

# THE SCOTT S. JAMES COMPANY

## Client Relationship Summary – Form CRS

02/2022

The Scott S. James Company (“SJC”, “Firm”, “We”, “Us”, “Our”) is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser. Brokerage and investment advisory services and fees differ and that it is important for, you, as a retail investor, to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://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?

We offer the following investment advisory services to you:

**Portfolio Management:** We will offer you advice on a regular basis. We will discuss your investment goals, design with you a strategy to achieve your investment goals, and regularly monitor your account. We will monitor your account on a discretionary basis (we can buy and sell investments in your account without asking you in advance) or a non-discretionary basis (you make the ultimate decision regarding the purchase or sale of investments). We do not limit advisors to proprietary products or a limited menu of products and types of investments. This service will continue pursuant to the terms of the executed Advisory Agreement. We do not have a minimum to open an account.

**Financial Planning:** Services will be provided to you as part of our Portfolio Management Service and may include, but are not limited to, a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans that have recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations. Recommendations will be made periodically on an ongoing basis. There is no additional fee for this service.

**Trustee Services:** The Scott S. James Company also provides trustee services up client request. SJC will act as the trustee for trust accounts for a fee.

### ***Additional Information***

For more information about our services, we recommended reading our ADV Part 2A.

### ***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?

We are paid for our services as follows:

**Portfolio Management & Financial Planning:** The amount paid to our firm and your financial professional generally does not vary based on the type of investments selected on your behalf. The asset-based fee reduces the value of your account. Fees can either be deducted from your account or paid by check. Fees are billed quarterly in advance based on the average account balance for each month in the quarter, based on averaging the month-end balance for each month in the quarter. Our Fees are negotiable. Generally, the more assets you have in the advisory account, the more you will pay in total fees. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our advisory fee even if there were not transactions within the account.

**Trustee Services:** The fee for this service is a 1% annual fee, which is billed quarterly at a rate of .25% and added to the Portfolio Management fee.

Your investment assets will be held with a qualified custodian. Custodians generally charge brokerage commissions or transaction fees for effecting securities transactions. To the extent utilized, clients will also incur additional fees in connection with separately managed account programs.

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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 regarding our fees and costs, review 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?

**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.

**Example 1:** For investment accounts we manage, we get paid based on the assets in your account. We may recommend that add assets or funds into that account. Even though that advice may be in your best interest, that advice is conflicted because the more money in your account, the more we would collect in fees from you.

**Example 2:** You may wish to withdraw money from your investment accounts to pay off debt. We may recommend against doing so. Even though that advice may be in your best interest, that advice is conflicted because withdrawals from our investment account will decrease the amount of fees that we would collect from you.

Reminder: SJC must always follow our fiduciary duty to put your interests ahead of ours. However, some transactions, like the examples above, show instances where our recommendations are in your best interest, but are conflicted because they impact the fees that we collect from you.

### **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 interest, we recommend reading our ADV Part 2A.

### **How do your financial professionals make money?**

Our financial services professionals are compensated based on a percentage of assets they manage, on a portion of the total advisory fees received by us, on hourly fees or fixed fees, by sales commissions, and a base salary with discretionary bonuses.

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

No, neither SJC, nor our professionals have any legal or disciplinary history. Please visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research SJC and our financial professionals.

### **Conversation Starters**

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

### **Additional Information**

To find additional information about SJC and to request a copy of the *relationship summary*, please go to [SCOTTJAMESGROUP.COM](https://scottjamesgroup.com) or send us an email at [stockjames@aol.com](mailto:stockjames@aol.com). If you would like to request up-to-date information as well as to request a copy of the relationship summary, please contact us via phone at 703-533-2500.

### **Conversation Starters**

“Who is my primary contact person? Is he or 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?”