



SCALE

ADVISORY GROUP

Scale Advisory Group LLC

Form ADV Part 2A Brochure

Item 1: Cover Page

February 21, 2023

Scale Advisory Group LLC

6139 Wood Creek Ct.

Jupiter, FL 33458

This Form ADV Part 2A Brochure provides information about the qualifications and business practices of Scale Advisory Group LLC (“Scale Advisory” or the “Company”). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any State Securities Authority. Please note that the use of the term “registered investment adviser” does not imply a certain level of skill or training.

Additional information about Scale Advisory is also available on the SEC’s website at www.adviserinfo.sec.gov. If you have any questions about the contents of this Brochure, please contact us at 954-225-0101, or via e-mail at: cnalley@scaleadvisorygroup.com.

Item 2: Material Changes

This Brochure provides information about the qualifications and business practices of Scale Advisory. You will receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of Scale Advisory's fiscal year, which is December 31 of each year.

There have been no material changes since the last Form ADV filing on February 2021. In addition to formatting and editing changes, clarification was made throughout the document to reflect that the SEC's new Marketing Rule which became effective in November 2022 replaced the term "solicitor" with "promoter." To date, this new terminology in federal law is not consistently reflected in State Law.

Additional information about our business can be found in Form ADV Part I, filed with the SEC. This form may be obtained at www.adviserinfo.sec.gov. You may obtain a copy of our Disclosure Brochure free of charge at any time by contacting us at: 954-225-0101, or via e-mail at: cnalley@scaleadvisorygroup.com.

Item 3: Table of Contents

Item 2: Material Changes 2
Item 3: Table of Contents 3
Item 4: Advisory Business 4
Item 5: Fees & Compensation 4
Item 6: Performance-Based Fees & Side-By-Side Management 5
Item 7: Types of Clients & Account Requirements 5
Item 8: Methods of Analysis, Investment Strategies & Risk of Loss 5
Item 9: Disciplinary Information 5
Item 10: Other Financial Industry Activities & Affiliations 6
Item 11: Code of Ethics, Participation, or Interest in Client Transactions & Personal Trading 6
Item 12: Brokerage Practices 7
Item 13: Review of Accounts 7
Item 14: Client Referrals & Other Compensation 8
Item 15: Custody 8
Item 16: Investment Discretion 8
Item 17: Voting Client Securities 8
Item 18: Financial Information 8
Item 19: Requirements for State-Registered Advisors 9

Item 4: Advisory Business

Scale Advisory is a Limited Liability Company organized under the laws of the State of Florida on March 11, 2020. The principal owner of the Company is Christopher Nalley. Scale Advisory is a promoter (also known as solicitor or referral agent), as defined in Rule 206 (4)-1 of the Investment Advisers Act of 1940 (“Advisers Act”) and applicable state law and is registered in the state of Florida as an Investment Adviser.

As part of its services, Scale Advisory offers executive coaching, consulting, and financial planning for small to midsized independent business owners and professionals in all areas of their practice including their business and personal goals. This includes Profit First Cash Flow Management, Business Tax and Retirement Planning and Financial Oversight and Guidance in areas such as: planning in advance of a partial liquidity event, generational transition or sale and using tax-efficient strategies for the business and its employees. Scale Advisory’s coaching and consulting services are typically delivered through group meetings and seminars. The company does not charge a fee for participation in the group meetings and seminars. Scale Advisory offers a complementary initial consultation to determine whether interested individuals are a good fit for the group meetings and seminars.

Scale Advisory does not manage assets, or offer investment advice, or assist clients in implementing their financial plan. For clients that require investment management services, Scale Advisory will enter into promotion/solicitation or referral arrangements with one or more unaffiliated registered investment advisers who will compensate Scale Advisory for introducing the clients to them. The unaffiliated registered investment adviser(s) will enter into a separate agreement with clients introduced by Scale Advisory to provide the client with investment management services. Prospective clients will receive a copy of Scale Advisory’s Form ADV Part 2A Brochure and Part 2B Brochure Supplements. Clients that are part of a promotion/solicitor/referral arrangement will also be provided with a copy of the unaffiliated registered investment adviser’s Form ADV Part 2A Brochure, which contains information regarding the introduced registered investment adviser’s services, business practices and fees. Clients are not obligated to work with any registered investment adviser introduced by Scale Advisory.

Scale Advisory also offers one-on-one coaching and consulting services. Prior to engaging Scale Advisory to provide one-on-one personalized coaching and consulting services, prospective clients will be required to enter into a written agreement with Scale Advisory that sets forth the cost and terms and conditions under which the Company shall render its services.

As part of its comprehensive, holistic approach, Scale Advisory also offers access to strategic relationships and alliances with a curated group of collaborators consisting of unaffiliated third-party service providers such as accountants, attorneys, business valuation specialists, mortgage brokers/lenders, bankers, consultants, coaches, and other professionals. Scale Advisory does not receive compensation for referrals to these third-party service providers. Scale Advisory only receives promoter/solicitor/referral agent fees from registered investment advisers engaged to manage client assets pursuant to a promoter/solicitor/referral

arrangement, as described above. Scale Advisory is not a party to the engagement between the third-party service provider and the client and clients are under no obligation to engage a particular service provider.

Item 5: Fees and Compensation

Scale Advisory will enter into promoter/solicitor/referral agreements with and recommend clients to unaffiliated investment advisers. As a promoter/solicitor/referral agent, Scale Advisory shall receive a portion of the fee paid by the client to the unaffiliated investment adviser to manage their assets. The promoter/solicitor/referral fee is a negotiated fee, each client will receive specific disclosure of the actual fee charged. Scale Advisor's solicitor fee shall not exceed 1% of the client's assets. Clients will receive a disclosure document that describes the promoter/solicitor/referral arrangement with Scale Advisory and fees to be paid to Scale Advisory. Promoter/Solicitor/Referral fees paid to Scale Advisory will not result in any additional cost to the client.

Those clients that choose to establish an account with the unaffiliated investment adviser introduced by Scale Advisory will pay the unaffiliated adviser an annual asset-based investment management fee. Clients will also incur custodian, brokerage account and securities transaction fees in the management of their account and may also incur other third-party fees such as fees charged by fund managers, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic funds fees, and other fees and taxes. All fees and expenses are disclosed in the unaffiliated adviser's Form ADV Part 2A Disclosure Brochure. Clients should be aware that other registered investment advisors may provide advice on a wider range of choices and at a higher or lower cost.

Item 6: Performance-Based Fees and Side-By-Side Management

Scale Advisory does not offer investment management, or side by side management, or charge performance-based fees, or other fees based on a share of capital gains on or capital appreciation of client assets. This item is not applicable.

Item 7: Types of Clients and Account Requirements

The Company offers financial planning, executive coaching and consulting services to business owners and professionals. Scale Advisory does not offer any types of account or investment management services or require an account minimum.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Scale Advisory does not offer investment management services, or offer investment advice, or assist clients in implementing the client's financial plan. Clients will be introduced to an unaffiliated investment adviser with whom Scale Advisory has entered into a referral agreement who will provide investment advice to the

client, manage the client's account, and provide Scale Advisory with a referral fee for introducing the client.

Clients should keep in mind that investing in securities involves the risk of loss that the client should be prepared to bear. There can be no assurances that any investments or investment strategies will be successful, particularly in the short-term. Investment performance of any kind is not guaranteed, and past performance is not an indication of future results.

Cybersecurity Risk

Scale Advisory utilizes electronic communication networks and electronic media to maintain information regarding its clients and its business. Scale Advisory may be subject to cybersecurity incidents or cyber-attacks that may result in the inadvertent disclosure of confidential sensitive information to unintended parties; unauthorized access to confidential sensitive information; or operational disruptions by malicious hackers. Scale Advisory has in place policies and procedures regarding information technology security. We maintain technical and physical safeguards and take other reasonable precautions to safeguard the confidentiality of sensitive information and internal data. However, despite reasonable precautions, the risk remains that cybersecurity incidents may occur. If such an event were to occur, Scale Advisory will promptly notify the affected parties and take all necessary appropriate actions.

Item 9: Disciplinary Information

Scale Advisory and its management and employees do not have any legal or disciplinary events to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Scale Advisory is not registered as a broker-dealer and does not have an application pending to register with the SEC as a broker-dealer or registered representative of a broker-dealer. Scale Advisory has no control affiliates or related persons that are broker-dealers. Additionally, Scale Advisory is not registered and does not have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading adviser, or an associated person of any of these entities.

Christopher Nalley, Scale Advisory's owner, principal and only employee is currently registered as an investment advisor representative with an unaffiliated registered investment advisor. Mr. Nalley's investment advisor activities at the unaffiliated registered investment advisor are separate and distinct from the business of Scale Advisory. Disclosure of Mr. Nalley's dual registration and activities is included in his Form U-4 and respective Form ADV Part 2B Brochure Supplements.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Scale Advisory and its employees, associated persons, and Access Persons must conduct business in an honest, ethical, and fair manner and complies with all federal and state securities laws. The Company has

adopted a Code of Ethics in compliance with Rule 204A-1 under the Advisers Act that describes the high standard of conduct expected of Scale Advisory's employees, associated persons and Access Persons. Upon employment with the Company all employees, associated persons and Access Persons are required to acknowledge receipt, understanding and compliance with Scale Advisory's Code of Ethics.

"Access Persons" are defined as any supervised person of the Company who:

- is a Director, Officer or Partner of the firm;
- has access to nonpublic information regarding a clients' purchase or sale of securities; or
- is designated as such by the Company's Chief Compliance Officer.

The Code of Ethics includes among other things, provisions relating to the:

- maintaining the confidentiality of client information;
- unlawful use material, non-public information, and a prohibition on insider trading;
- reporting of personal securities holdings and transactions;
- pre-clearance of Access Person's participation in certain investments such as initial public offerings or limited offerings;
- reporting of certain gifts, business entertainment and as applicable, political contributions; and
- restrictions on the acceptance of significant gifts.

The transaction reporting requirements in the Code of Ethics are not applicable to Access Person's investments in:

- U.S. government securities;
- money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper and other high-quality short-term debt instruments, including repurchase agreements;
- municipal bonds;
- mutual funds and money market funds;
- ETFs and unit investment trusts that are invested exclusively in one or more open ended funds;
- accounts managed by a third-party manager.

Failure to abide by the Code of Ethics may subject the employee, associated person, or Access Person to sanctions including termination of employment.

If a client or a prospective client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request by contacting us at the number listed on the cover of this Brochure.

Item 12: Brokerage Practices

Scale Advisory does not provide investment advice or investment management services and has not entered into arrangements to direct client trades to brokers for execution.

Soft Dollars

The Company is not a party to soft dollar arrangements.

Trade Aggregation and Directed Brokerage

Scale Advisory does not provide investment management services, offer directed brokerage, engage in trading or aggregates trades.

Principal and Cross Trades

Scale Advisory does not provide investment management services, engage in trading activities including principal trades, or cross transactions in client accounts.

Item 13: Review of Accounts

Scale Advisory does not provide investment advice, investment management services, or oversight of investments in client portfolios.

Item 14: Client Referrals and Other Compensation

Referral Fees

As previously noted, Scale Advisory has entered into promotion/solicitor or referral agreements with one or more independent advisors, in accordance with the provisions in Rule 206 (4)-1 of the Advisers Act, State of Florida and/or other applicable state laws. Clients will be provided with full written disclosure describing the terms of the promoter/solicitor/referral arrangement and fees paid to Scale Advisory. The referral fee is generally calculated based on a percentage of the client's assets that will be managed and must be disclosed and acknowledged by the client. Referral fees paid to Scale Advisory will not result in any additional charges to the client. In cases where state law requires registration of promoters/solicitors/referral agents, Scale Advisory shall register as an investment adviser in that state or operate pursuant to an exemption from registration in the particular state.

Scale Advisory may refer or recommend legal, tax, accounting or other professionals or service providers to clients. We do not receive any compensation when making such referrals or recommendations and clients are not obligated to use the services of such professionals or service providers. Scale Advisory is not a law firm or accounting firm and does not offer legal, tax or accounting advice.

Item 15: Custody

Scale Advisory does not maintain physical custody of client assets or engage in activities that may subject the Company to custody. Scale Advisory does not charge advisory fees based on a percentage of assets under management or have the ability to deduct fees from client accounts.

Item 16: Investment Discretion

The Company does not offer discretionary investment management.

Item 17: Voting Client Securities

Scale Advisory is a promoter/solicitor/referral agent and does not manage client accounts or have authority to vote proxies on behalf of clients. The custodian that holds the client's investments will arrange for clients to receive proxies and other solicitations directly from the issuer or third party assigned by the issuer. Clients may obtain a copy of our proxy voting policies by contacting us at the number listed on the cover of this Brochure.

Item 18: Financial Information

Registered investment advisors are required to provide clients with certain financial information or disclosures about the adviser's financial condition. Scale Advisory and its management personnel have not been the subject of any bankruptcy proceedings. As of the date of this Brochure, Scale Advisory has no financial commitments or liabilities that impair its ability to meet its contractual commitments to clients and the Company does not charge advisory fees or require prepayment of advisory fees of more than \$500, six months or more in advance.

Item 19: Requirements for State-Registered Advisors

Christopher Nalley is the principal executive officer and management person of Scale Advisory. Information regarding Mr. Nalley's formal education and business background is provided in his Form ADV Part 2B Brochure Supplement.

Other than executive coaching, consulting, financial planning, and promoter/solicitor/referral agent activities as described in Item 4 above, Scale Advisory is not involved in any other business.

Registered investment advisers are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory, or administrative proceedings. Scale Advisory has no information to report. Scale Advisory and its management personnel have not been the subject of any legal or disciplinary events pertaining to arbitration awards or other civil, regulatory, or administrative proceedings.

Neither Scale Advisory nor its management personnel have a relationship or arrangement with any issuer of securities. Please also refer to Item 10 above, "Other Financial Industry Activities and Affiliations" for additional information.



**Form ADV Part 2B Brochure Supplement
Christopher Nalley CFP®**

**Scale Advisory Group
LLC**

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Jupiter, FL 33458

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February 2023

This Brochure Supplement provides information about Christopher Nalley that supplements the Scale Advisory Group, LLC's ("Scale Advisory") Form ADV Part 2A Disclosure Brochure. You should have received a copy of that Brochure. Please contact us at the number listed above, if you did not receive Scale Advisory's Disclosure Brochure, or if you have any questions about the contents of this Brochure Supplement. Additional information about Scale Advisory and Christopher Nalley is available on the SEC's website at <https://adviserinfo.sec.gov/>

Christopher Nalley Part 2B – Brochure Supplement

Year of Birth: 1982

Item 2. Educational Background and Business Experience

Education

University of Central Florida - 2001 - 2005
Bachelor of Business Administration - Finance with Minor in Economics

Business Experience

<u>CS Advisors Inc.</u> Investment Advisor Representative	June 2020 to Present
<u>Scale Advisory Group, LLC</u> President and Chief Compliance Officer	March 2020 to Present
<u>Scale Consulting Group, LLC</u> President	April 2023 to Present
<u>Bookmark Advisors/Bleakley Advisory Group</u> Financial Advisor	2018 to May 2020
<u>Private Advisor Group</u> Investment Advisor Representative	2018 to May 2020
<u>Variant Trading Institutional Group, Inc.</u> Chief Compliance Officer, Chief Operations Officer, Financial and Operations Principal	2008 - 2018

Industry Qualifications and Licenses: He currently holds the Series 66 Uniform Combined State Law examination. He has passed and previously held the following FINRA registration: Series 7, General Securities Representative, Series 55 Equity Trader, Series 24 General Securities Principal and Series 27 Financial and Operational Principal.

Mr. Nalley has held the designation of Certified Financial Planner TM certification since 2018. The Certified Financial Planner TM, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the U.S. by Certified Financial Planner Board of Standards, Inc. (“CFP Board”). The CFP® certification is a voluntary certification. It is recognized in the U.S. and a number of other countries for its high standard of professional education, stringent code of conduct and standards of practice, and ethical requirements that govern professional engagements with clients. To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning; and attain a Bachelor’s Degree from a regionally accredited U.S. college or university

- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose and apply one’s knowledge of financial planning to real world circumstances.

- Experience – Complete at least three years of full-time financial planning- related experience (or the equivalent, measured as 2,000 hours per year)
- Ethics – Agree to be bound by CFP Board’s Standards of Professional Conduct, (“Standards”) a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following continuing education and ethics requirements:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards to maintain competence and keep abreast of developments in the financial planning field.
- Ethics – Renew an agreement to be bound by the Standards. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care and in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Item 3. Disciplinary Information

Mr. Nalley has never been the subject of any legal or disciplinary events.

Item 4. Other Business Activities

Mr. Nalley is the manager of EPN Limited Partnership (“EPN”), an entity that serves as a family related investment vehicle. Mr. Nalley is an investment adviser representative of CS Advisors, Inc, (“CSAI”) an unaffiliated registered investment advisor. Mr. Nalley is the President of Scale Consulting Group, LLC (“SCG”) which provides leadership training and coaching services to business owners.

Item 5. Additional Compensation

Mr. Nalley receives compensation from Scale Advisory, EPN, CSAI and SCG.

Item 6. Supervision

Scale Advisory is subject to regulatory reporting, oversight, and examination. Scale Advisory has implemented internal written supervisory procedures to comply with the rules and regulations of the State of Florida and the SEC’s Investment Advisers Act of 1940 (“Advisers Act”). This includes, among other things, adoption of a Code of Ethics and Insider Trading Procedures and designation of a Chief Compliance Officer responsible for the implementation of the company’s compliance policies and procedures. Mr. Nalley is the Chief Compliance Officer. He may be contacted at 954-225-0101, or email: cnalley@scaleadvisorygroup.com.



Privacy Notice: November 2020 (Current as of February 2023)

Scale Advisory Group LLC’s (“Scale Advisory”) understands the importance our clients place on the privacy and security of their personal information. Scale Advisory is committed to safeguarding the personal information that we obtain from our clients and maintaining the confidentiality, integrity, and security of our clients’ personal information. Scale Advisory has prepared this policy statement to inform our clients of the type of personal data we obtain, the purposes for which we obtain this information, share, or disclose our client’s personal data and safeguards in place to secure our client’s personal data.

Information We Collect from Our Clients

Scale Advisory collects all personal information necessary for us to run our business and service clients. Personal information collected by Scale Advisory includes information our clients provide us and may consist of the client’s address, date of birth and age, employment history, investment experience, investment objectives, risk tolerance, account balances and transaction history, among other information. We may also collect information about client transactions, account experience, account balances, payment history, or credit history from custodians, credit bureaus, consumer reporting agency, or other sources.

Use and Disclosure of Client’s Personal Information

Scale Advisory does not sell, share or disclose, nor intend to sell, share or disclose our client’s personal information to third party marketers. As permitted by law, we may share our client’s personal information with agents or third-party providers for the purpose of servicing clients. Our agents and third-party service providers who have access to our client’s personal data are required to maintain policies to safeguard their data. Scale Advisory may also disclose personal information to investment advisers, securities broker-dealers, custodian(s), or other financial institutions who are regulated entities subject to the same privacy laws and types of restrictions as we are on disclosing client’s personal information.

Scale Advisory may disclose or report personal information to affiliated and nonaffiliated third parties to perform necessary services, or as permitted by law. These service providers include attorneys, accountants, consultants, data processing companies, record storage companies, courier, and mailing services. These service providers assist Scale Advisory in fulfilling legal obligations and processing contracted services. Service providers acting on Scale Advisory’s behalf that have access to sensitive client information are contractually

obligated to safeguard our client's personal data, treat information provided by Scale Advisory strictly confidential, and use the information solely in connection with providing contracted services requested by Scale Advisory.

Protecting Client's Personal Information

To protect our client's personal information from unauthorized access and use, we maintain commercially reasonable physical, electronic, and procedural safeguards to protect our client's personal information. These security measures include computer safeguards and secured files and locations.

Scale Advisory's employees are subject to a Code of Ethics and strict policies requiring confidential treatment of client information. Employees and contractors acting on Scale Advisory's behalf are required to access client information only for legitimate business purposes. Employees receive training on the proper safeguarding of customer information and are subject to disciplinary action for failing to follow our policy.

Review, Disclosure and Storage of Electronic Communications

Electronic communications to and from Scale Advisory are subject to review by appropriate supervisory personnel, our outside auditors or consultants and appropriate regulatory authorities, or governmental agencies, to ensure compliance with applicable regulatory obligations. As required by law, Scale Advisory may disclose electronic communications involving our clients in response to a court order, or as requested by government agencies, regulatory authorities, or law enforcement.

Information Transmitted Over the Internet

While Scale Advisory uses commercially reasonable technical and organizational methods to protect electronic communications to and from Scale Advisory, we do not accept responsibility or liability for the security of information transmitted over the Internet and encourage our clients to use encryption, password protected documents, or other means of communication to transmit sensitive personal information to us.

The Internet is not deemed to be a secure environment. Information transmitted through the Internet may be intercepted by unauthorized third parties. This may result in among other things: unauthorized disclosure of client's personal information changes to the content of the communication, or transmission failures. Additionally, even when both the sender or receiver are located in the same country, information transmitted via the Internet may travel across international borders to a country with lower data protection levels or standards.

Questions about Our Policy

Please contact us at 954-225-0101 to obtain a copy of our current privacy policy, or with any questions about our policy.