

**SEC NO. 801-62546**

As of March 31, 2011

***SJS Corporation  
Form ADV Part 2A Brochure***

**SJS CORPORATION  
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**This brochure provides information about the qualifications and business practices of SJS Corporation. If you have any questions about the contents of this brochure, please contact us at (203) 328-3001 or [ssimes@sjscorp.com](mailto:ssimes@sjscorp.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

Item 2            Material Changes

This is the first presentation of the SJS Corporation Form ADV Part 2A Brochure under the new required format. Therefore, there are no material changes to report.

Item 3            Table of Contents

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**Firm Background**

SJS Corporation (“SJS”) is a registered investment adviser registered with the Securities and Exchange Commission (SEC) since December 2003. SJS is owned and operated by Steven J. Simes. Mr. Simes founded SJS in 1991 as a product distributor and institutional asset manager, and member of the global AXA Group (“AXA”). Mr. Simes is also a Series 7 registered representative with First Allied Securities since April 2006, and conducts securities transactions for brokerage clients introduced to First Allied.

Previously, Mr. Simes held various positions with several Wall Street firms, including Centaurus Financial, Inc., EQ Financial Consultants, Inc. and The Equitable Life Assurance Society of the United States (now known as AXA Equitable) from 1991 through 1999. During this time Mr. Simes achieved “top ten” ranking of over 7,000 AXA Equitable agents in 1995. He subsequently improved on that performance in 1996, 1997 and 1998 to garner fourth, third and second place, respectively. As an area manager for Capital Associates in 1990, Mr. Simes worked in the structured finance area, and held a similar role at Pacific Corp, a subsidiary of Pacific Power and Lighting. Mr. Simes began his career as a territory marketing representative for the Xerox Corporation, and thereafter became an area level manager for Memorex Corporation (now Unisys). Mr. Simes was born in 1959 and is a graduate of Indiana University obtaining a Bachelor of Sciences in Business Administration.

SJS conducts its business through First Allied Securities Inc., a fully disclosed, full service Broker/Dealer. First Allied Securities Inc. (“First Allied”) is a wholly owned indirect subsidiary of Advanced Equities Financial Corp. Through First Allied, SJS, clears its business through Pershing, LLC (Pershing), a subsidiary of The Bank of New York Mellon Company, as well as J.P. Morgan Chase and Wells Fargo.

SJS is engaged in the business of buying and selling stocks, bonds, mutual funds, annuities, insurance, and direct participation programs. SJS may also provide services such as financial consulting or securities analysis. SJS's principal activities include retail and institutional client services, including but not limited to providing advice with respect to financial markets and securities transactions.

SJS, through its investment adviser representatives (IARs) and solicitors, offers a variety of investment advisory services for a fee to high net worth individual and institutional clients. The services offered include the selection of or assistance in selecting a portfolio manager, ongoing evaluation and review of portfolio managers, evaluation and review of portfolio composition, execution, and/or activity in client accounts, financial planning, consultation on client assets, and active portfolio management. Portfolio management may be provided by the IAR, an affiliated registered investment adviser, or an unaffiliated investment adviser.

Many SJS IARs are also licensed life insurance agents with third-party insurance general agency. The principal and advisory affiliates of SJS are licensed with several life, disability, and other insurance companies. IARs may recommend insurance products offered by these companies. An inherent conflict of interest exists since the IAR may receive insurance commissions in addition to advisory fees. SJS advisory clients will be notified in advance of sources of compensation. Clients are also advised that they are under no obligation to purchase insurance products through SJS or SJS IARs.

**Products and Services**

SJS has a variety of products available for clients seeking investment advisory services. The products range from adviser-directed accounts and third-party managed portfolios, to planning and consulting services. Information about each manager is available upon request.

**SJS Asset Management**

SJS Asset Management is a wrap-fee program offering discretionary management services to clients. IARs assist clients in determining their financial goals and risk tolerance, and selecting investments. The IAR is responsible for ongoing review of the account, regular communication with the client, portfolio re-balancing as necessary, and attempting to equate the performance of the account with the investment objectives of the client. SJS and First Allied executes trades for client accounts; and the Custodian provides custody, performance monitoring, reporting, and other services for a single asset-based fee. The fees are based on a percentage of assets under management, with breakpoints (fee reductions) for larger accounts. Fees for any partial billing period will be prorated. Fees generally range from 0.70% to 1.40%. The minimum account size for this program is \$750,000, without exception. The fee Schedule for this program is described in Item 5, below.

**SAM Program**

Clients in the SAM program work with a SJS IAR to select securities for the client's account. SJS, through its IARs, will obtain sufficient client information to be able to assist the client in determining investment objectives and financial goals. Each IAR individually manages a client's portfolio. All SAM accounts are eligible for the IAR to have discretion over the selection of mutual funds, exchange traded funds (ETFs) and closed end funds. If requested by the client, and upon approval from SJS management, individual IARs may retain discretion over other securities in the SAM account, such as stocks and bonds.

The minimum investment for SAM accounts is \$50,000. From time to time, account minimums may be waived by SJS under certain circumstances. Waivers may be granted in situations where a client intends to make additional contributions to the account sufficient to meet the minimum or if the IAR manages accounts for family members of the prospective client, bringing the overall family account values to the minimum account size.

SJS IARs base investment decisions for client accounts on suitability information provided by the client, including birth date, income and net worth, employment information, account value, account holdings, investment objective, risk tolerance level and any reasonable restrictions the client may place on the account. The client should notify SJS in writing if client's financial situation or investment objectives change or reasonable account restrictions change. The fee Schedule for this program is described in Item 5, below.

**Managed Account Command Program (MAC)**

Clients in the SJS Managed Account Command (MAC) program work with an IAR to develop an investment policy statement and select one or more participating third-party investment advisers (Participating Adviser) to manage their assets. IAR's may use software provided by Lockwood Advisors, Inc. (Lockwood) to develop the investment policy statement and select the participating third-party advisers. SJS, through its IARs, will obtain sufficient client information to be able to assist the client in determining their investment objectives and financial goals. Using the guidance provided by the IAR, the client selects the Participating Adviser from among those advisers included in the MAC program. Each Participating Adviser individually manages a client's portfolio held at Pershing. SJS does not manage MAC accounts and does not exercise any discretion in MAC accounts. Participating Advisers in the MAC program are selected by SJS from a universe of investment advisers pre-determined by Lockwood. Lockwood evaluates this universe of advisers for the MAC program.

The minimum for MAC equity accounts is \$100,000. The minimum for MAC fixed income accounts is \$250,000. For each Participating Adviser selected, a separate account will be required. Although clients are not prohibited from directly contacting the Participating Adviser retained to manage their accounts, clients are encouraged to work directly with their IAR.

SJS may provide the Participating Adviser(s) with information about the client in order for the Participating Adviser to provide retained services, including but not limited to, client name, Social Security number, suitability information (including birth date, income and net worth), address, employment information, account number, account value, account holdings, investment objective, risk tolerance level any options the client has selected such as householding, and any reasonable restrictions the client may place on the account. The client should notify SJS in writing if the client's financial situation or investment objectives change. The client should also notify the Participating Adviser in writing if the client's reasonable account restrictions change.

The client agrees that the Participating Adviser or the client, not SJS or Lockwood, will vote proxies relating to assets in the account(s). The client may revoke this authorization at any time in writing addressed to SJS, indicating another person who will vote proxies in the account(s). For employee benefit plans subject to ERISA, the Participating Adviser has been delegated the right, or has accepted discretion, to vote proxies that pertain to assets in the account(s). The fee Schedule for this program is described in Item 5, below.

### **Estate Planning Services**

SJS also provides Estate Planning Services to its clients. The time required for the preparation of the Estate Plan is approximately 11 billable hours. The first payment of the \$10,000 minimum for that work is due at the time the fee agreement is signed. Thereafter, SJS's hourly rate of \$750/hour is applicable. That hourly rate is for all services rendered, including but not limited to, preparation and review of documents, correspondence, travel time and telephone calls.

### **Specific Investment Advice**

In addition, SJS offers the specific services listed below. The first payment of the \$10,000 retainer is due at the time the fee agreement is signed. The fee for these services is \$750/hour and/or asset management based compensation as described in the schedule above at the client's option.

- Estate Tax Liability Reduction
- Education Funding
- Retirement Planning/Estate Conservation
- The Use of Trust Funds
- Investment recommendations
- Asset Based Compensation for all authorized assets itemized in plans at the above rates for allocation recommendations payable annually in advance or as billed in advance
- Mortgage Services and Lines of Credit
- Executive Deferred compensation Plan Design
- Corporate Investment Advice Fee Services (structured finance, institutional lines of credit, merger and acquisition, etc.)
- Investment Performance Fee above Benchmark

### **Client Suitability and Risk Information**

In all of the investment advisory programs offered by SJS, the IAR works with the client to collect adequate suitability information to formulate recommendations. Some products described in this brochure include a formalized risk profile whereas suitability and risk information for other products is maintained in internal systems and documents. The suitability information gathered contains the financial data and general information necessary to set the appropriate investment objectives for the managed accounts or services. The IAR will submit the completed suitability information to their supervisor for review and approval.

### **Assets Under Management**

As of March 31, 2011, SJS manages \$735 million all on a discretionary basis.

**General Overview of Client Fees**

Unless otherwise noted below, the annual fee is not negotiable and is payable quarterly in advance, based on the market value of the account(s) on the last business day of the previous calendar quarter. The fee for portfolio management will be charged as an annual percentage of assets under management, according to the schedule shown for each program. Fees for these accounts may be negotiable, as determined by the individual IAR servicing the account.

The fee will be payable on the business day following the end of the previous calendar quarter. The fee for the portion of the first quarter the account(s) is managed will be calculated on a pro-rata basis. In most situations, the fee is deducted from the client account during month after quarter end. In situations where the client remits fees directly to SJS, an invoice will be sent to the client the month following quarter end with payment due upon receipt. In the event a large deposit occurs mid- quarter, the fee will be recalculated at quarter-end and the account will be billed a second fee, in arrears, on the additional deposits. Fees charged are not calculated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

For consulting and financial planning, IARs may charge a fixed flat or hourly rate for investment advice and/or advisory services. These fees are negotiable at the discretion of the IAR and shall be disclosed to the client in advance of rendering any consulting or financial planning services. The contracts allow for 50% of the fees to be payable in advance, although fees are often collected upon completion of the services for the period of time to be specified in the investment advisory agreement and agreed to in writing by both the client and the IAR.

Client may authorize the Custodian to deduct SJS advisory fees from the client's managed account or another account held by the client through the Custodian. The Custodian will provide periodic account statements to the client no less than quarterly. Such statements will reflect all management fees paid to SJS. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

In addition to the fees specified herein, clients may pay additional fees, including exchange fees, transfer taxes, electronic funds and wire transfer fees, or custodial fees. An account service schedule detailing these fees is provided to the client upon opening of an account. Some IARs may pay these fees on behalf of their client(s), which may result in a lower total cost to certain clients. Mutual funds often charge investors an additional advisory or management fee that is separate and distinct from fees paid to SJS for investment management services.

Unless otherwise stated, transactions are effected net, (i.e., without commission), and a portion of the fee is generally considered as being in lieu of commissions. The client should consider that, depending on activity in the account, clients may pay more or less if they were to effect the transactions in a brokerage account or directly with a mutual fund company. Clients who initiate securities purchases and/or sales on an unsolicited basis will also incur an execution fee of \$24 per transaction charged by the Custodian.

**Fee Schedule- For All Programs**

Account Size	\$100,000	\$2,000,000	\$5,000,000	\$100,000,000*
Account Type	\$2,000,000	\$5,000,000	\$100,000,000	+
Equity & Balanced Annual Program Fee	1.40%	1.10%	0.98%	0.70%
Fixed Income Annual Program Fee	1.40%	1.10%	0.98%	0.70%
Mutual Funds & ETF Annual Program Fee	1.40%	1.10%	0.98%	0.70%

\* For accounts over \$100 Million the fee is negotiable

**Estate Planning Services**

The time required for the preparation of the Estate Plan is approximately 11 billable hours. The first payment of the \$10,000 minimum for that work is due at the time the fee agreement is signed. Thereafter, SJS's hourly rate of \$750/hour is applicable. That hourly rate is for all services rendered, including but not limited to, preparation and review of documents, correspondence, travel time and telephone calls.

**Specific Investment Advice**

In addition, SJS offers the specific services listed below. The first payment of the \$10,000 retainer is due at the time the fee agreement is signed. The fee for these services is \$750/hour and/or asset management based compensation as described in the schedule above at the client's option.

- Estate Tax Liability Reduction
- Education Funding
- Retirement Planning/Estate Conservation
- The Use of Trust Funds
- Investment recommendations
- Asset Based Compensation for all authorized assets itemized in plans at the above rates for allocation recommendations payable annually in advance or as billed in advance
- Mortgage Services and Lines of Credit
- Executive Deferred compensation Plan Design
- Corporate Investment Advice Fee Services (structured finance, institutional lines of credit, merger and acquisition, etc.)
- Investment Performance Fee above Benchmark

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

**Performance Fees**

SJS accepts performance-based fees, and manages both accounts that are charged a performance-based fee and accounts that are charged a percentage of assets under management, as described in Item 5, above. Performance-based accounts are available to “accredited investor” only, and generally involve a higher degree of risk, volatility and use of leverage than non-performance-based accounts. “Accredited Investors” are those defined under the securities laws as natural persons with a net worth in excess of \$1 million and income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year, as well as certain types of institutions.

SJS attempts to avoid any conflicts of interest in the management of performance-based fee account as well as non-performance-based accounts by devoting substantially the same time and investment selection in the management of each account type.

**Performance Fee Accounts**

A limited Power of Attorney is executed by each client authorizing SJS to be paid its Performance Fee by a third party check. Each SJS client must select one of the following three options for calculating the Performance Fee:

- 25% of returns above 6%(assumes 0.75% annual program fee/investment advisory fee for all Equity & Balanced, Fixed Income programs, regardless of the account size)
- 20% of returns above 6%( assumes 1.00% annual program fee/investment advisory fee for all Equity & Balanced, Fixed Income programs, regardless of the account size)
- Floating Fee: The quarterly statement value is billed based on performance of the account listed on schedule above

The absolute benchmark for return is the following at the client’s option:

- S&P 500 index
- BarCap Agg. Index
- MSCI/EAFE index
- SJS Benchmark

25% of all returns above the selected benchmark are paid to SJS on an annual basis in the form of a third party check. SJS refunds all unearned compensation when and if the client terminates an investment advisory contract before its expiration date.

Item 7                      Types of Clients

SJS's principal activities include retail and institutional client services, including but not limited to providing advice with respect to financial markets and securities transactions. Its clients primarily consist of “high net worth” retail clients, small to mid-size institutional clients, including foundations, limited liability companies, and private “family offices”. “High net worth” retail clients are individuals or families with at least \$750,000 under management with SJS.



The services offered by SJS include the selection of or assistance in selecting a portfolio manager, ongoing evaluation and review of portfolio managers, evaluation and review of portfolio composition, execution, and/or activity in client accounts, financial planning, consultation on client assets, and active portfolio management. Portfolio management may be provided by the IAR, an affiliated registered investment adviser, or an unaffiliated investment adviser. In the management of client accounts, SJS advisors utilize fundamental, technical, cyclical and charting analysis, as well as third party research provided by investment banks and brokerages. They review corporate filings, including company audited financial statements. They employ the services of certified financial analysts for research and investment analysis.

**No Guarantee**

Investments in securities involves risk of loss of principal that each client should be prepared to bear. Clients have varying degrees of risk tolerance and should understand the potential risk of loss before investing through SJS. There is no guarantee that the advisory services offered will result in the client's goals and objectives being met. Nor is there any guarantee of profit or protection from loss. No assumption can be made that any wrap fee arrangement, portfolio management service, or other advisory service of any nature will provide a better return than other less sophisticated investment strategies.

**Client Suitability and Risk Information**

In all of the investment advisory programs offered by SJS, the IAR works with the client to collect adequate suitability information to formulate recommendations. Some products described in this brochure include a formalized risk profile whereas suitability and risk information for other products is maintained in internal systems and documents. The suitability information gathered contains the financial data and general information necessary to set the appropriate investment objectives for the managed accounts or services. The IAR will submit the completed suitability information to their supervisor for review and approval.

**Managed Account Command Program**

Clients in the Managed Account Command (MAC) program work with an IAR to develop an investment policy statement and select one or more participating third-party investment advisers (Participating Adviser) to manage their assets. IAR's may use software provided by Lockwood Advisors, Inc. ("Lockwood") to develop the investment policy statement and select the participating third-party advisers. SJS, through its IARs, will obtain sufficient client information to be able to assist the client in determining their investment objectives and financial goals. Using the guidance provided by the IAR, the client selects the Participating Adviser from among those advisers included in the MAC program. Each Participating Adviser individually manages a client's portfolio held at Pershing. SJS does not manage MAC accounts and does not exercise any discretion in MAC accounts. Participating Advisers in the MAC program are selected by SJS from a universe of investment advisers pre-determined by Lockwood. Lockwood evaluates this universe of advisers for the MAC program.

The minimum for MAC equity accounts is \$100,000. The minimum for MAC fixed income accounts is \$250,000. For each Participating Adviser selected, a separate account will be required.

**SAM Program**

Clients in the SAM program work with a SJS IAR to select securities for the client's account. SJS, through its IARs, will obtain sufficient client information to be able to assist the client in determining investment objectives and financial goals. Each IAR individually manages a client's portfolio. All SAM accounts are eligible for the IAR to have discretion over the selection of mutual funds, exchange traded funds (ETFs) and closed end funds. If requested by the client, and upon approval from SJS management, individual IARs may retain discretion over other securities in the SAM account, such as stocks and bonds.

The minimum investment for SAM accounts is \$50,000. From time to time, account minimums may be waived by SJS under certain circumstances. Waivers may be granted in situations where a client intends to make additional contributions to the account sufficient to meet the minimum or if the IAR manages accounts for family members of the prospective client, bringing the overall family account values to the minimum account size.

SJS IARs base investment decisions for client accounts on suitability information provided by the client, including birth date, income and net worth, employment information, account value, account holdings, investment objective, risk tolerance levels and any reasonable restrictions the client may place on the account. The client should notify SJS in writing if client's financial situation or investment objectives change or reasonable account restrictions change.

Item 9                      Disciplinary Information

SJS has no material reportable legal or disciplinary events.

Item 10                    Other Financial Industry Activities and Affiliations

The principal owner of SJS, Steven J. Simes, is also a securities licensed registered representative with First Allied Securities, Inc., which is an SEC registered and FINRA member broker/dealer. In that capacity, Mr. Simes may conduct securities transactions for brokerage clients for which he would earn a commission. Mr. Simes also participates in third party referral arrangements through First Allied whereby Mr. Simes and First Allied would be compensated for the introduction of individuals or entities desiring to engage in a financing arrangement or other investment banking transaction with a company identified by Mr. Simes. The compensation arrangement typically require Mr. Simes and First Allied to be paid cash of five percent (5% ) of the transaction amount as well as equity equal to five percent (5%) of the securities sold to or through each transaction.

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

**Code of Ethics**

Pursuant to SEC Rule 204A-1, SJS has adopted a Code of Ethics (Code) to establish rules of conduct for all Supervised Persons (as defined by the Code). The Code is based upon the principle that SJS and its Supervised Persons have a fiduciary responsibility to clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with SJS and (iii) any unacceptable actual or potential conflicts of interest or any abuse of their position of trust and responsibility. A copy of SJS's Code of Ethics is available upon request by contacting SJS's compliance department at (203) 328-3001.

**Participation or Interest in Client Transactions**

Certain persons associated with SJS are registered representatives of First Allied Securities, Inc. ("First Allied"), an independent, unaffiliated registered securities broker/dealer, and FINRA member. As such, they are licensed to sell securities including, but not limited to, stocks, bonds, and occasionally, mutual funds for separate commission-based compensation. Additionally, individuals who are appropriately licensed will also earn commission based compensation for the sale of relevant insurance products.

All compensation received for securities and/or insurance transactions through First Allied will be separate, yet customary for effecting the services and transactions. However, any 12b-1 fees for the sale of investment company products are retained by the Custodian. The firm may make differing recommendations with respect to the same securities or insurance products to different advisory clients. All recommendations made are specific to each client's individualized needs and current financial situation.

Additionally, individuals who are licensed as independent insurance agents may offer life, disability, fixed annuities, and long-term care insurance from a variety of product sponsors to clients, for which they may earn commissions. The firm expects that clients to whom it offers advisory services may also be clients for whom individuals associated with SJS to act as insurance agents. Clients are instructed that the fees paid to us for advisory services are separate and distinct from the commissions earned by individuals who are licensed insurance agents when placing the client in insurance products. Clients to whom we offer advisory services are informed that they are under no obligation to utilize insurance agents associated with SJS for insurance services. The amount of professional time IARs associated with SJS will spend in these various capacities will fluctuate from time to time, but it is estimated that the majority of their professional time will be spent providing investment advisory services through SJS.

### **Personal Trading**

From time to time, SJS or persons associated with SJS may buy or sell for their own accounts securities that are recommended to its clients or securities in which its clients are invested. It is SJS's policy that associated persons of SJS shall not have priority over any client account in the purchase or sale of securities. Under certain circumstances, exceptions to the trading policy may be made.

With regard to SJS investment advisory accounts, SJS principals, officers, employees, advisory associates and registered representatives (collectively "adviser persons") may own an interest in, and buy or sell for their own accounts, the same securities which may be purchased or sold for the accounts of SJS advisory clients. SJS adviser persons may give advice and take action in personal accounts that differs from advice provided to, or action taken with respect to clients and client accounts.

### **Item 12 Brokerage Practices**

All brokerage transactions are executed through First Allied Securities, Inc. Unless otherwise stated, transactions are effected net, (i.e., without commission), and a portion of the fee is generally considered as being in lieu of commissions. The client should consider that, depending on activity in the account, clients may pay more or less if they were to effect the transactions in a brokerage account or directly with a mutual fund company. There are no soft dollar arrangements between SJS and First Allied Securities, Inc. SJS receives no research or other non-monetary benefits from First Allied, and believes that clients are afforded the same best execution practices as First Allied's brokerage clients. Clients who initiate securities purchases and/or sales on an unsolicited basis will also incur an execution fee of \$24 per transaction charged by the Custodian.

### **Item 13 Review of Accounts**

For accounts managed on a continuous basis, the Investment Adviser Representative (IAR) servicing the account is responsible for reviewing the accounts on a regular basis, including a review of account activity on a monthly and quarterly basis. IARs are supervised by a Designated Supervising Principal (DSP). The DSP is obliged to review the accounts and is responsible for ongoing supervision of the IAR. In addition, the home office supervision department utilizes an exception reporting system that helps to identify situations that may require additional attention. System generated alerts are designed to detect transactions in designated securities, excessive transactions, front-running, and suitability. Clients may be sent activity letters when their account exhibits a change in trading pattern, or a large number of transactions in a single month.

**Solicitors**

SJS may pay cash fees to third parties who provide referrals for potential advisory clients to SJS. Referred clients will not pay higher fees because of these arrangements. All solicitors' agreements are in compliance with the investment Adviser Act of 1940 Section 275.206(4). All clients procured by solicitors will be given full written disclosures describing the terms and fee arrangements between the investment adviser and the solicitor prior to or at the time of entering into the advisory agreement. The use of a solicitor will not increase the management fee or cost to the client.

**Mutual Fund Fees and Expenses**

All fees paid to SJS for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. Fees and expenses charged by mutual funds are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. Any management fees imposed by the mutual fund are separate and distinct from the management fees described herein. The IAR may receive a portion or all of this sales charge/commission in their separate capacities as registered representatives. IAR may also receive 12b-1 (trailer) fees in this manner. As such, a substantial conflict of interest may exist with respect to the recommendation to purchase shares of mutual funds.

**Mutual Fund Trailers**

A client may also have the ability to invest in a mutual fund directly, without the services of SJS and/or the IAR. In that case, the client would not receive the services provided by SJS and/or IAR which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by SJS and/or the IAR to fully understand the total amount of fees to be paid by the client.

In some cases, the IAR servicing client accounts may be a salaried employee of SJS. These IARs may receive bonuses, dependent on their overall production including managed accounts and brokerage and insurance business. These employees may have an incentive to recommend SJS products and services. The IAR may offer reduced fees to certain clients for managed accounts and other advisory services, at the discretion of the IAR. Reduced fees are typically offered to family members. In most cases, for discretionary accounts, SJS has complete discretion over the compensation to be paid to effect securities transactions so long as that compensation is in line with the transaction charges stated in the investment advisory agreement.

SJS may execute agreements with other investment advisers and recommend other investment advisers to clients. In such instances, SJS may receive a portion of the account fee or commissions. The client is under no obligation to use the services of the other investment adviser(s) SJS recommends. The client will receive a Compensation Disclosure Statement when/if SJS makes these recommendations. In instances of a wrap fee program, clients will receive the wrap fee brochure in lieu of, or in combination with the investment adviser's Form ADV Part 2a disclosures. This wrap fee brochure is prepared by the wrap fee sponsor.

**Incentive Awards**

SJS IARs may be eligible to receive incentive prizes or awards offered by product promoters. The policy of SJS is to permit all representatives to accept such awards and prizes to the extent that they are usual and customary within the industry and in compliance with the Securities and Exchange Commission, Financial Industry Regulatory Authority, or state rules, regulations or guidelines concerning the receipt of such awards or incentives. SJS, in accordance with Financial Industry Regulatory Authority regulations, generally must recognize compensation, awards, and prizes as commissions and report them to the Internal Revenue Service as revenues.

Item 15 Custody

SJS will not maintain custody of any client funds or securities. Custody of client account will be maintained by a qualified custodian through arrangements with First Allied Securities, Inc. which maintain custodial arrangements with various qualified custodian, including Pershing, LLC (a subsidiary of The Bank of New York Mellon Company); J.P. Morgan Chase and Wells Fargo (the "Custodian") The use of an outside Custodian will not change the fee structure. The Custodian provides clients with confirmations of all transactions and monthly and/or quarterly account statements. For certain programs, clients may request, in writing, for trade confirmations to be suppressed. This suppression does not impact the mailing of statements. For some products, SJS or, in the case of wrap fee programs, a co-sponsor or the wrap-fee sponsor provides clients with a quarterly performance report of their accounts, containing statistical reviews and analyses of the accounts. IARs may provide clients with performance reports, at the discretion of the IAR or the request of the client. Reports generated by the Custodian or the wrap fee sponsor may be aggregated to include all accounts owned by a family (or "household"), at the request of the client. Clients are urged to carefully review their account statements and to compare their custodial statements with any additional reports received from any program sponsor to ensure accuracy in reporting, and report any discrepancies to SJS immediately.

Client may authorize the Custodian to deduct SJS advisory fees from the client's managed account or another account the client has custodied through the Custodian. The Custodian will provide periodic account statements to the client no less than quarterly. Such statements will reflect all management fees paid to SJS. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

Item 16 Investment Discretion

All SJS client accounts are managed solely on a discretionary basis. In completing and signing a SJS client account agreement, the client is providing SJS with written discretionary authority to conduct transactions in the client's account without obtaining authorization in advance of each specific transaction. SJS will only make transactions within a client's account that it deems to be in the clients' best interests and suitable with the client's stated investment goals, objective and risk tolerance levels.

Item 17 Voting Client Securities

SJS does not accept authority to vote client securities. Clients will receive company proxy information directly from the Custodian and should take any action with respect to voting of securities that the client deems to be in its best interests.

Item 18 Financial Information

A copy of the most recent annual audited balance sheet of SJS is attached to this Brochure.

**MEZZAPELLE & ASSOCIATES, LLC**

CERTIFIED PUBLIC ACCOUNTANT

**HARBOUR SQUARE**

**700 CANAL STREET**

**STAMFORD, CONNECTICUT 06902**

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**INDEPENDENT AUDITOR'S REPORT**

SJS Corporation  
700 Canal Street  
Stamford, Connecticut 06902


Gentlemen:

We have audited the accompanying statements of financial position of SJS Corporation as of December 31, 2010 and the related statements of activities and cash flows for the month then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SJS Corporation as of December 31, 2010 and the results of their operations and their cash flows for the month then ended in conformity with accounting principles generally accepted in the United States of America.

Respectfully Submitted,



Mezzapelle & Associates, LLC  
Certified Public Accountant

January 6, 2011

**SJS CORPORATION**  
**Balance Sheet**  
As of December 31, 2010

	<u>Dec 31, 10</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
CASH - CHECKING - # 160	-164,658.12
CASH - WACHOVIA MM - # 1387	184,380.69
Total Checking/Savings	<u>19,722.57</u>
Total Current Assets	19,722.57
Fixed Assets	
COMPUTER EQUIPMENT	164,950.27
FURNITURE & FIXTURES	22,342.24
ACCUM DEPRECIATION	-168,391.38
Total Fixed Assets	18,901.13
Other Assets	
CAPITILIZED LEGAL FEES	15,691.69
Total Other Assets	<u>15,691.69</u>
<b>TOTAL ASSETS</b>	<b><u>54,315.39</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
NOTE PAYABLE - FASI	43,334.10
GARNISH PYBLE	-520.00
NET PAYROLL	-214.97
Total Other Current Liabilities	<u>42,599.13</u>
Total Current Liabilities	<u>42,599.13</u>
Total Liabilities	42,599.13
Equity	
CAPITAL STOCK	1,000.00
PAID IN CAPITAL	59,270.00
*RETAINED EARNINGS	346,169.61
3900 - Retained Earnings	-424,624.11
Net Income	29,900.76
Total Equity	<u>11,716.26</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>54,315.39</u></b>