

**Scott James Group, Inc.**  
**Customer Relationship Summary (Effective as of 1/01/2025)**

**Introduction:** Scott James Group, Inc. is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is a member and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). The Scott S. James Company is a SEC Registered Investment Advisor. Brokerage and investment advisory services fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

**Relationships and Service: *What investment services and advice can you provide me?***

Scott James Group, Inc. offers to retail investors brokerage services and The Scott S. James Company offers retail customers investment advisory services. Neither firm has a minimum account funding size or account maintenance size.

Both firms offer Financial Planning by Certified Financial Planners. Financial planning services for broker-dealer clients may be offered for an additional fee or included as a complimentary service. Financial planning services are included in the fee adviser clients pay.

Broker-dealer clients pay for trades on a commission basis, with fees per trade much higher than adviser clients. Trades for adviser clients are only charged clearing fees, or ticket charges, charged by the firm's custodian, Pershing, LLC.

Broker-dealer clients make the final decisions on each investment themselves. Broker-dealer clients can pick stocks themselves, or take recommendations for purchase by the broker-dealer. Fixed income products are recommended by the broker-dealer. Equities purchased by the clients that are not recommended should be monitored by the clients, but they are also monitored by the broker-dealer. As part of our standard services the broker-dealer reviews all firm holdings monthly, but securities recommended by the broker-dealer are reviewed daily and the broker-dealer is much more familiar with securities that it recommends to clients versus those the clients purchase on their own. The vast majority of securities purchased by the adviser are purchased by the adviser using limited trading authority to buy and sell securities. As part of our standard services these securities are monitored daily by the adviser. Advisory clients may make security selections on their own and these selections will be monitored on a monthly basis by the adviser.

Both firms offer Fixed Income investments. The broker-dealer offers fixed income recommendations to clients for a commission on a non-discretionary basis with the final decision resting with the client. The investment adviser offers fixed income investments purchased on a discretionary basis. All municipal bond recommendations made by the broker-dealer and all fixed income discretionary decisions are made by the Municipal Securities Principal, Scott James. As part of our standard service all fixed income investments made through the broker-dealer and the investment advisor are monitored on a monthly basis for adverse rating changes by either Moody's or Standard and Poor's.

Both firms offer Mutual Fund investments. The broker-dealer's mutual fund trades normally have a sales load on the transaction. As part of our standard service mutual funds the broker recommends are reviewed on a monthly basis. Mutual funds a brokerage client selects on their own are also reviewed monthly. The adviser's mutual fund trades normally have no-load. The fees on any loaded fund the advisor recommends or the client selects would be clearly identified and explained to the client. Normally loaded mutual funds offer advisory clients a no-load option, which would be used for advisory clients. Mutual funds the adviser recommends are reviewed on a monthly basis. Mutual funds an advisory client selects on their own are also reviewed monthly. Neither firm engages in limited or proprietary investment offerings.

**For additional information on the advisor,** please request the adviser's Form ADV, Part 2A brochure Items 4 and 7 of Part 2A or Items 4.A. and 5 of Part 2A or request the broker-dealers Regulation Best Interest disclosures.

**CONVERSATION STARTER:** *Ask your financial professional:*

- *Given my financial situation, should I choose a brokerage service or 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?**

Broker-dealer clients pay commissions on stock, bond and mutual fund trades. Stock trade commissions are based on transaction size, and are reduced in percentage terms as the transactions get larger in size based on the following schedule:

\$0 - 25K 2% \$25K-50K 1.75% \$50K - 100K 1.5% \$100K-150K 1.25% \$150K+ 1%

Fixed income commissions are based on the length to maturity of the instrument purchased:  
Short-Term (0-5 years) 1% Medium-Term (6-10 years) 1.5% Long-Term (10+ years) 2%

Mutual funds loads are based the charges from the mutual funds. Mutual funds also charge 12b-1 fees which are paid to the broker. These fees can vary between brokerage and advisory clients with brokerage clients paying higher fees in the share classes available to them while advisory clients may have these fees waived through F shares. The differences in the mutual fund shares classes will be reviewed in with you in detail to help you decide which arrangement is best for you. Mutual funds also have internal management expenses which vary by fund recommended and these differences will also be explained, but the internal fund management expenses are the same for both brokerage and advisory clients.

A potential conflict of interest is a broker-dealer client would be charged more when there are more trades in their account, and this may motivate the Firm to encourage the investor to trade more often.

Adviser clients pay management fees on their accounts and pay ticket charges on each trade. Most fees are covered by the management fee which includes financial planning services.

Management fees are charged quarterly based on the combined account balances according to the following annual fee schedule:

First \$500K 1% Next \$500K - \$1,000,000 .75% Balances Over \$1,000,000 .50%

A potential conflict of interest for the adviser is that since the fees are based on assets, the Firm may therefore have an incentive to encourage an investor to increase the assets in their account.

**You will pay the fees and costs listed above 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 additional information**, please see the adviser's Form ADV, Part 2A brochure (specifically Items 5.A., B., C., and D.) or request the broker-dealers Regulation Best Interest disclosures.

**CONVERSATION STARTER:** *Ask your financial professional:*

· *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 providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

**When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interests and not put our interests 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 recommendations the broker-dealer provides or that the investment advisor provides. Here are some examples to help you understand what this means:**

When a broker-dealer client receives a trade recommendation the broker-dealer is paid a commission for executing a trade. This creates an inherent conflict of interest towards more activity in the account so the broker-dealer will receive more compensation. Additionally, the investment advisor is compensated more for increasing the assets they manage for you, so the investment advisor has a conflict of interest towards encouraging you to make more deposits into the account to increase their compensation.

**CONVERSATION STARTER:** *Ask your financial professional:*

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

**For additional information on the investment adviser** please request Form ADV, Part 2A brochure. For additional information on the broker-dealer please request the broker-dealers Regulation Best Interest disclosures.

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

The broker-dealer's financial professionals are compensated based on the commissions of the broker-dealer. The advisor's representatives are compensated based on the amount of client assets they service, service record, and length of time they have been with the company.

**Disciplinary History:**

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

No.

*Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research you and your financial professionals.*

**CONVERSATION STARTER:** *Ask your financial professional:*

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

**Additional Information:**

For additional information about our services, please contact us at 703-533-2500. If you would like additional, up-to-date information or a copy of this disclosure, please call us at 703-533-2500 to request up-to-date information and/or request a copy of Form CRS.

**CONVERSATION STARTER:** *Ask your financial professional:*

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