

# **FJY Financial**

SEC File Number: 801 – 66159

## **ADV Part 2A, Firm Brochure**

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This brochure provides information about the qualifications and business practices of FJY Financial (“FJY”). If you have any questions about the contents of this brochure, please contact us at (703) 889-1111 or [jpy@fjyfinancial.com](mailto:jpy@fjyfinancial.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 FJY also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to FJY as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

## **Item 2           Material Changes**

There have been no material changes made to FJY's ADV Part 2A Firm Brochure since last year's Annual Amendment filing on March 26, 2013.

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#### Item 4            **Advisory Business**

- A. FJY is a limited liability company formed on January 5, 2006 in the State of Delaware. FJY became registered as an investment adviser firm in January 2006. FJY is principally owned by Marjorie Fox, FJY's Managing Member.
- B. As discussed below, FJY offers to its clients (individuals, high net worth individuals, pension and profit sharing plans, charitable organizations, other business entities, etc) financial planning, investment and non-investment related consulting, and investment management services on either a combined or stand-alone basis.

#### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, FJY may provide its clients with a broad range of comprehensive financial planning or consulting services (including investment and non-investment related matters). Financial planning services may include the following: review of property and liability insurance; income tax planning; cash management; estate planning; planning for children's education; retirement planning; retirement plan distribution analysis; real estate investment analysis; charitable gifting techniques; planning for special needs (e.g., disabled child, elder care, etc.); advanced estate planning techniques; practice management; planning for special situations (e.g., a business opportunity, an investment opportunity, buy-sell agreement, employment agreement, etc.). FJY will generally charge a fixed and/or hourly fee for these services. Prior to engaging FJY to provide financial planning or consulting services on a stand-alone basis, the client will generally be required to enter into a *Financial Planning and Consulting Agreement* with FJY setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to FJY commencing services. In performing its services, FJY shall not be required to verify any information received from clients or from the clients' other professionals, and is expressly authorized to rely thereon.

If requested by the client, FJY may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from FJY. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify FJY if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising FJY's previous recommendations and/or services.

#### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage FJY to provide discretionary and non-discretionary investment advisory services on a *fee-only* basis. Prior to engaging FJY to provide investment advisory services, clients are required to enter into an *Investment Advisory Agreement* with FJY setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. FJY's annual investment advisory fee shall include investment advisory services, and, to the **extent specifically requested** by the client, financial planning and

consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of FJY), FJY may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

#### **MISCELLANEOUS**

**Non-Investment Consulting/Implementation Services.** To the extent specifically requested by a client, FJY *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither FJY, nor any of its representatives, serves as an attorney, accountant, or insurance agent, and no portion of FJY's services should be construed as same. To the extent requested by a client, FJY may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from FJY. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify FJY if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising FJY's previous recommendations and/or services.

**Independent Managers.** FJY may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers or separately managed accounts in accordance with the client's designated investment objective(s). In such situations, the *Independent Manager[s]* shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending *Independent Manager[s]* include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

**Please Note: Non-Discretionary Service Limitations.** Clients that determine to engage FJY on a non-discretionary investment advisory basis **must be willing to accept** that FJY cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, FJY will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.

**Client Obligations.** In performing its services, FJY shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify FJY if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising FJY's previous recommendations and/or services.

**Disclosure Statement.** A copy of FJY's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*.

- C. FJY shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, FJY shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on FJY's services.
- D. FJY does not participate in a wrap fee program.
- E. As of December 31, 2013, FJY had \$339,566,815 in assets under management on a discretionary basis; and \$89,408,648 in assets under management on a non-discretionary basis.

## **Item 5            Fees and Compensation**

### **A. FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent requested by a client, FJY *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. FJY will generally charge a fixed and/or hourly fee for these services. FJY's financial planning and consulting fees are negotiable, but generally begin at a minimum of \$5,000.00 to a maximum of \$50,000.00 for a comprehensive financial plan, depending upon the level and scope of the services required, and the professionals rendering the services. FJY, may, in its discretion, also provide hourly financial planning or consulting services. The hourly charge for these services will generally range from \$150.00 to \$500.00 depending upon the level and scope of the services required and the professionals rendering the services.

### **INVESTMENT ADVISORY SERVICES**

If a client determines to engage FJY to provide negotiable discretionary or non-discretionary investment advisory services on a *fee-only* basis, FJY's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under FJY's management (between 1.00% and negotiable), to be charged quarterly in advance, generally as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
\$0 to \$1,000,000	1.00%
\$1,000,001 to \$3,000,000	0.75%
\$3,000,001 to \$5,000,000	0.50%
Above \$5,000,001	0.35%

FJY's annual investment advisory fee shall include investment advisory services, and, to the **extent specifically requested** by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of FJY), FJY may determine to charge

for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

- B. Clients may elect to have FJY's advisory fees deducted from their custodial account. Both FJY's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of FJY's investment advisory fee and to directly remit that management fee to FJY in compliance with regulatory procedures. In the limited event that FJY bills the client directly, payment is due upon receipt of FJY's invoice. FJY may deduct fees and/or bill clients quarterly in advance or arrears, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, FJY shall generally recommend that Charles Schwab & Co., Inc. ("*Schwab*"), Fidelity Investments ("*Fidelity*"), TD Ameritrade ("*Ameritrade*"), Trust Company of America ("*TCA*") or TIAA-CREF (for certain eligible clients) serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab*, *Fidelity*, *Ameritrade*, and/or *TCA* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). Clients will incur, in addition to FJY's investment management fee, brokerage commissions and/or transaction fees, and, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses)
- D. FJY's annual investment advisory fee shall be prorated and paid quarterly, in advance or arrears, based upon the market value of the assets on the last business day of the previous quarter. FJY generally requires initial minimum account assets of \$1,000,000.00 or an initial annual minimum fee of \$10,000.00 for combined planning and investment management services. FJY, in its sole discretion, may reduce or waive its minimum annual fee or asset level and/or charge a lower investment management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, complexity of planning, etc.).

The *Investment Advisory Agreement* between FJY and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination for those clients who are billed quarterly in advance, FJY shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter. Upon termination for those clients who are billed quarterly in arrears, FJY shall debit the client's custodial account (or invoice the client) for the pro-rated value of FJY's services based upon the number of days service was provided during the quarter. FJY shall use the market value of the client's asset as of the date of termination to calculate its fee.

- E. Neither FJY, nor its representatives accept compensation from the sale of securities or other investment products.

## **Item 6            Performance-Based Fees and Side-by-Side Management**

Neither FJY nor any supervised person of FJY accepts performance-based fees.

## **Item 7            Types of Clients**

FJY's clients shall generally include individuals, high net worth individuals, pension and profit sharing plans, charitable organizations, or other business entities, etc. FJY generally requires initial minimum account assets of \$1,000,000.00 or an initial annual minimum fee of \$10,000.00 for combined planning and investment management services. FJY, in its sole discretion, may reduce or waive its minimum annual fee or asset level and/or charge a lower investment management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, complexity of planning, etc.).

## **Item 8            Methods of Analysis, Investment Strategies and Risk of Loss**

A. FJY may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

FJY may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by FJY) will be profitable or equal any specific performance level(s).

B. FJY's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis FJY must have access to current/new market information. FJY has no control over the dissemination rate of market information; therefore, unbeknownst to FJY, certain analyses may be compiled with outdated market information, severely limiting the value of FJY's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can

be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

FJY's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, FJY may also implement and/or recommend short selling. This strategy has a high level of inherent risk. (*See discussion below*).

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

- C. Currently, FJY primarily allocates client investment assets primarily among various mutual funds, exchange traded funds and separately managed accounts on a discretionary or non-discretionary basis in accordance with the client's designated investment objective(s).

## **Item 9           Disciplinary Information**

FJY has not been the subject of any disciplinary actions.

## **Item 10          Other Financial Industry Activities and Affiliations**

- A. Neither FJY, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither FJY, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. FJY has no other relationship or arrangement with a related person that is material to its advisory business.



- D. FJY does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. FJY maintains an investment policy relative to personal securities transactions. This investment policy is part of FJY's overall Code of Ethics, which serves to establish a standard of business conduct for all of FJY's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, FJY also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by FJY or any person associated with FJY.

- B. Neither FJY nor any related person of FJY recommends, buys, or sells for client accounts, securities in which FJY or any related person of FJY has a material financial interest.
- C. FJY and/or representatives of FJY *may* buy or sell securities that are also recommended to clients. This practice may create a situation where FJY and/or representatives of FJY are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if FJY did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of FJY's clients) and other potentially abusive practices.

FJY has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of FJY's "Access Persons". FJY's securities transaction policy requires that Access Persons of FJY must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date FJY selects; provided, however that at any time that FJY has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. FJY and/or representatives of FJY *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where FJY and/or representatives of FJY are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, FJY has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of FJY's Access Persons.

## Item 12 Brokerage Practices

- A. In the event that the client requests that FJY recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct FJY to use a specific broker-dealer/custodian), FJY generally recommends that investment management accounts be maintained at *Schwab*, *Fidelity*, *Ameritrade*, and/or *TCA*. Prior to engaging FJY to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with FJY setting forth the terms and conditions under which FJY shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that FJY considers in recommending *Schwab*, *Fidelity*, *Ameritrade*, and/or *TCA* (or any other broker-dealer/custodian to clients) include historical relationship with FJY, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by FJY's clients shall comply with FJY's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where FJY determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although FJY will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, FJY's investment management fee. FJY's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### 1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, FJY may receive from *Schwab*, *Fidelity*, *Ameritrade*, and/or *TCA* (or another broker-dealer/custodian, investment platform and/or mutual fund sponsor), without cost (and/or at a discount) support services and/or products, certain of which assist FJY to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by FJY may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by FJY in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist FJY in managing and administering client accounts. Others do not directly provide such assistance, but rather assist FJY to manage and further develop its business enterprise.

FJY's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab, Fidelity, Ameritrade*, and/or *TCA* as result of this arrangement. There is no corresponding commitment made by FJY to *Schwab, Fidelity, Ameritrade*, and/or *TCA* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**FJY's Chief Compliance Officer, Jon Yankee, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

2. FJY does not receive referrals from broker-dealers.
3. FJY does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and FJY will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by FJY. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs FJY to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through FJY.

**FJY's Chief Compliance Officer, Jon Yankee, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that FJY provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless FJY decides to purchase or sell the same securities for several clients at approximately the same time. FJY may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among FJY's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. FJY shall not receive any additional compensation or remuneration as a result of such aggregation.

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

- A. For those clients to whom FJY provides investment supervisory services, account reviews are conducted on an ongoing basis by FJY's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise FJY of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with FJY on an annual basis.
- B. FJY *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. FJY may also provide a written periodic report summarizing account activity and performance.

### **Item 14          Client Referrals and Other Compensation**

- A. As referenced in Item 12.A.1 above, FJY may receive an indirect economic benefit from *Schwab, Fidelity, Ameritrade, and/or TCA*. FJY, without cost (and/or at a discount), may receive support services and/or products from *Schwab, Fidelity, Ameritrade, and/or TCA*.

FJY's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab, Fidelity, Ameritrade, and/or TCA* as result of this arrangement. There is no corresponding commitment made by FJY to *Schwab, Fidelity, Ameritrade, and/or TCA* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**FJY's Chief Compliance Officer, Jon Yankee, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. FJY does not compensate any person other than its supervised persons for client referrals.

### **Item 15          Custody**

FJY shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. FJY may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that FJY provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by FJY with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of FJY's advisory fee calculation.

## **Item 16 Investment Discretion**

The client can engage FJY to provide investment advisory services on a discretionary basis. Prior to FJY assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming FJY as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage FJY on a discretionary basis may, at anytime, impose restrictions, **in writing**, on FJY's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe FJY's use of margin, etc.).

## **Item 17 Voting Client Securities**

- A. FJY does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. FJY and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact FJY to discuss any questions they may have with a particular solicitation.

## **Item 18 Financial Information**

- A. FJY does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. FJY is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. FJY has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: FJY's Chief Compliance Officer, Jon Yankee, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**