

Item 1- Cover Page



Form ADV Part 2B Brochure Supplement

James W. McCarthy, CFP, CIMA, CPWA

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**This Brochure Supplement provides information about James W. McCarthy that supplements the Seascope Capital Management Brochure. You should have received a copy of that Brochure. Please contact Monica Ann Ness, CFA 603-964-4480 if you did not receive Seascope's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about James W. McCarthy is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this site using a unique identifying number, known as a CRD number for each Supervised Person.**

## Item 2- Educational Background and Business Experience

James W. McCarthy (CRD# 1371772), founded Seascope Capital Management, and currently serves as President and Chief Investment Officer. He was born in 1957. After attending the University of New Hampshire Jim joined the Ordinary Agencies division of Prudential Insurance Company in 1979. He soon became a top producer for the company and continued serving his clients when he opened his own agency in 1981. During this period he was twice awarded membership in the industries' prestigious Million Dollar Round Table. It was during this period that Jim also began investing in residential and commercial Real Estate, gaining valuable experience in alternative asset classes. After making the decision to join E.F. Hutton in 1985, he began a successful career spanning eighteen years with what eventually became Citigroup Global Markets. In 2002 he was recognized as a leading consultant within the firm's private client group. Jim was among 300 financial consultants (out of 12,900) honored for outstanding achievements within the professional investment management arena. He was also a member of the firm's Private Wealth Management team, which developed strategies for the Ultra High Net Worth (\$50 million plus) client. At the time of his resignation he held the titles of Senior Vice President, Senior Portfolio Manager, and Senior Investment Management Consultant.

Along the way, Jim matriculated with the College for Financial Planning where in 1987 he earned his CERTIFIED FINANCIAL PLANNER™ certification, (CFP). This is issued by the Certified Financial Planner Board of Standards, Inc. (CFP Board). He is a member of the International Board of Certified Financial Planners as well as the Registry of CFP® Practitioners.

Jim also earned his Certified Investment Management Analyst designation (CIMA) from the Wharton School in 2001 and became a member of the Investment Management Consultants Association (IMCA).

Candidates for the CFP are currently required to have a bachelor's degree (or higher) from an accredited college or university, and three years of full-time personal financial planning experience. In addition, they must either complete a CFP board registered program, or hold one of the following:

- CPA
- ChFC
- Chartered Life Underwriter (CLU)
- CFA
- Ph.D. in business or economics
- Doctor of Business Administration
- Attorney's License

The CFP program has four components: Education, Examination, Experience, and Ethics.

Per the CFP website, the course of academic study covers personal financial planning topics that financial planning practitioners have identified through periodic job-task analysis studies. The exam tests practical knowledge to ensure competence in financial planning topics. Jim sat for and passed a series of six exams covering the following topics: General Principles of Financial Planning, Insurance Planning, Investment Planning, Income Tax Planning, Retirement Planning, and Estate Planning. In addition he had to have three years of financial planning experience. To maintain his designation and

keep his professional knowledge current, he completes a required 30 hours of continuing education every two years.

Finally, again, per the website, “CFP® certificants are required to abide by CFP Board’s ethical standards, as set forth in the *Standards of Professional Conduct*, and are subject to disciplinary action when those standards are violated. CFP Board’s high ethical standards and its rigorous enforcement of its ethical standards, including the public release of disciplinary information, are key factors that differentiate the CFP® certification from the many designations in the financial services industry.”

Per IMCA’s website, “The CIMA certification program is the only credential designed specifically for financial professionals who want to attain a level of competency as an advanced investment consultant. The CIMA professional integrates a complex body of investment knowledge to provide objective investment advice and guidance to individuals and institutions. That knowledge is applied systematically and ethically to assist clients in making prudent investment decisions.”

CIMA’s program includes the same four elements as that of the CFP: experience, education, examination, and ethics. To gain admission to the program, Jim first went through a rigorous application process which included a background check. Next he had to pass a qualification exam to complete the admission process and enter the CIMA’s education program. Once accepted, Jim studied and developed the following skills as part of CIMA’s curriculum:

- Make portfolio recommendations based on modern portfolio theory and post-modern portfolio theory based on analysis of risk, proper asset allocation, and tax efficiency;
- Develop, explain, and recommend investment policy statements;
- Analyze performance and its attributes and apply that analysis in evaluating and recommending investment managers;
- Analyze and recommend investments in fixed income, equity, alternative and derivative investments; and
- Identify and apply ethical, legal, and fiduciary considerations including IMCA’s own Code of Professional Responsibility.

Jim took and passed the comprehensive examination and pledged to abide by IMCA’s Code of Professional Responsibility.

To maintain his designation and keep his professional knowledge current, Jim completes 40 hours of continuing education credit every two years and submits a continued adherence to IMCA’s Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks.

In 2013, Jim earned the Certified Private Wealth Advisor® (CPWA) designation. The CPWA designation, delivered by Investment Management Consultants Association® (IMCA®), is the only advanced designation for financial advisors and consultants who work with high net worth clients on the life cycle of wealth. The CPWA marks identify those individuals who have met the experience

requirements, have successfully completed coursework in advanced wealth management strategies and applied concepts at The University of Chicago Booth School of Business, and have passed a comprehensive examination covering the following areas: advanced tax planning, asset protection, executive compensation plans, stock options, tax-efficient portfolios, business planning, retirement planning, charitable planning, and estate planning. CPWA licensees must also agree to meet ongoing continuing education requirements, uphold IMCA's *Code of Professional Responsibility*, and adhere to the *Rules and Guidelines for the use of the Marks*.

Thus, with almost a quarter century of professional investment experience and industry credentials, Jim founded Seascope Capital Management as a platform from which to offer high net worth investor's proprietary investment strategies based on disciplined security analysis and comprehensive wealth management services. Jim continues to lead Seascope as its President and Chief Investment Officer and continues to advance his skills to better serve the firm's clients.

### **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

Jim has no information to report for this Item 3.

### **Item 4- Other Business Activities**

For some clients, having an insured investment as part of their investment plan helps to create an lower overall risk level more appropriate to their individual circumstances. Jim holds an insurance license for these situations. While insurance to date has only been included in a small percentage of our clients' assets, and Jim spends only a minimal percentage of his time on insurance products, it is available to our clients through Jim's affiliation with Envoy Securities (Envoy). Envoy maintains Jim's insurance licenses, and Jim is a registered representative affiliated with Envoy for this purpose. Our clients who invest in policies sold by Envoy's insurance brokerage incur commissions paid to the broker as determined by the commission schedule of the underwriter of the insurance policy. Thus, Seascope, through Jim, indirectly benefits from these transactions. This affiliation does present a potential conflict. To address this issue, Jim lets clients know that they may, of course, purchase these policies from underwriters other than the ones Envoy represents. In addition, in cases where the nature of the insurance need is very specialized, Jim recommends third party insurance agents to ensure that he serves each client's best interests.

### **Item 5- Additional Compensation**

Jim receives no additional compensation other than fees from clients as outlined in their investment management agreements and revenues as referenced in Item 4.

## **Item 6 - Supervision**

Jim is the majority owner and one of two principals at Seascapc therefore he has no supervisor in the firm. He and Monica Ann. Ness, Senior Portfolio Manager and Chief Compliance Officer, as principals of the firm, are responsible for supervising Seascapc's advisory activities and managing Seascapc's team of supervised persons. Jim and Monica supervise these persons by holding regular meetings, which may include staff, investment, compliance and other ad hoc meetings. They both review client reports, emails and trading, as well as personal securities transactions and holdings reports.

He complies with Seascapc's policies and codes developed and administered by Seascapc's Chief Compliance Officer. He also adheres to the spirit and letter of the law as determined by federal and state regulatory authorities, and follows the professional codes of ethics as written by the Certified Board of Financial Planners, Inc. and Investment Management Consultants Association.

Jim and Monica may both be contacted at 603-964-4480.