

Item 1 – Cover Page

J.B. Capital LLC

100 Great Meadow Road, Suite 502

Wethersfield, CT 06109

860-372-4800

<http://www.johnsonbrunetti.com>

Date of Disclosure Brochure: September 2014

This disclosure brochure provides information about the qualifications and business practices of J.B. Capital LLC (also referred to as we, us and JB Capital throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Margaret Mangone at 860-372-4800. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about JB Capital is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for J.B. Capital LLC or our firm's CRD number 171168.

*Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

Since our last annual update was filed in April 2014, the only material change to our disclosure brochure is an increase in the amount of client assets our firm manages. At the time of the April 2014 filing, JB Capital was a newly registered investment adviser with no assets under management. The current amount of client assets under our management is \$101,008,987. Please refer to Item 4 – Advisory Business for more details.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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Item 4 – Advisory Business

JB Capital is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability company (LLC) formed under the laws of the State of Connecticut. JB Capital is owned by Financial Retirement Solutions LLC (doing business as “Johnson Brunetti”).

- Joel M. Johnson is the Chief Executive Officer and Investment Adviser Representative of JB Capital. Joel M. Johnson owns 70.00% of JB Capital’s parent company, Johnson Brunetti.
- Eric F. Hogarth is an Investment Adviser Representative of JB Capital. Eric F. Hogarth owns 25.00% of JB Capital’s parent company, Johnson Brunetti.
- Douglas W. Miller is an Investment Adviser Representative of JB Capital. Douglas Miller owns 5.00% of JB Capital’s parent company, Johnson Brunetti.

JB Capital filed its initial application to become registered as an investment adviser in April 2014.

Introduction

The investment advisory services of JB Capital are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of JB Capital (referred to as your investment adviser representative throughout this brochure).

Description of Advisory Services

The following are descriptions of the primary advisory services of JB Capital. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and JB Capital before we can provide you the services described below.

Asset Management Services – JB Capital offers asset management services, which involves JB Capital providing you with continuous and ongoing supervision over your specified accounts.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to

consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

JB Capital has contracted with Focus Point Solutions, Inc., an investment advisor registered with the U.S. Securities and Exchange Commission, (referred to as "service provider") to provide services involving administrative and back-office functions. Such services are provided to selected client accounts managed by JB Capital. Functions the service provider may offer to JB Capital include, but are not necessarily limited to, the following: access to model portfolios developed and maintained by service provider, due diligence assistance, performance and/or position reports for client accounts, training and presentation materials, arrangements with third-party qualified custodians (e.g. Fidelity), calculation and deduction of management fees, and other back-office support.

The service provider will not have direct contact with JB Capital's clients, nor will clients enter into an advisory agreement with the service provider. However, the service provider's fee for providing services to JB Capital is based upon the total assets held within JB Capital's client accounts. The service provider will retain a maximum of up to 50 basis points of each client's annual management fee. JB Capital's use of a service provider does not result in an increase to the client's overall management fee.

Financial Planning & Consulting Services - JB Capital offers financial planning services, which involve preparing a written financial plan covering specific or multiple topics mutually agreed upon by us. When providing financial planning and consulting services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. We also provide modular written financial plans which only cover those specific areas of concern mutually agreed upon by you and us. You should be aware that there are important issues that may not be taken into consideration when your investment adviser representative develops his or her analysis and recommendations under a modular written financial plan. Written financial plans prepared by us do not include specific recommendations of individual securities.

We also offer "as-needed" consultations in order to discuss financial planning issues when you do not need a written financial plan. Our "as-needed" consultations are limited to consultations in response to a particular investment or financial planning issue raised or request made by you. Under an "as-needed" consultation, it will be incumbent upon you to identify those particular issues for which you are seeking our advice or consultation on.

Our financial planning and consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning and consulting recommendations. To the extent that you would like to implement any of our investment recommendations through JB Capital or retain JB Capital to actively monitor and manage your investments, you must execute a separate written agreement with JB Capital for our asset management services.

Referral of Third-Party Money Managers - JB Capital offers advisory services by referring clients to a third-party money manager, such as Global Financial Private Capital offering asset management and other investment advisory services. The third-party managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary. As a result of the referral, we are paid a portion of the fee charged and collected by the third-party money managers in the form of solicitor fees. Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with SEC Rule 206(4)-3 and applicable state securities rules and regulations.

Under this program, we assist you with identifying your risk tolerance and investment objectives. We recommend third-party money managers in relation to your stated investment objectives and risk tolerance, and you may select a recommended third-party money manager or model portfolio based upon your needs. You must enter into an agreement directly with the third-party money manager who provides your designated account with asset management services.

We are available to answer questions that you may have regarding your account and act as the communication conduit between you and the third-party money manager. The third-party money manager may take discretionary authority to determine the securities to be purchased and sold for your account. We do not have any trading authority with respect to your designated account managed by the third-party money manager.

Although we review the performance of numerous third-party investment adviser firms, we enter into only a select number of relationships with third-party investment adviser firms that have agreed to pay us a portion of the overall fee charged to our clients. Therefore, JB Capital has a conflict of interest in that it will only recommend third-party investment advisors that will agree to compensate us for referrals of our clients.

Clients are advised that there may be other third-party managed programs not recommended by our firm, that are suitable for the client and that may be more or less costly than arrangements recommended by our firm. No guarantees can be made that a client's financial goals or objectives will be achieved by a third-party investment adviser recommended by our firm. Further, no guarantees of performance can ever be offered by our firm (*Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more details.*)

Seminars

JB Capital may occasionally provide seminars in areas such as financial planning, retirement planning and estate planning. Seminars are always offered on an impersonal basis and do not focus on the individual needs of participants.

Limits Advice to Certain Types of Investments

JB Capital provides investment advice on the following types of investments:

- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Foreign Issues
- US Government Securities
- Interests in Partnerships Investing in Real Estate

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)

Client Assets Managed by JB Capital

The amount of clients assets managed by us totaled \$101,008,987 as of September 04, 2014. All assets are managed on a discretionary basis.

Item 5 – Fees and Compensation

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and JB Capital.

Asset Management Services

Fees charged for our asset management services are charged based on a percentage of assets under management, billed in arrears at the end of the billing period on a monthly basis or in advance on a quarterly calendar basis, and calculated based on the fair market value of your account as of the last business day of the current (if billed in arrears) or past (if billed in advance) billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period will be billed in arrears at the end of that billing period.

The asset management services continue in effect until terminated by either party (i.e., JB Capital or you) by providing written notice of termination to the other party. JB Capital will prorate the final fee payment based on the number of days services are provided during the final period. When fees are billed in

arrears, the amount of client assets on the termination date will be used to determine the final fee payment. Any prepaid, unearned fees will be promptly refunded by JB Capital to you.

Fees charged for our asset management services are negotiable based on the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client.

For our asset management services, client will be charged the following annual fee based upon the amount of assets under management:

<u>Assets Under Management</u>	<u>Annual Fees</u>
\$0 – \$249,999	1.60%
\$250,000 – \$999,999	1.50%
\$1,000,000 – \$1,999,999	1.20%
\$2,000,000 – \$2,999,999	1.00%
\$3,000,000 or Greater	0.80%

JB Capital believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

You can choose how to pay your investment advisory fees. The investment advisory fees can be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account or you can pay our firm upon receipt of a billing notice sent directly to you.

If you choose to have the investment advisory fees deducted from your account, you must authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to JB Capital.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

If you choose to pay the fees after receiving a statement, fees are due upon your receipt of a billing notice sent directly to you. The billing notice will detail the formula used to calculate the fee, the assets under management and the time period covered. Fees for the services of our firm will be due immediately after your receipt of the billing notice.

Brokerage commissions and/or transaction ticket fees charged by the qualified custodian are billed directly to you by the qualified custodian. JB Capital does not receive any portion of such commissions or fees from you or the qualified custodian. In addition, you may incur certain charges imposed by third parties other than JB Capital in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by JB Capital are separate and distinct from the

fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

Financial Planning & Consulting Services

Fees charged for our financial planning and consulting services are negotiable based upon the type of client, the services requested, the investment adviser representative providing advice, the complexity of the client's situation, the composition of the client's account, other advisory services provided and the relationship of the client and the investment adviser representative. The following are the fee arrangements available for financial planning and consulting services offered by JB Capital.

Fees for Financial Planning Services

JB Capital provides financial planning services under a fixed fee arrangement. A mutually agreed upon fixed fee is charged for financial planning services under this arrangement. There is a range in the amount of the fixed fee charged by JB Capital for financial planning services. The minimum fixed fee is generally \$500, and the maximum fixed fee is generally no more than \$3,000. The amount of the fixed fee for your engagement is specified in your financial planning agreement with JB Capital. You are required to pay in advance 100% of the fixed fee at the time you execute an agreement with JB Capital; however, at no time will JB Capital require payment of more than \$1,200 in fees more than six months in advance.

The financial planning services terminate upon delivery of the written financial plan or upon either party providing the other party with written notice of termination.

If you terminate the financial planning services after entering into an agreement with us, you will be responsible for immediate payment of any financial planning services performed by JB Capital prior to the receipt by JB Capital of your notice of termination. For financial planning services performed by JB Capital under a fixed fee arrangement, you will pay JB Capital a pro-rated fixed fee equivalent to the percentage of work completed by JB Capital as determined by JB Capital. In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded by JB Capital to you.

Fees for Consulting Services

JB Capital provides consulting services under a fixed fee arrangement. A mutually agreed upon fixed fee is charged for consulting services under this arrangement. There is a range in the amount of the fixed fee charged by JB Capital for consulting services. The minimum fixed fee for consulting services will be \$1,000, and maximum fixed fee for consulting services will be generally no more than \$5,000. The amount of the fixed fee for your engagement is specified in your consulting agreement with JB Capital. You are required to pay in advance 100% of the fixed fee at the time you execute an agreement with JB Capital. At no time will JB Capital require payment of more than \$1,200 in fees more than six months in advance. The fixed fee will be considered earned by JB Capital upon completion of the consultation.

The "as-needed" consulting services will terminate upon either you or JB Capital providing written notice of termination to the other party.

If you terminate the consulting services after entering into an agreement with JB Capital, you will be responsible for immediate payment of any consulting work performed by JB Capital prior to the receipt by JB Capital of your notice of termination. For consulting services performed by JB Capital under a fixed

fee arrangement, you will pay JB Capital a pro-rated fixed fee equivalent to the percentage of work completed by JB Capital as determined by JB Capital. In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded by JB Capital to you.

Other Fee Terms for Financial Planning & Consulting Services

You may pay the investment advisory fees owed for the financial planning services by submitting payment directly (for example, by check).

You should notify JB Capital within ten (10) days of receipt of an invoice if you have questions about or dispute any billing entry.

All fees paid to JB Capital for services are separate and distinct from the commissions, fees and expenses charged by insurance companies associated with any disability insurance, life insurance and annuities subsequently acquired by you. If you sell or liquidate certain existing securities positions to acquire any insurance or annuity, you may also pay a commission and/or deferred sales charges in addition to the financial planning and consulting fees paid to JB Capital and any commissions, fees and expenses charged by the insurance company for subsequently acquired insurance and/or annuities.

All fees paid to JB Capital for advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each mutual 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, you may pay an initial or deferred sales charge.

If you retain JB Capital to implement the recommendations provided under this service, JB Capital may recommend load or no-load mutual funds that charge you 12(b)-1 fees. Your investment adviser representative may receive a portion of these 12(b)-1 fees in his or her separate capacity as a registered representative of a securities broker-dealer. The receipt of 12(b)-1 fees could represent an incentive for JB Capital or your investment adviser representative to recommend mutual funds with 12(b)-1 fees or higher 12(b)-1 fees over mutual funds with no 12(b)-1 fees or lower 12(b)-1 fees and therefore creates a conflict of interest.

All fees paid to JB Capital for financial planning and consulting services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations.

It should be noted that lower fees for comparable services may be available from other sources.

Third-Party Money Managers

Third-party managers generally have account minimum requirements that will vary among third-party money managers. Account minimums are generally higher on fixed income accounts than for equity based accounts. A complete description of the third-party money manager's services, fee schedules and account minimums will be disclosed in the third-party money manager's disclosure brochure which will be provided to you prior to or at the time an agreement for services is executed and the account is established.

The actual fee charged to you will vary depending on the third-party money manager. All fees are calculated and collected by the third-party money manager who will be responsible for delivering our portion of the fee paid by you to us.

Under this program, you may incur additional charges including but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees.

We have a conflict of interest by only offering those third-party money managers that have agreed to pay a portion of their advisory fee to us and have met the conditions of our due diligence review. There may be other third-party money managers that may be suitable for you that may be more or less costly. No guarantees can be made that your financial goals or objectives will be achieved. Further, no guarantees of performance can be offered.

Seminars

No fees are charged for seminars. However, if we are hired by larger groups, such as corporations, we reserve the right to charge fees to cover the expenses incurred by us for presenting the seminars. In this case, all fees and payment provisions will be fully disclosed to you prior to the seminar being presented.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

Item 7 – Types of Clients

JB Capital generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Corporations or business entities other than those listed above

You are required to execute a written agreement with JB Capital specifying the particular advisory services in order to establish a client arrangement with JB Capital.

Minimum Investment Amounts Required

There are no minimum investment amounts or conditions required for establishing an account managed by JB Capital. However, all clients are required to execute an agreement for services in order to establish a client arrangement with JB Capital and/or the third-party money manager or the sponsor of third-party money manager platforms.

The minimum fixed fee generally charged for financial planning services on a fixed fee basis is \$500.

The minimum fixed fee generally charged for consulting services is \$1,000.

Third-party money managers may have minimum account and minimum fee requirements in order to participate in their programs. Each third party money manager will disclose its minimum account size and fees in its Form ADV Part 2A Disclosure Brochure.

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

Methods of Analysis

JB Capital uses the following methods of analysis in formulating investment advice:

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

There are risks involved in using any analysis method.

To conduct analysis, JB Capital gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

Investment Strategies

JB Capital uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Primarily Recommend One Type of Security

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client's specific circumstances and needs.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock 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 also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend 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.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in a an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Item 9 – Disciplinary Information

The State of Connecticut Department of Insurance issued a complaint alleging Joel Johnson violated Connecticut insurance statutes by (1) submitting completed annuity application to an insurance company which didn't hold a certificate authorizing the insurance company to do business in Connecticut, (2) making false statements by showing the applications were signed in Massachusetts when actually signed in Connecticut, and (3) Joel Johnson conducted business under name of Johnson Associates, an organization not licensed by the Connecticut Insurance Department. Joel Johnson consented to a revocation of his insurance license for six months. Joel Johnson's insurance license was reinstated as of February 2009. For additional details of Joel Johnson's disciplinary history, you may visit BrokerCheck at www.finra.org/brokercheck or the IAPD at www.adviserinfo.sec.gov. and enter Joel Johnson's name and CRD number (1941908).

On June 10, 2010 Eric Field Hogarth received a written customer complaint for alleged failure to follow customer instructions while employed by Silver Oak Securities, Inc. The customer complaint did not constitute an arbitration/CFTC reparation or civil litigation. The customer alleges that the customer signed discretionary investment authority to the customer's advisor, Eric Hogarth; however, the customer requested that the investments not be sold until dividends were paid. The customer alleges that failure by Eric Hogarth to follow the customer's instructions resulted in alleged compensatory damages in the amount of \$35,000.00. A monetary settlement was reached in the amount of \$30,000.00 and was issued October 4, 2010. For additional details of Eric Hogarth's disciplinary history, you may visit BrokerCheck at www.finra.org/brokercheck or the IAPD at www.adviserinfo.sec.gov. and enter Eric Hogarth's name and CRD number (4799191).

Item 10 – Other Financial Industry Activities and Affiliations

JB Capital is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment registered adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with us.

Registered Representative of a Broker-Dealer

Our representatives are also registered representatives of Silver Oak Securities, Inc., a securities broker-dealer. You may work with your investment adviser representative in his or her separate capacity as a registered representative of Silver Oak Securities, Inc. When acting in his or her separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you

implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use Silver Oak Securities, Inc. and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use Silver Oak Securities, Inc. Prior to effecting any such transactions, you are required to enter into a new account agreement with Silver Oak Securities, Inc. The commissions charged by Silver Oak Securities, Inc. may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

Third-Party Money Managers

JB Capital has developed a program, previously described in *Item 5* of this disclosure brochure, designed to allow us to recommend and select third-party money managers for you. Once you select the third-party money manager to manage all or a portion of your assets, the third-party money manager will pay us a portion of the fees you are charged. Please refer to *Items 4 and 5* for full details regarding the programs, fees, conflicts of interest and materials arrangements when JB Capital selects other investment advisers.

Insurance Agent

You may work with your investment adviser representative in his or her separate capacity as an insurance agent through JB Capital's parent company, Financial Retirement Solutions LLC (doing business as "Johnson Brunetti"). When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent may suggest that you implement recommendations of JB Capital by purchasing disability insurance, life insurance, annuities, or other insurance products through Johnson Brunetti. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

Insurance Agency

JB Capital's parent company, Financial Retirement Solutions LLC which is owned by Joel Johnson, Eric Hogarth and Douglas Miller, and JN Financial LLC, which is owned by Joel Johnson, (collectively referred to as "Johnson Brunetti") are licensed insurance agencies and work with businesses and individuals seeking life, accident and health insurance.

Clients of JB Capital in need of insurance services will be referred to an insurance agent of Johnson Brunetti. You are **not** required or obligated to work with Johnson Brunetti. We have a conflict of interest when recommending Johnson Brunetti because this is our parent company and they receive

commissions on any insurance products you purchase through them. Insurance commissions are separate and in addition to the advisory fees charged by JB Capital. The receipt of commissions creates an incentive for Johnson Brunetti to recommend those products for which the insurance agent will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through Johnson Brunetti.

Johnson Brunetti may refer clients in need of investment advisory services to JB Capital. Such referrals are not required to work with our firm. We do not pay referral fees or otherwise compensate other companies for client referrals. This includes Johnson Brunetti. However, because of parent company/subsidiary company relationship, Johnson Brunetti has an economic incentive to recommend our firm over other investment advisory firms and therefore their recommendation of JB Capital is biased.

Captive Insurance Company

JB Capital's investment adviser representatives, Joel Johnson and Eric Hogarth, are owners of a captive insurance company, American Security Insurance Company, which is formed under the laws of North Carolina for the purposes of self-insuring certain business risks of Financial Retirement Solutions LLC (doing business as "Johnson Brunetti"). Clients of JB Capital will not conduct business with American Security Insurance Company.

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

Code of Ethics Summary

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. JB Capital has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. JB Capital requires its supervised persons to consistently act in your best interest in all advisory activities. JB Capital imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of JB Capital. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

Affiliate and Employee Personal Securities Transactions Disclosure

JB Capital or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of JB Capital that all persons associated in any manner with our firm must place clients'

interests ahead of their own when implementing personal investments. JB Capital and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of JB Capital.

Any associated person not observing our policies is subject to sanctions up to and including termination.

Code of Ethics for CFP

In addition to abiding by our Code of Ethics, some of our representatives are Certified Financial Planners[™] (CFP[®]) and also abide by the Code of Ethics and Responsibility Code of the Certified Financial Planner[™] Board of Standards, Inc. The Code of Ethics and Responsibility Code requires CFP[®] designees to not only comply with all applicable laws and regulations but to also act in an ethical and professional responsible manner in all professional services and activities. The principles guiding CFP[®] designees are:

- Integrity
- Objectivity
- Competence (in providing services and maintaining knowledge and skills to do so)
- Fairness (to clients, principals, partners and employers and disclosing any conflicts of interest in providing services)
- Confidentiality (keeping all client information confidential without the specific client consent unless in response to legal process or in defense of charges of wrongdoing or civil dispute)
- Professionalism
- Diligence

You can obtain a copy of the Code of Ethics and Responsibility Code of CFP[®] by requesting a copy from a representative of the Certified Financial Planner[™] Board of Standards, Inc.

Item 12 – Brokerage Practices

Clients are under no obligation to act on the financial planning recommendations of JB Capital. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back office services, technology and pricing of services offered.

Brokerage Recommendations

If you elect to utilize our management services you are required to establish a brokerage account at Fidelity. Fidelity provides JB Capital with access to their institutional trading and custody services, which are typically not available to retail investors. The services from Fidelity include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Fidelity also makes available to JB Capital other products and services that we benefit from but may not benefit your accounts. Some of these other products and services assist us in managing and administering client accounts. These include software and other technology that:

- Provide access to client account data (such as trade confirmation and account statements)
- Facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts)
- Provide research, pricing information and other market data
- Facilitate payment of our fees from client accounts
- Assist with back-office functions, recordkeeping and client reporting.

Many of these services generally may be used to service all or a substantial number of our accounts. Fidelity also makes available other services intended to help us manage and further develop our business. These services may include:

- Consulting, publications and conferences on practice management
- Information technology
- Business succession
- Regulatory compliance
- Marketing.

In addition, Fidelity may make available, arrange and/or pay for these types of services rendered to JB Capital by independent third-parties providing these services to us. As a fiduciary, we endeavor to act in your best interest. Our requirement that you maintain your assets in accounts at Fidelity may be based in part on the benefit to us of the availability of some of the foregoing products and services and not solely

on the nature, cost or quality of custody and brokerage services provided by Fidelity. This creates a potential conflict of interest.

You are under no obligation to act on our recommendations. You may select a broker/dealer or account custodian other than Fidelity, although in this case we cannot assist you with asset management services.

Directed Brokerage

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer, JB Capital may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers may cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, JB Capital has decided to require our clients to use broker/dealers and other qualified custodians determined by JB Capital.

Soft Dollar Benefits

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

Except for the arrangement described above with Fidelity, JB Capital does not have a soft dollar agreement with a broker-dealer or a third-party.

Handling Trade Errors

JB Capital has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of JB Capital to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by JB Capital if the error is caused by JB Capital. If the error is caused by the broker-dealer, the broker-dealer is responsible for handling the trade error. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. JB Capital may also confer with a client to determine if the client should forego the gain (e.g., due to tax reasons).

JB Capital will never benefit or profit from trade errors.

Block Trading Policy

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when JB Capital believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more

favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

JB Capital uses the average price allocation method for transaction allocation.

Under this procedure JB Capital will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which JB Capital or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

Agency Cross Transactions

Our associated persons are prohibited from engaging in agency cross transactions, meaning we cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

Item 13 – Review of Accounts

Account Reviews and Reviewers

Managed accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by investment adviser representative assigned to account, with reviews performed in accordance with your investment goals and objectives.

Accounts established and maintained with other third-party money managers are reviewed at least quarterly, usually when statements and/or reports are received from the money manager.

Our financial planning services terminate upon the presentation of the written plan. Our financial planning and consulting services do not include monitoring the investments of your account(s), and therefore, there is no ongoing review of your account(s) under such services.

Statements and Reports

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian.

Whether reports by an outside money manager are provided to you will depend upon the outside money manager.

Financial planning clients do not receive any report other than the written plan originally contracted for and provided by JB Capital.

You are encouraged to always compare any reports or statements provided by us, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

Item 14 – Client Referrals and Other Compensation

JB Capital does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. JB Capital receives no other forms of compensation in connection with providing investment advice.

Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. According to this definition, JB Capital does **not** have custody of client funds or securities.

Item 16 – Investment Discretion

When providing asset management services, JB Capital maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary authority is granted by you through the client agreement and/or qualified custodian documents, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power

granted to JB Capital so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Item 17 – Voting Client Securities

Proxy Voting

JB Capital does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us. However, you will have the ultimate responsibility for making all proxy-voting decisions.

With respect to assets managed by a third-party money manager, we will not vote the proxies associated with these assets. You will need to refer to each third-party money manager's disclosure brochure to determine whether the third-party money manager will vote proxies on your behalf. You may request a complete copy of third-party money manager's proxy voting policies and procedures as well as information on how your proxies were voted by contacting the third-party money manager or by contacting JB Capital at the address or phone number indicated on Page 1 of this disclosure document.

Item 18 – Financial Information

This *Item 18* is not applicable to this brochure. JB Capital does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, JB Capital has not been the subject of a bankruptcy petition at any time.

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