

Karen Degro

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**This Brochure Supplement provides information about Karen Degro that supplements the Herbert J. Sims Capital Management, Inc. Firm Brochure. You should have received a copy of that Brochure. Please contact our Chief Compliance Officer at (800) 527-6425 if you did not receive Herbert J. Sims Capital Management's Brochure or if you have any questions about the contents of this supplement. Additional information about Karen Degro is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

Karen Degro

## **ITEM 2. EDUCATIONAL BACKGROUND and BUSINESS EXPERIENCE**

**Year of Birth:** 1973

**Formal education after high school:** Bachelor in Business Administration (Accounting) and Juris Doctor from the Pontifical Catholic University in Ponce, Puerto Rico.

**Business background:** Started in the Financial Services industry as a Financial Advisor in October 2005 with UBS Financial Services of Puerto Rico Incorporated until 2016 (11 years). Continued as a Financial Advisor with UBS Financial Services, Palo Alto, CA Branch from 2016 to September 2023. Currently, Financial Advisor with Herbert J Sims & Co., Inc.

**Professional designations:** Certified Financial Planner Professional (CFP®)

## **ITEM 3. Disciplinary Information**

The advisor is noted as broker of record on settled customers' disputes. Certain claims are believed to stem from the unprecedented turmoil experienced in the Puerto Rico economy. The advisor has not been asked to contribute to any settlements.

While employed by UBS Financial Services, Karen Degro relied on UBS registration department to file appropriate application with certain states. The UBS registration department failed to submit Ms. Degro's Investment Advisor application to Florida and failed to inform her that she was not registered as an Investment Advisor in Florida and should not have conducted Investment Advisory business. As a consequence, Ms. Degro was fined \$5,000 by the State of Florida for conducting Investment Advisor business without being licensed between November 2022 to June 2023. All disclosure information can be found on FINRA's BrokerCheck system at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

## **ITEM 4. Other Business Activities**

Karen Degro is a registered representative and employee with Herbert J. Sims & Co., Inc. (HJS), which is a securities broker-dealer registered with Financial Industry Regulatory Authority (FINRA) and an introducing broker/dealer, registered with the National Futures Association (NFA). In her capacity as a registered representative Karen Degro may recommend securities products and advisory services for compensation. This could present a conflict of interest to the extent Karen Degro could receive fees and/or commissions and other forms of compensation that may vary from product to product (including 12b-1 trails from mutual fund products) if the client chooses to implement recommendations made while acting in her capacity as a registered representative of HJS.

The details of HJSCMs' advisory accounts and services are fully disclosed in HJSCM's Form ADV. Karen Degro spends approximately 80% of her time on such duties. Therefore, the primary business of Karen Degro is providing advisory services through Herbert J. Sims Capital Management, Inc. The client is under no obligation to purchase products or services Karen Degro recommends, nor are you obligated to purchase them through her.

Karen Degro as a registered representative may have incentive to recommend certain products rather than others, based on compensation received. This potential conflict of interest is addressed by HJS through communications of disclosure to clients and supervision and training of advisory representatives.

Karen Degro is a licensed insurance agent authorized to sell insurance products of various insurance companies. This could present a potential conflict of interest as she could receive commissions for selling these products. The client is under no obligation to purchase products Karen Degro may recommend, nor are you obligated to purchase those products through her. Approximately 4% of her time is spent on insurance products.

#### **ITEM 5. Additional Compensation**

Karen Degro is subject to policies that prohibit the acceptance of gifts and entertainment that may influence the nature of the investment advice provided to clients. Consistent with these policies, Karen Degro is permitted to receive gifts of up to \$100.

Additionally, Karen Degro is subject to disclosing if she receives bonuses based on the number or amount of sales, client referrals or new accounts. Currently no such bonuses occur based on such activities or events

#### **ITEM 6. Supervision**

Karen Degro's conduct and activities with the public are supervised by a designated supervisory manager of HJS at or through the local branch office location, regional office and/or the Home Office. This supervision takes place through personal observation, electronic monitoring and the review of written materials and/or other appropriate practices. Additionally, ongoing advisory account reviews occur with each client, monthly, quarterly, or at least annually.

**Supervisor's Name and Title:** Jonathan Jarow  
Private Wealth Management Group  
Co-Head Managing Director

**Supervisor's Telephone Number:** 561-620-2153

## **ITEM 7. Requirements for State-Registered Advisers**

In addition to the information and events listed above, additional disclosure is required by state securities authorities.

Karen Degro has **not** been found liable or involved in an arbitration claim or a civil, self-regulatory, or administrative proceeding involving any of the following: investments or investment advisory related; fraud, false statement or omission; theft, embezzlement or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices.

Karen Degro has **not** been found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following: an investment or an investment-related business or activity; fraud, false statement(s), or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices. Additionally, Karen Degro has **not** been the subject of a bankruptcy petition.