Anderson Financial, Inc. does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. Scott Anderson Financial, Inc. usually encourages the use of discount-type brokers and/or no-load funds. Scott Anderson Financial, Inc. does not attempt to determine who might be the lowest- cost provider (for any transactions.) Scott Anderson Financial, Inc. does not receive fees or commissions from any of these arrangements.

Best Execution

Scott Anderson Financial, Inc. reviews the execution of trades from time to time. Scott Anderson Financial, Inc. does not receive any portion of the trading fees.

Soft Dollars

Scott Anderson Financial, Inc. receives no soft dollar reimbursements from any broker or referral institutions. However, Scott Anderson Financial, Inc. does receive products and services from Charles Schwab & Co., that may be used to service all or a substantial number of our clients’ accounts. Schwab Institutional may waive or discount fees for these products and services at its discretion. Schwab Institutional also makes available other services intended to help Scott Anderson Financial, Inc. manage and further develop their business enterprise, including consulting, publications, practice management conferences, information technology, business succession planning, regulatory compliance, and marketing.

In addition, Schwab may make available, arrange and/or pay for these types of services by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Scott Anderson Financial, Inc. As a fiduciary, we endeavor to act in our clients’ best interests at all times. Our recommendation that clients maintain their assets in accounts at Schwab is based solely on the nature, cost or quality of custody and brokerage services provided by Schwab regardless of any other products or services which may be provided to Scott Anderson Financial, Inc. We are aware, however, that the availability of some of the foregoing products and services may create a potential conflict of interest.

ITEM 13 - REVIEW OF ACCOUNTS

Scott Anderson Financial, Inc. reviews client financial plans and investment portfolios. Generally, on a monthly basis Scott Anderson Financial, Inc. will review client accounts and make adjustments accordingly. Clients can contact Scott Anderson Financial, Inc. at anytime to discuss any changes in their circumstances to determine the necessary updates to the financial plan or investment portfolio. We recommend regular reviews of the plan and/or portfolios, on a semi-annual basis, in order to assess modifications needed due to a change in client's circumstances, risk tolerances or goals. Any regular reports will be a result of these planned checkups or reviews. We hold all client information in strictest confidence.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

All of our compensation comes from the fees our clients pay to us. Scott Anderson Financial, Inc. has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. Scott Anderson Financial, Inc. does not compensate referring parties for these referrals. Scott Anderson Financial, Inc. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

We only refer clients to professionals we believe are competent and qualified in their field. It is solely the client's decision whether to engage a recommended firm. Clients are under no obligation to purchase any products or services through these professionals, and Scott Anderson Financial, Inc. has no control over the services provided by another firm. Clients who chose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by Scott Anderson Financial, Inc.

If the client desires, Scott Anderson Financial, Inc. will work with these professionals or the client's other advisers (such as an accountant, attorney, or other investment adviser) to help ensure that the provider understands the client's financial plan and to coordinate services for the client. Scott Anderson Financial, Inc. will never share information with an unaffiliated professional unless first authorized by the client.

ITEM 15 - CUSTODY

Scott Anderson Financial, Inc. does not take custody of client funds or securities in any way.

ITEM 16 - INVESTMENT DISCRETION

Within Scott Anderson Financial, Inc.'s services discussed pertaining to investment management, the client signs a Limited Power of Attorney giving Scott Anderson Financial, Inc. the authority to direct the placement of the client's funds in such a program as mutual funds and other investment vehicles selected by Scott Anderson Financial, Inc. and in amounts determined by Scott Anderson Financial, Inc. These funds are placed into accounts registered directly to the client. The only access to the client's funds by Scott Anderson Financial, Inc. is the debiting of fees from the client's account(s). Scott Anderson Financial, Inc. has no authority to move the funds outside of such accounts. Likewise, Scott Anderson Financial, Inc. has no authority to add client's funds to such a program; such additions may be made only on the client's authority.

Scott Anderson Financial, Inc. does not receive any portion of the transaction fees paid by the client to the custodian on certain trades.

ITEM 17 - VOTING CLIENT SECURITIES

Scott Anderson Financial, Inc. does not accept authority to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent.

ITEM 18 - FINANCIAL INFORMATION

Scott Anderson Financial, Inc. does not have any financial impairment that will preclude its meeting contractual commitments to clients. A balance sheet is not required to be provided because Scott Anderson Financial, Inc. does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$500 per client, and six months or more in advance.

ITEM 19 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Principal Executive Officers and Management Persons

The principal executive officers and management persons of Scott Anderson Financial, Inc. and their business background are listed under *Item 4 - Advisory Business*, above and *Item 2 - Educational Background and Business Experience*, below.

Other Business Activities

Scott Anderson Financial, Inc. and our personnel may engage in other business activities besides providing investment advice. We discuss these activities under *Item 10 - Other Financial Industry Activities and Affiliations*, above and *Item 4 - Other Business Activities*, below.

Performance-Based Fees

Scott Anderson Financial, Inc. does not charge performance-based fees or other fees based on a share of capital gains or on capital appreciation of the assets of a client.

Legal and Disciplinary Issues

Scott Anderson Financial, Inc. and our personnel seek to maintain the highest level of business professionalism, integrity, and ethics. Neither Scott Anderson Financial, Inc. nor our personnel have any legal or disciplinary events to disclose.

Arrangements with Securities Issuers

Scott Anderson Financial, Inc. and our personnel have no relationships or arrangements with issuers of securities.

Privacy Notice

Maintaining the confidentiality of your personal financial information is very important to us at Scott Anderson Financial, Inc. We do not sell your personal information to anyone and we do not disclose it to anyone except as permitted or required by law or as described in this statement. We are providing this privacy notice to individual clients who receive services from us for personal, family or household purposes (“you”). We hope this helps you understand how we handle the personal information about you that we collect and may disclose.

Personal Information We Collect

We collect personal information about you from the following sources:

- Information we receive from you on applications or other forms you fill out and send to us in connection with the advisory services we provide (such as your name, birth date, address, phone number, social security number, occupation, assets, income and other financial and family information);
- Information we receive about the transactions in your accounts (such as information received from brokerages, banks and custodians with whom you hold investment or cash accounts, including account numbers, holdings, balances, transaction history and other financial and investment activities); and
- Information we receive about you or your account as a result of your inquiries by mail, e-mail or telephone.

Personal Information We May Disclose

We do not disclose personal information about our customers or former customers to nonaffiliated third parties.

With your permission, we may disclose limited information to attorneys, accountants, agents, brokers and mortgage lenders with whom you have established a relationship. You may direct us from sharing information with these third parties by notifying us at anytime by telephone, mail, fax, in person or email.

We do not sell or share any personal nonpublic information with any third party other than providers with whom you have accounts or who provide services to you. State and Federal securities regulators may review our company records and your personal records as permitted by law.

Protection of Personal Information

We restrict access to information about you to those employees who need to know that information to provide services to you. We maintain physical, electronic, and procedural safeguards to guard your personal information. Should you have any questions regarding this policy, please contact us at 949-200-7111.

Scott Anderson Financial, Inc.

Scott K. Anderson, Jr. CPA, CFP®, EA

Julianna A Bray, CFP®,

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Form ADV, Part 2B Brochure Supplement

June 30, 2019

This brochure supplement provides information about Scott Anderson Financial, Inc. investment adviser representatives that supplements the Scott Anderson Financial, Inc. brochure. You should have received a copy of that brochure. If you have any questions about the contents of this brochure supplement or did not receive a copy of the brochure, please contact us at 949-200-7111.

Additional information about the representatives detailed in this supplement are available on the SEC's website at www.adviserinfo.sec.gov.

Education and Business Standards

Scott Anderson Financial, Inc. requires that advisors in its employment have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, ChFc, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management. All members of Scott Anderson Financial, Inc.'s professional planning staff have Bachelor's degrees from major colleges or universities. All are Certified Financial Planners™ as licensed by the CFP Board of Standards.

Explanation of Professional Designations:

Certified Financial Planner (CFP®)

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States. To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- **Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- **Ethics** – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- **Continuing Education** – Complete at least 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- **Ethics** – Renew an agreement to be bound by the Standards of Professional Conduct.
- **Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care.** This means CFP® professionals must provide financial planning services in the best interests of their clients.

Enrolled Agent (EA)

An enrolled agent (EA) is a person who has earned the privilege of practicing, that is, representing taxpayers, before the Internal Revenue Service. Enrolled agents, like attorneys and certified public accountants (CPAs), are unrestricted as to which taxpayers they can represent, what types of tax matters they can handle, and which IRS offices they can practice before.

There are two tracks to becoming an enrolled agent. The two tracks are:

- Written examination. You can become an enrolled agent by demonstrating special competence in tax matters by taking a written examination. This track requires that you -
 - Apply to take the Special Enrollment Examination (SEE);
 - Achieve passing scores on all parts of the SEE;
 - Apply for enrollment; and
 - Pass a background check to ensure that you have not engaged in any conduct that would justify the suspension or disbarment of an attorney, CPA, or enrolled agent from practice before the IRS.
- IRS experience. You can become an enrolled agent by virtue of past service and technical experience with the IRS that qualifies you for enrollment. This track requires that you -
 - Possess the years of past service and technical experience;
 - Apply for enrollment; and
 - Pass a background check to ensure that you have not engaged in any conduct that would justify the suspension or disbarment of an attorney, CPA, or enrolled agent from practice before the IRS.

More information regarding enrolled agents is available at <http://www.irs.gov>.

Certified Public Accountant (CPA)

The American Institute of Certified Public Accountants (“AICPA”) issues the Certified Public Accountant (“CPA”) designation. The AICPA has several objectives:

- Uniting CPAs in the United States;
- Promoting and maintaining high professional standards of practice;
- Assisting in the maintenance of standards for entry to the accounting profession;
- Promoting the interests of CPAs;
- Developing and improving accounting education; and
- Encouraging cordial relations between CPAs and professional accountants in other countries.

To earn the CPA designation, each candidate must pass the Uniform CPA Examination to qualify for a CPA certificate and license to practice public accounting. The exam is the same no matter where taken, but each state/jurisdiction has its own set of education and experience requirements that individuals must meet. Many states/jurisdictions now require or will require 150 semester hours of education for obtaining the CPA certification. Colleges and universities in these states/jurisdictions determine the curriculum for pre-licensure education of CPAs, which typically features a balance of accounting,

business, and general education.

CPAs are responsible for adhering to the AICPA Code of Professional Conduct, which governs the performance of professional services by members. The Code of Professional Conduct provides guidance and rules to all members in public practice, industry, government, and education, in the performance of their professional responsibilities.

For each three-year reporting period, CPAs must complete 120 hours (or its equivalent) of continuing professional education.

Item 2. Educational Background and Business Experience

Scott K. Anderson, Jr. CPA, CFP®, EA

DOB: 1945

Stanford University – M.B.A., 1975

Scripps Institution of Oceanography, University of California – San Diego – M.S. Oceanography, 1969

University of Pennsylvania – B.S. Chemical Engineering (1967)

Business Background:

Scott is currently the President of Scott Anderson Financial, Inc. and an owner of GW Financial, Inc. He has had over 35 years of experience with public and private companies most recently serving as Chief Financial Officer and Corporate Secretary for ICC Worldwide, Inc., a public company traded on the OTC market from October 2007 until October 2009. He has owned his own companies as well as serving as the interim accounting and chief financial officer in start-up and emerging companies. Including from 2000 to 2002, he served as Vice President, Finance, Treasurer and Corporate Secretary at Raining Data Corporation, which subsequently changed its name to Tiger Logic. In addition, from 1985 to 1999, Scott was the Executive Vice President, Chief Financial Officer and Corporate Secretary at BBE Sound, Inc.

He also teaches as an Instructor in Accounting in the Argyros School of Business and Economics at Chapman University in Orange, CA. Scott served as an Adjunct Professor in Accounting in the Pepperdine University MBA Program (Orange County Campus) from 1994 through 2014.

Julianna Anderson Bray, CFP®

DOB: 1981

Southern Methodist University – B.S. Economics (2003)

Business Background:

Julie Anderson Bray was born and raised in Newport Beach, California. She is the daughter of Scott K. Anderson, Jr. Julie graduated from Southern Methodist University in Dallas, Texas with a B.S. in Economics. Julie entered the investment business in 2003 as an Account Associate with Pacific Investment Management Company (PIMCO). She worked in their Newport Beach and New York City locations. Her last position was as a Senior Portfolio Associate with the Municipal Portfolio Management team. In 2007 she moved to Brown Brothers Harriman (BBH) in New York City with the Municipal Bond team. She started as a Municipal Bond Trader and was promoted to Assistant Vice President in 2009. Julie left BBH in early 2010 to transition to personal financial planning and investment management. Julie joined GW Financial in late 2010 as an Administrative Assistant. Upon completion of the UCI Personal Financial Planning Certificate Program in June 2011 and becoming a Certified Financial Planner™, Julie joined the professional planning staff at GWF. In June 2014, Ms. Bray became an owner of GWF.

In 2014, Julie became an investment adviser representative of Scott Anderson Financial, Inc.

Item 3. Disciplinary Information

Scott Anderson Financial, Inc. is required to disclose all material facts regarding any legal or disciplinary event that would be material to the evaluation of each investment person providing advice to you. Neither Mr. Anderson nor Ms. Bray has information required to be disclosed under this Item.

Item 4. Other Business Activities

Outside of their activities at Scott Anderson Financial, Inc., Mr. Anderson maintains a role at GW Financial, Inc. in parallel with Scott Anderson Financial, Inc. Ms. Bray is actively engaged in GW Financial, Inc. where she spends more than 90% of her time. Between February and April each year, Mr. Anderson spends a substantial amount of time with his tax practice.

Item 5. Additional Compensation

Mr. Anderson and Ms. Bray do not receive any compensation other than that earned from their employment as disclosed above.

Item 6. Supervision

Mr. Anderson, as the Chief Compliance Officer supervises all work at Scott Anderson Financial, Inc. He can be reached via the email or phone number listed on the cover page of this brochure supplement.