



Firm Brochure

(Part 2A of Form ADV)

March 27, 2014

MJM401k, LLC

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(602) 224-5599

www.MJM401k.com

This brochure provides information about the qualifications and business practices of MJM401k, LLC ("MJM401k"). If you have any questions about the contents of this brochure, please contact us at: (602) 224-5599, or by email at: info@mjm401k.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.

Additional information about MJM401k is available on the SEC's website at www.adviserinfo.sec.gov. Although MJM401k is a registered investment adviser, registration with the SEC does not imply a certain level of skill or training.

Material Changes

On July 28, 2010, the United State Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

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Advisory Business

Firm Description

MJM401k, LLC (“MJM401k”) a limited liability company, registered with the SEC as an investment advisor and pension consultant, commenced business operations on January 1, 2005, and is able to conduct business in any state. Our principal owner is Michael J. Malone.

MJM401k is an independent fee only consultant whose sole business is the provision of comprehensive consulting services to 401(k) plans and other retirement arrangements. For all of our professional services, MJM401k serves as an ERISA fiduciary.

As of March 1, 2014, MJM401k consults to approximately \$4.8 billion in plan assets.

Types of Advisory Services

MJM401k provides plan design, operational and investment consultation services to pension and 401(k) plan committees and participants. Our consulting services include:

- *Ongoing Investment Manager Review and Monitoring* – We review the plan’s investment fund options on a quarterly basis. This review compares the investment managers with the detailed quantitative and qualitative criteria outlined in the IPS and when appropriate, makes and implements recommendations and changes to the investment fund choices as agreed to by our clients. In addition, at all times throughout the year, we advise our clients of any significant qualitative changes in the investment management organization.
- *Preparation of Management Reporting and Committee Meeting* – We supply, on a quarterly basis, a comprehensive management report detailing the findings and recommendations of our review and monitoring efforts. We meet with our clients on a quarterly basis to review the report and any other relevant operational or plan design concerns. Our firm, together with our client, is responsible for maintaining the appropriate documentation related to the overall process, including committee meetings, recommendations and actions.
- *Ongoing Review and Maintenance of the Investment Policy Statement* – Upon request, we assist our clients in the drafting and annual review of an IPS for their plan.
- *Ongoing Provider Liaison* – Upon request, we act as liaison between our clients and any plan service provider to resolve any issues that may arise and to otherwise facilitate ongoing operational efficiency.
- *Ongoing Technical Resource* – We are available to our clients on an ongoing basis, by phone, email or meeting, to assist with any questions as they may arise in connection with the operation of the plan, including assistance with any corporate actions such as mergers and acquisitions.
- *Ongoing Review of Plan Fees and Services* – We annually review all fees paid by the plan and/or our client for investment and administrative services. In addition, we monitor the non-investment performance of the plan’s record keeper.

- *Ongoing Review of Fiduciary Policies and Procedures* – We perform an annual review of the plan’s fiduciary and governance structure for purposes of ongoing compliance and minimization of risk.
- *Annual Education Strategy and Planning* – We work closely with our clients and their plan providers to develop the strategy and plan for appropriate and meaningful employee education programs and we further assist in the implementation and ongoing measurement of those strategies.
- *Participant Education* – In cooperation with our client’s Plan Committee and the plan’s service providers, we provide assistance with the ongoing employee education and communications strategy. In addition, plan participants are free to contact us at any time by phone or email with any plan related questions.
- *Plan Benchmarking* – We conduct a bi-annual formal benchmarking of the plan including fees and services and an annual benchmarking of the plan design features and plan outcomes (e.g. participation rates, deferral rates, asset allocation, etc.)

Tailored Consulting Services

MJM401k provides consulting based on the needs and specifications of our clients and our clients retain the ability to impose restrictions on our services. Our clients have the option of hiring us to function either under ERISA §3(21) or ERISA §3(38). Under a §3(21) arrangement, all of our recommendations for actions are subject to the approval of the Committee, and thus the fiduciary liability is shared with the Committee. Under a §3(38) arrangement, we assume all of the fiduciary liability by having the discretionary responsibility for the recommendations and their implementation, and thus the Committee is relieved of this particular responsibility and liability (although monitoring of our performance is still required of the Committee).

Types of Agreements

The following agreements define the typical client relationships:

- On-Going Consulting Services Agreement
- Project-Based Engagement Agreement

On-Going Consulting Services Agreement

Most clients choose to have MJM401k provide on-going advisory services in order to obtain continual in-depth advice relating to their 401(k) and pension plans. All aspects of the client’s plans are reviewed. As goals and objectives change over time, suggestions are made and implemented as needed.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes all of the services as outlined in the “*Types of Advisory Services*” section above.

The annual Advisory Service Agreement fee is a negotiated flat fee based upon the size and complexity of our client’s account.

Project Based Engagement Agreements

MJM401k provides project based engagement services for clients who need advice on a limited scope of work. Project based engagements may include:

- RFP and Provider Searches
- Development of Investment Policy Statement (IPS) and Investment Fund Review
- Plan and Expense Analysis, Benchmarking and Fee Negotiation
- Employee Communications and Education Strategies

Termination of Agreement

A client may terminate any of the aforementioned agreements in writing within five (5) business days from its execution without penalty. Thereafter, the Agreement may be terminated by either party upon thirty (30) days written notice to the other with a copy to the custodian. The client is responsible for paying for services rendered until the termination of the agreement. Any unused portion of MJM401k's fee will be refunded on a prorated basis. Upon termination of the Agreement, MJM401k shall not be under any obligation to recommend any action with regard to the securities or other investments in client's account.

Fees and Compensation

Description

Our fees are based upon the nature and scope of the engagement as well as the size and complexity of our client's account. Our fees are generally structured on a retainer basis and all fees are explained and agreed to by our client in advance of any services being rendered. The services included in our annual engagement fee are outlined in the *"Types of Advisory Services"* section above.

Our fees are negotiable.

MJM401k's services may also be engaged on a project basis, the compensation for which will be based upon the estimated time and expense of the project at the advisor's standard hourly rates, which range from \$125 to \$400 per hour. Project-based fees are generally invoiced on a monthly basis. A flat fee in lieu of hourly rates may be negotiated if our client so requests, and will be based on the estimated time and expense incurred to complete the project. Generally, some portion of the negotiated flat fee is payable at the signing of the Consulting Services Agreement. Thereafter, we will invoice our client on a monthly basis for the remaining amount of the fee until the project has been completed.

Our fees do not include the fees of investment managers who are selected to manage a portion of client assets, or custodial fees. Additionally, costs or charges associated with certain securities transactions, including dealer mark-ups or markdowns and normal broker commission, and account liquidation or termination costs are separately charged to the client's account. Clients

should review all fees charged by the advisor, custodians and brokers and others (including but not limited to third-party investment managers) to fully understand the total amount of fees incurred.

Fee Billing

Our consultation services begin with the effective date of the Agreement, which is the date the client, signs the Consulting Services Agreement. MJM401k's fee is invoiced either monthly or quarterly and may be billed in advance or arrears. MJM401k reserves the right to set the fee for accounts depending on the size, complexity, type of account and the services required. In some cases, negotiation of fees may result in different fees being charged for similar services.

Other Fees

MJM401k receives no fees or compensation other than described above. We maintain our complete independence by ensuring that all of our compensation is paid by our client. All of our fees are explicitly detailed in our engagement agreement and documented each period with an invoice. We will not accept compensation in any form whatsoever from any other source. Our firm does not derive any type of economic benefit from any investment entities, intermediaries or service providers.

Types of Clients

Description

MJM401k generally provides investment advice and comprehensive consulting services to pension and profit sharing plans. Client relationships vary in scope and length of service.

Account Minimums

MJM401k generally does not impose a minimum annual fee or a minimum plan size requirement for any given client.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

We utilize an institutional due diligence process that combines both quantitative and qualitative analysis on a continual basis, and quarterly reporting on all funds. The analysis is performed using both returns and holdings based measurements. Our goal is to find and maintain those investment vehicles that possess the fundamental characteristics that have historically lead to better than average performance at (or below) benchmark levels of risk. Our full scope investment selection and monitoring focuses on both quantitative and qualitative criteria, including such factors as:

- Material changes in the investment fund’s organization, investment philosophy and/or personnel, including:
 - Change in professionals
 - Significant changes in assets under management due to either large amounts of redemptions or inflows
 - Significant increase in expenses
 - Lack of adherence to style or asset class category
 - Change in ownership
 - Legal or regulatory investigations or related issues
 - Significant change in portfolio risk
- Comparisons of the investment fund’s performance results to appropriate indices and peer groups. Examples of performance results that may result in a review and further analysis of an investment fund would include when the fund:
 - Performs in the bottom quartile (75th percentile) of their peer group over an annual period
 - Performs below the median (50th percentile) of their peer group over a 3-year period
 - Performs below the median (50th percentile) of their peer group over a 5-year period

Once the initial vetting process is complete, we engage in a detailed performance attribution and portfolio history evaluation process. The quantitative analysis of the performance attribution (allocation, selection, timing, etc.) and portfolio style is completed using the MPI Stylus program. The qualitative analysis is performed using data from Morningstar Direct and portfolio information obtained directly from the fund managers.

Primary Investment Strategies

As explained in the “*Methods of Analysis*” section above, MJM401k uses qualitative and quantitative investment analysis to support the recommendations that we make to our clients.

Our investment strategies for each of our clients are based upon their stated goals and objectives. The client may change these goals and objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Risk of Loss

MJM401k performs all of our services through a rigorous attention to process discipline. Our reporting and monitoring process is designed to highlight for the committee any and all exceptions (violations of the IPS standards or circumstances that could lead to future underperformance or identification of potential problems before they result in policy violations). While this process is in place to help minimize risk, MJM401k does not provide any representation or guarantee that client goals will be achieved and we cannot guarantee that our

clients will not lose money. Clients must be aware that investing in the securities market involves a risk of loss that they should be prepared to bear, including the loss of their original principal. Investing in the products we recommend involves risk of loss, in varying degrees, depending on the investment option or underlying investment managers.

- *Market Risk.* Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- *Equity (Stock) Market Risk.* Common stocks are susceptible to fluctuations and to volatile increases / decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- *Company Risk.* There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).
- *Options Risk.* Options on securities may be subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater than ordinary investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time.
- *Fixed Income Risk.* Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed income investors receive set, regular payments that face the same inflation risk.
- *Exchange Traded Fund (ETF) and Mutual Fund Risk.* ETF and mutual fund investments bear additional expenses based on a pro rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- *Management Risk.* Client investments also vary with the success and failure of advisor's investment strategies, research, analysis and determination of portfolio securities. If advisor's strategies do not produce the expected returns, the value of a client's investments will decrease.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

MJM401k is registered as an investment advisor and pension consultant.

Affiliations

MJM401k does not have any employees that are registered, or have an application pending to register, as a broker-dealer, a municipal securities dealer, a government securities dealer or broker, a futures commission merchant, commodity pool operator or commodity trading advisor.

MJM401k does not have any related parties and our employees do not have any relationships that could create any conflicts of interest.

As previously stated, our firm will not accept compensation in any form whatsoever from any source other than directly from our clients. Our firm does not derive any type of economic benefit from any investment entities, intermediaries or service providers.

Code of Ethics

As required by §204A-1 of the Investment Advisers Act of 1940, MJM401k has established a Code of Ethics that applies to all of our employees. Our Code of Ethics is predicated on the principle that we owe a fiduciary duty to our clients. Accordingly, our employees must avoid activities, interests and relationships that run contrary (or ever appear to run contrary) to the best interests of clients. In summary, we will not:

- Affiliate ourselves with money managers, banks, brokers, actuaries or any other type of related-third party organizations
- Introduce brokers to our clients or act as a securities broker-dealer
- Accept revenue from investment managers, brokers, actuaries or any other type of related-third party organizations for any reason (for example, attendance at conferences, etc.)
- Accept gifts and/or favors (i.e., meals, travel, entertainment, etc.) from money managers, brokers, plan providers, or any other type of related-third party organizations if the value of such gifts and/or favors exceeds \$25
- Accept soft dollars as a method of payment for services provided

MJM401k will provide a copy of our Code of Ethics, in its entirety, to any client or prospective client upon request.

Participation or Interest in Client Transactions

It is possible that MJM401k and its employees may buy and sell the same mutual funds that may be recommended to clients. If the possibility of a conflict of interest occurs, the client's interest will prevail.

To avoid any potential conflicts of interest involving personal trades, MJM401k has adopted a Securities Compliance Policy ("Securities Compliance Policy"), which includes a formal code of ethics regarding insider trading policies and procedures. MJM401k's Securities Compliance Policy requires, among other things, that employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of Registrant above one's own personal interests;
- Adhere to the fundamental standard that you should not take inappropriate advantage of your position;
- Avoid any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on yourself and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve your professional competence and strive to maintain and improve the competence of other investment professionals.
- Comply with applicable provisions of the federal securities laws.

MJM401k's Securities Compliance Policy also requires Employees to: (1) pre-clear certain personal securities transactions, (2) report personal securities transactions on at least a quarterly basis, and (3) provide MJM401k with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such Employees have a direct or indirect beneficial interest.

A copy of MJM401k's Securities Compliance Policy shall be provided to any client or prospective client upon request.

Brokerage Practices

Selecting Brokerage Firms

MJM401k does not recommend broker-dealers and we do not execute transactions.

Soft Dollars

There are no circumstances under which our firm receives fees or other (direct or indirect) compensation from investment managers or plan providers.

Review of Accounts

Periodic Reviews

Plan reviews are performed quarterly or more frequently when market conditions or other circumstances dictate. These reviews are typically presented to our clients at their Quarterly Committee Meetings and generally include:

- Historical performance over varying periods
- Total expense ratio
- Investment objectives, portfolio composition and turnover
- Style consistency
- Manager experience and tenure
- Risk characteristics of the portfolio
- Other qualitative factors including legal and regulatory issues, portfolio manager compensation, portfolio manager investment in the product, board independence, notable changes in fund asset levels, etc.

Review Triggers

The primary plan review trigger is the end of each calendar quarter. Additional conditions that may trigger a review include changes in the tax laws, new investment information, material changes in an investment fund's organization or changes in a client's own situation. Our clients may request a review at any time.

Reports

MJM401k has developed its own sophisticated investment analysis and reporting software and is able to provide a full and comprehensive review and evaluation of each of our clients' plan funds. Our reports include a detailed analysis of each fund in the plan as well as an Executive Summary and a Fiduciary Review so that committees can easily identify any funds with issues or

concerns. We can also customize our reporting within certain parameters to accommodate the specific needs of our clients.

As we do not hold any plan assets, we do not prepare account statements. Plan and participant statements are generated by their plan trustees, custodians and/or third party administrators. We recommend that our clients review these statements closely and report any questions or concerns to the preparer as soon as possible

Client Referrals and Other Compensation

Incoming Referrals

MJM401k has been fortunate to receive many client referrals over the years. The referrals came from current clients, ERISA attorneys, accountants, employees, investment professionals, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

MJM401k does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

MJM401k does not accept compensation in any form whatsoever from any source other than directly from our clients as outlined in the *"Fees and Compensation"* section above.

Custody

SEC "Custody"

MJM401k does not have custody of client funds or securities.

Account Statements

As we do not hold any plan assets, we do not prepare account statements. Plan and participant statements are generated by their plan trustees, custodians and/or third party administrators. We recommend that our clients review these statements closely and report any questions or concerns to the preparer as soon as possible.

Investment Discretion

Discretionary Authority for Trading

If MJM401k is acting as Investment Manager as defined under ERISA §3(38), it may be responsible for the selection and/or replacement of investment options within a defined contribution plan, and the design of Model Portfolios within that plan. Under this arrangement, MJM401k has the authority to direct the plan recordkeeper to add, eliminate, or replace mutual funds, separately managed accounts, or collective trusts from a plan investment selection. MJM401k does not place trades for specific dollar amounts on behalf of any clients or plan participants.

Voting Client Securities

Proxy Votes

MJM401k does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, MJM401k will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

Financial Information

Financial Condition

MJM401k does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided as MJM401k does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.



Brochure Supplement

(Part 2B of Form ADV)

March 27, 2014

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This brochure supplement provides information about the Principals and Advisors at MJM401k, LLC as a supplement to the MJM401k Firm Brochure. You should have received a copy of that brochure. Please contact Michael J. Malone at (602) 224-5599 if you did not receive the MJM401k, LLC Firm Brochure or if you have any questions about the contents of this supplement.

Michael J. Malone, CPC, AIFA

Educational Background

Mr. Malone was born in 1955. He attended Providence College and has a BS in Business and Finance.

Business Experience

Mr. Malone is the founder and managing director of MJM401k. Prior to MJM401k, Mr. Malone served as a director and retirement plan consultant with both a regional and a national consulting and advisory firm.

Disciplinary Information

Mr. Malone has not had any legal or disciplinary actions taken against him at any time.

Other Business Activities

None

Additional Compensation

None

Supervision

Mr. Malone is the Managing Director of MJM401k and is responsible for overseeing all activities of the firm.

Arlie Wilson Green, III, AIF, CIMA

Educational Background

Mr. Green was born in 1962. He attended the University of California at Davis and has a BS in Economics.

Business Experience

Mr. Green is MJM401k's Chief Investment Officer and Principal Consultant. Prior to MJM401k, Mr. Green founded Interactive Capital Management, a SEC Registered Investment Advisor which subsequently merged into TRI-AD Capital Management.

Disciplinary Information

Mr. Green has not had any legal or disciplinary actions taken against him at any time.

Other Business Activities

President, Fortress Wealth Management

Additional Compensation

None

Supervision

Mr. Green is supervised by Michael J. Malone, Managing Director of MJM401k, LLC. Mr. Malone manages the compliance program for the firm and oversees all activities and services. He can be contacted at (602) 224-5599.

Joseph C. Nagengast, CEBS

Educational Background

Mr. Nagengast was born in 1950. He attended the University of California and has a BA in Linguistics.

Business Experience

Mr. Nagengast is a Senior Consultant at MJM401k. Prior to MJM401k, he was the Founder and President of Turnstone Advisory Group, LLC.

Disciplinary Information

Mr. Nagengast has not had any legal or disciplinary actions taken against him at any time.

Other Business Activities

Principal, Target Date Analytics, LLC

Additional Compensation

None

Supervision

Mr. Nagengast is supervised by Michael J. Malone, Managing Director of MJM401k, LLC. Mr. Malone manages the compliance program for the firm and oversees all activities and services. He can be contacted at (602) 224-5599.

Irving Isaacson, JD

Educational Background

Mr. Isaacson was born in 1958. He attended Stanford University to obtain a BA in Political Science and the University of Iowa College of Law to obtain his Juris Doctorate.

Business Experience

Mr. Isaacson is a Senior Consultant and Plan Compliance Specialist at MJM401k. Prior to joining MJM401k, Mr. Isaacson served as a trust officer for two major banks, as an employee benefit consultant for a Big Four national accounting firm, and as a 401(k) specialist for a large bundled investment provider.

Disciplinary Information

Mr. Isaacson has not had any legal or disciplinary actions taken against him at any time.

Other Business Activities

None

Additional Compensation

None

Supervision

Mr. Isaacson is supervised by Michael J. Malone, Managing Director of MJM401k, LLC. Mr. Malone manages the compliance program for the firm and oversees all activities and services. He can be contacted at (602) 224-5599.