

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:
RJ Capital

SEC File Number:

801- 67119

Date:

01/07/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: RJ Capital		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	

Item 1(D)	<p><u>ADVISORY SERVICES AND FEES</u></p> <p>RJ Capital (hereinafter "the Company"), formed under the laws of the State of Texas, and registered with the Securities and Exchange Commission (SEC) as a registered investment adviser. This Schedule F narrative provides clients with information regarding the Company and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of the Company.</p> <p>Additional information about the Company is available on the Internet at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for IA is 118937.</p> <p>Individuals associated with the Company will provide its investment advisory services. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on behalf of the Firm. Such individuals are known as Investment Adviser Representatives (IARs).</p> <p>The Company provides discretionary portfolio management services where the investment advice provided is custom tailored to meet the individualized needs and investment objectives of the client. Subject to any written guidelines, which the client may provide, the Company may be granted the discretion and authority to manage the account by the client. Accordingly, the Company is authorized to perform various functions, at the client's expense, without further approval from the client. Such functions include the determination of securities to be purchased/sold and the amount of securities to be purchased/sold. Once the portfolio is constructed, the Company provides continuous supervision of the portfolio as changes in market conditions and client circumstances may require.</p> <p>The Company shall never have custody of any client funds or securities, as the services of a qualified and independent custodian will be used for these asset management services.</p> <p>The company will be compensated only upon a previously agreed upon fee, hourly charge, or fixed fee. All fees for services are calculated as a percentage of assets and billed each calendar quarter. All fees are negotiable based on size of account, length of time with Advisor, scope of services provided, any other factors deemed applicable and at RJ Capital's sole discretion.</p> <p>Fee Breakpoints: <u>Assets Under Management</u> \$0 - \$3,000,000 = 1.00% \$3,000,001 - \$5,000,000 = 0.85% \$5,000,001+ = 0.75%</p> <p>Each client has the ability to terminate the client agreement at any time and clients will never pay for services in advance.</p>
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Item 1(D)
(Continued)

Pursuant to SEC Rules and Regulations, Adviser hereby discloses that Adviser is not, but Adviser's representative is an agent/broker with various insurance companies. Such firms pay representatives a commission for the sale of their products. As such, a potential conflict of interest exists between the Adviser's interest and the Clients. The Adviser may utilize various firms for the execution of securities transactions and to custody assets. In certain cases, Adviser may recommend that clients execute transactions through unaffiliated broker-dealers further described in Item 12(B) of Schedule F. Adviser does not earn any commissions from unaffiliated broker-dealers. In any event, Client is under no obligation to act upon Adviser's recommendations and if the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through Adviser, or any of the unaffiliated broker-dealers listed in Item 12(B) of Schedule F.

Item 6

EDUCATION AND BUSINESS BACKGROUND**Gregory J. Litts***Born in 1969*

Mr. Litts Received a Bachelor of Business Administration Degree from the University of Texas at Austin in December 1992 and also received a Master of Business Administration Degree in Finance from the University of Houston in May 1999.

For the past five years, Mr. Litts has been the President and Chief Compliance Officer of RJ Capital and has extensive experience in the financial markets while managing money for both individual and institutional clients. His past experiences have allowed him to manage the creation of a hedge fund for a merchant bank in Houston as well as principally trade stocks for financial institutions.

Prior to starting RJ Capital, Mr. Litts was Vice-President of the FINRAAQ trading desk at Morgan Keegan while making markets in over twenty OTC/FINRAAQ. He currently serves as an expert witness in securities cases and as an FINRA arbitrator.

Michael Brian Wachsler*Born in 1975*

Brian joined RJ Capital in January 2008. His primary responsibilities include business development of retail and institutional clients, investor relations and communication.

Prior to joining RJ Capital, Brian was with Van Den Berg Management, DBA Century Management, serving as a relationship officer in charge of business development. During this time, he successfully raised \$1.2 billion in assets from individual investors, institutions, pensions, foundations, and small businesses. Brian also has experience as both a financial consultant and investment specialist for Merrill Lynch and Charles Schwab & Co. He worked with clients to develop an overall financial plan structured around key goals, both personal and business related.

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Item 6 (Continued)	<p>Brian holds a Bachelor's degree in Business Administration (BBA) from Sam Houston State University, as well as several professional designations. He is a Certified Financial Manager (CFM) from the Merrill Lynch Advanced Professional Development Training Center in Princeton, NJ, as well as a Chartered Retirement Planning Specialist (CRPS) and Chartered Mutual Fund Counselor (CMFC) from the College for Financial Planning in Denver, CO.</p>
Item 8(C)(9)	<p><u>OTHER BUSINESS ACTIVITIES AND OTHER FINANCIAL INDUSTRY AFFILIATIONS</u></p> <p>Mr. Litts is a licensed insurance agent/broker with various companies. In his role as an insurance agent/broker, he may offer commissionable (non-variable) insurance products to Advisor's clients for which he may receive compensation. Insurance sales constitute less than 1% of Mr. Litt's time.</p>
Item 9(E)	<p><u>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</u></p> <p>The investment advisor has the ability to personally invest in the same products as the client but can never receive a better price than the client if the security is traded on the same day.</p> <p>The Code of Ethics is predicated on the principle that RJ Capital owes a fiduciary duty to its clients. Accordingly, RJ Capital's employees must avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interests of clients. At all times, RJ Capital must:</p> <ul style="list-style-type: none"> • <i>Place client interests ahead of RJ Capital's</i> – As a fiduciary, RJ Capital must serve in its clients' best interests. In other words, RJ Capital's employees may not benefit at the expense of advisory clients. This concept is particularly relevant when employees are making personal investments in securities traded by advisory clients. • <i>Engage in personal investing that is in full compliance with RJ Capital's Code of Ethics</i> – Employees must review and abide by RJ Capital's Personal Securities Transaction and Insider Trading Policies. • <i>Avoid taking advantage of your position</i> – Employees must not accept investment opportunities, gifts or other gratuities from individuals seeking to conduct business with RJ Capital, or on behalf of an advisory client. <p>Any questions with respect to RJ Capital's Code of Ethics should be directed to the Compliance Officer and/or the Chief Executive Officer.</p>

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Miscellaneous	<u>Insider Trading</u> In accordance with Section 204A of the Investment Advisers Act of 1940, Adviser also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Adviser.
Miscellaneous	<u>Proxy Voting</u> Adviser does not vote proxies for clients
Item 12(A)(1) & (2)	<u>INVESTMENT OR BROKERAGE DISCRETION</u> Investment of Brokerage Discretion. The Company has the authority without specific client consent to determine the securities to be bought or sold. The Company, in conjunction with the client, selects the broker dealer to be used. The Company does not negotiate commissions paid by individual clients, except as part of a package price or discount paid by all clients using that broker dealer. The Company does not have custody of client funds or authority to remove funds from clients' accounts except to instruct the custodian to return funds directly to clients or to deduct advisory fees from the account on a quarterly basis. The Applicant may recommend broker dealers to clients based upon quality of service, commissions, and his impression of the integrity or individuals involved and the services he expects the client to receive. The Company does not receive any compensation from the broker dealer for these referrals. In the event any future compensation is received, such compensation will be disclosed in writing to the client affected. Generally, all clients receive the similar advice. Therefore, advice will be proportionately beneficial to all clients and the Applicant. The primary investments are sector or region specific mutual funds, taxable and tax-exempt money market funds, and U.S. and State issued fixed income securities. Future market conditions may dictate redirecting funds to a variety of alternative investments.
Item 12(B)	<u>SUGGESTION OF BROKERS</u> The Company may execute or recommend that clients execute their securities transactions through Fidelity Institutional Wealth Services ("FIWS") through Fidelity Brokerage Services LLC and/or Schwab Institutional ("SI") services program offered to independent investment advisers by Charles Schwab & Company, Inc. Both firms are unaffiliated SEC-registered broker-dealers and FINRA members. These firms may charge commissions (ticket charges) for executing the Company's transactions. The Company does not receive any part of these separate charges which are assessed directly to clients. FIWS and SI do not have a role with respect to the Company's investment advisory accounts, however they may serve as the broker-dealer in cases where clients wish to execute recommendation as part of the implementation of a financial plan. It is important to note that FIWS and SI do not maintain supervisory relationships with respect to the Company or its representatives nor are they in any way affiliated with it. The Company is independently owned and operated.

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Item 12(B) (Continued)	<p>The Company may recommend/require that clients establish accounts with FIWS or SI to maintain custody of clients' assets and to effect trades for their accounts. FIWS and SI may provide the Company with access to their institutional trading and custody services, which are typically not available to FIWS and TD Ameritrade retail investors. FIWS and SI's services include brokerage custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.</p> <p>For the Company's Clients' accounts maintained in their custody, FIWS and SI do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees or securities trades that are executed through FIWS or SI or that settle into FIWS or SI accounts.</p> <p>FIWS and SI also make available to the Company other products and services that may benefit the Company but which may not benefit its clients. These types of services will help the Company in managing and administering client accounts. These include software and other technology that provide access to client account data (i.e. trade confirmations and account statements); facilitate trade executions; provide research, pricing information, and other market data; facilitate in the payment of the Company's fees from its clients' accounts; and assist with back-office functions, record-keeping, and client reporting. Many of these services may be used to service all or a substantial number of the Company's accounts.</p> <p>As part of the SI program, the Company receives benefits that it would not receive if it did not offer investment advice (Please see the disclosure under Item 13.A. Below.)</p> <p>In certain cases, Advisor has obtained the written consent of FIWS and/or SI clients to engage in discretionary trading of securities. Such discretion is limited to the authority to select securities to be bought or sold and/or the amount of securities to be bought or sold. Advisor does not possess the authority without the client's consent to determine the broker or dealer to be used or the commission rates paid.</p> <p>Advisor reasonably believes that in the case of managed accounts, FIWS and/or SI's blend of execution services, commission and transaction costs as well as professionalism allows Advisor to seek best execution and competitive prices. Additionally Advisor believes that in case of financial plan recommendations being implemented, that these firms blend of execution services, commission and transaction costs as well as professionalism allows Advisor to recommend FIWS or SI, Inc. for the establishment of a brokerage account. At all times, financial planning clients are free to execute their plan recommendations through any broker-dealer without the assistance of Advisor or its investment advisory representatives.</p> <p>As mentioned previously, clients generally grant Advisor discretionary authority over the selection and amount of securities to be bought and/or sold for their account without obtaining their prior consent or approval. The trading authority will allow Advisor to take advantage of time-sensitive market conditions in securities, which are consistent</p>
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Item 12(B) (Continued)	with the client's prior stated investment objectives. However, Advisor's investment authority may be subject to specified investment objectives, guidelines, and/or conditions imposed by the client. For example, a client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry.
Item 13(A)	<p>As disclosed under Item 12.B. above, the Company participates in Charles Schwab & Co.'s, Schwab Institutional (SI) service program. While there is no direct linkage between the investment advice given and participation in the SI program, economic benefits are received which would not be received if the Company did not give bundled duplicate statement, access to a trading desk service SI participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client accounts; access, for a fee, to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly high minimum initial investments or are generally available only to institutional investors. The benefits received through participation in the SI program do not depend upon the amount of transactions directed to, or amount of assets custodied by, Charles Schwab & Co., Inc.</p> <p>The Company may recommend that clients establish accounts with Charles Schwab & Co., Inc. ("Schwab") or Fidelity Brokerage Services LLC to maintain custody of clients' assets to effect trades for their accounts. Schwab provides the Company with access to their institutional trading and custody services, which are typically not available to Schwab retail investors. These services are generally available to independent investment advisors on an unsolicited basis, at no charge to them so long as the total of at least \$5 to \$10 million of the Company's clients' assets is maintained in accounts at Schwab. Schwab's services include brokerage custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.</p> <p>For the Company's Clients' accounts maintained in their custody, Schwab does not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees or securities trades that are executed through Schwab or that settle into Schwab accounts. In certain circumstances, the Company may advise clients to use Schwab's Asset Based Pricing in lieu of the above state method.</p> <p>Schwab also makes available to the Company other products and services that may benefit the Company but which may not benefits its clients. These types of services will help the Company in managing and administering client accounts. These include software and other technology that provide access to client account data (i.e. trade</p>

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Item 13(A) (Continued)	<p>confirmations and account statements); facilitate trade executions; provide research, pricing information, and other market data; facilitate in the payment of the Company's fees from its clients' accounts; and assist with back-office functions, record-keeping, and client reporting. Many of these services may be used to service all or a substantial number of the Company's accounts. the Company does not maintain custody of client assets.</p> <p>Company does not maintain custody of client assets. In all managed account cases, the custodian sends quarterly statements to Company's clients showing all disbursements for the custodian account including the amount of the advisory fees. Clients provide written authorization permitting Company to be paid directly for their accounts held by the custodian or trustee.</p> <p>All accounts will be set up with limited trading authorization in order to implement client trades and investment strategies. This agreement allows the investment advisor to invest assets in the account and does not provide the advisor the ability to transfer or withdrawal assets without the consent of the client. In cases where it makes economic or trading sense to do so, we attempt to batch trades to achieve better pricing.</p> <p>The client may open an account at any discount brokerage company but if the advisor does not have trading authorization on the account, then the client will be responsible to implement all investment strategies.</p>
Item 13(B)	<p>USE OF UNAFILIATED SOLICITORS</p> <p>The Company may pay referral fees (non-commission) to independent solicitors (non-registered representatives) for the referral of their Clients to the Company in accordance with Rule 206 (4)-3 of the Investment Advisors Act of 1940. Such referral fee represents a share of Company's asset-based investment advisory fee. This arrangement will not result in higher costs to the Client.</p> <p>In this regard, the Company maintains <i>Solicitors Agreements</i> in compliance with Rule 206 (4)-3 of the Investment Advisors Act of 1940. In addition, all applicable federal and state laws will be observed. All Clients referred by Solicitors to the Company will be given full written disclosure describing the terms and fee arrangements between the Company and its Solicitor(s).</p>

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