



**Item 1. Introduction**

- A. Grimes & Company, Inc. is a Securities and Exchange Commission registered investment adviser. Investment advisory and brokerage services and fees differ, and it is important for you to understand the differences.
- B. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.

**Item 2. Relationship and Services**

- A. *What investment services and advice can you provide me?*
- B. We provide investment advisory services, including discretionary and non-discretionary investment management to individuals, trusts, and estates (our “retail investors”). We do not hold ourselves out as providing financial planning or consulting services, but may do so in a limited capacity when ancillary to the investment management process.
  - i. When a retail investor engages us to provide investment management services, we shall monitor, on a continuous basis, the investments in the accounts over which we have investment management authority as part of our investment management service.
  - ii. When engaged on a discretionary basis, we shall have the authority, without prior consultation with you, to buy, sell, trade and allocate the investments within your account(s) consistent with your investment objectives and reasonable restrictions placed on our investment management authority. When engaged on a non-discretionary basis, the retail investor makes the ultimate decision regarding the purchase, sale, or retention of investments. Our investment management authority over your account(s) shall continue until our engagement is terminated.
  - iii. We do not limit the scope of our investment management services to proprietary products or a limited group or type of investments.
  - iv. Our account minimum is \$500,000. We do not charge a minimum annual fee for our advisory services.
- C. **Additional Information:** For more detailed information about our *Advisory Business* and the *Types of Clients* we generally service, please refer to Items 4 and 7, respectively, of our Form ADV Part 2A, available here: <https://www.grimesco.com/form-crs-adv/>
- D. **Conversation Starters:**
  - i. *Given my financial situation, should I choose an investment advisory service? Why or why not?*
  - ii. *How will you choose investments to recommend to me?*
  - iii. *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**

- A. *What fees will I pay?*
  - i. If you engage us to provide investment management services, you will pay an on-going asset-based fee for our services on a quarterly basis charged in arrears. The amount paid by you to our firm does not vary based on the type of investments we select on your behalf. The asset-based fee reduces the value of your account and will be deducted from your account. The more assets in your investment advisory account will result in more fees you will pay, and our firm therefore has an incentive to encourage you to increase the assets in your account. As further disclosed on Part 2A of our Form ADV, if the client maintains a margin balance, Grimes will bill on the higher margin value.
  - ii. Your investment assets will be held with a qualified custodian. Many custodians charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees may be charged for certain no-load mutual funds, commissions may be charged for individual equity and fixed

November 30, 2022

income securities transactions). In addition, relative to all mutual fund and exchange traded fund purchases, certain charges will be imposed at the fund level (e.g. management fees and other fund expenses). Grimes may allocate (and/or recommend that the client allocate) a portion of the client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). The investment management fee charged by an independent investment manager is separate from, and in addition to, Grimes' advisory fee.

- iii. **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.
  - iv. **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?*
- B. *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?*
- i. 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.
  - ii. Our interests can conflict with your interests. We must eliminate these conflicts or tell you about them in a way you can understand, so that you can decide whether or not to agree to them. Here are some examples to help you understand what this means:
    - We may recommend a particular custodian from whom we receive support services and/or products, certain of which assist us to better monitor and service your account.
    - We may receive new client referrals from custodians that we recommend to our clients.
    - We may recommend rollovers out of employer-sponsored retirement plans and into Individual Retirement Accounts that we manage for an asset-based fee, which could have the effect of increasing our compensation.
  - iii. **Conversation Starter:** *How might your conflicts of interest affect me, and how will you address them?*
  - iv. **Additional Information:** For more detailed information about our *Conflicts of Interest*, please refer to our Form ADV Part 2A, available here:  
<https://www.grimesco.com/form-crs-adv/>
- C. *How do your financial professionals make money?*
- i. Our financial professionals receive a base compensation package and can receive additional compensation based upon various factors including the amount of client assets they are responsible for managing and/or the amount of new client assets introduced to the firm. You should discuss your financial professional's compensation directly with your financial professional.

#### **Item 4. Disciplinary History**

- A. *Do you or your financial professionals have legal or disciplinary history? No for the Firm. Yes as to one of its financial advisors.*
- B. *Free and simple tools are available to research our firm and our financial professionals at <https://www.investor.gov/CRS>*
- C. **Conversation Starter:** *As a financial professional, do you have any disciplinary history? For what type of conduct?*

#### **Item 5. Additional Information**

- A. Additional information about our firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may contact our Chief Compliance Officer at any time to request a current copy of your ADV Part 2A or our relationship summary.
- B. You may contact our firm at (508) 366-3883 to request an up-to-date copy of the *relationship summary*.
- C. **Conversation Starters:** *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?*