

Herbert J. Sims & Co. Inc. Form CRS Customer Relationship Summary

June 30, 2020

Item 1. Introduction

Herbert J. Sims & Co. Inc. ("HJS") is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA). Brokerage and investment advisory services and 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, which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2. Relationships and Services

What investment services and advice can you provide me?

HJS offers brokerage services to retail investors, including buying and selling equities and fixed income securities. HJS also sells mutual funds and unit investment trusts, annuities/insurance products as well as certain alternative investments, such as non-traded real estate investment trusts. HJS also underwrites municipal securities and private placements. There is no account minimum required to open or maintain brokerage accounts or to receive our services, but some products may not be available to you based on issuance restrictions. Some products may impose a transaction minimum amount.

The firm is affiliated with an investment advisor: Herbert J. Sims Capital Management, Inc. ("HJSCM") and some of HJS financial professionals are also investment advisors with HJSCM and may therefore provide advice on HJSCM managed accounts and advisory services. Note that all HJS recommendations will be made to you in a broker-dealer capacity unless otherwise expressly stated at the time of the recommendation; any such statement will be made orally.

HJS provides you with recommendations but does not monitor your investments' performance. You make the ultimate decision regarding the purchase or sale of investments.

Additional information: Please see "[Understanding HJ Sims Services and Fees](#)"*. We also urge you to review important disclosures included in account agreements, prospectuses, offering documents, and confirmations provided to you.

Conversation Starters: Ask your financial professional –

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

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

What fees will I pay? When you open a brokerage account, you pay us a **transaction-based fee** – in other words, you pay a fee each time you buy or sell an investment. We therefore have an incentive to encourage you to trade more often. You will also be charged various administrative fees. Fees and costs will reduce any amount of money you make on your investments over time.

For stocks, options or exchange-traded fund transactions, you will pay a commission. The number of shares and security price are factors that affect ultimate pricing.

For fixed income securities, the firm charges a mark-up (increase) or mark-down (reduction) on the security price. This mark-up or mark-down has two components: a sales credit for the Financial Professional and/or a mark-up/mark-down applied by the trading desk as part of the transactions. The type of security, size of the trade, maturity and rating of that security are factors that affect ultimate pricing. For all our third-party products, the fee you pay is determined by the sponsor.

For mutual funds, you are charged sales charges and ongoing fees based on the type of class you purchase. For alternative investments, the fees and expenses of these products are disclosed in the client application you sign, as well as the prospectus or private placement memorandum you receive.

For unit investment trusts and annuities, you will typically pay upfront fees or deferred fees as disclosed in the prospectus. For life insurance contracts, the amount of the premium that you pay depends on a variety of factors, including the level of coverage, the client's age, health and the optional riders selected.



*https://staging.hjsims.com/wp-content/uploads/2020/06/Understanding_HJSims_ServicesFees_v2.pdf

For all new issues, what you pay is disclosed in each Offering Memorandum, which is delivered to you prior to you making a decision to buy.

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. Please see "[Understanding HJ Sims Services and Fees](#)"* for more details. We also urge you to review important disclosures included in account agreements, prospectuses, offering documents, and confirmations provided to you.

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? How else does your firm make money and what conflicts of interest do you have? When we provide you with a recommendation, 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 recommendations we provide you. Here are some examples to help you understand what this means.

HJS generates revenue when it trades as a principal, applying a mark-up/mark-down to the securities eventually transacted with you. HJS earns fees for new issues it underwrites and receives fees from third parties. HJS has a financial incentive to offer or recommend products from third parties who compensate us when HJS sells their products. The more you generate transactions with us and invest in products and services we offer, the more revenues are generated for HJS and its financial professionals. Through its affiliation with HJSCM, HJS also receives various fees.

Conversation Starter: Ask your financial professional –
→ **How might your conflicts of interest affect me, and how will you address them?**

Additional information: Please see "[Understanding HJ Sims Services and Fees](#)"* for more details.

How do your financial professionals make money?

Our financial professionals make money based on generated gross revenue from various fees you pay when you invest in products we offer directly or through third parties. They receive a percentage payout of that gross revenue. The larger the gross revenue, the higher the payout. Such incremental compensation model may give an incentive to recommend certain products over other products for which HJS or the financial professional receive more compensation, or generate transactions. Our financial professionals receive immaterial non-cash compensation such as occasional meals served by third parties during in-office training.

Item 4: Disciplinary History

Do you or your financial professionals have legal or disciplinary history? Yes. Please visit investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starter: Ask your financial professional –
→ **As a financial professional, do you have any disciplinary history? For what type of conducts?**

Item 5: Additional Information

For additional information about our services, please review "[Understanding HJ Sims Services and Fees](#)"*. If you would like additional, up-to-date information or a copy of this disclosure, please call **1-800-HJS-1935** or visit our website HJSims.com.

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? Who can I talk to if I have concerns about how this person is treating me?**