

# Benjamin & Jerold Advisers, LLC

SEC File Number: 801-77165

ADV Part 2A, Appendix 1

Wrap Fee Program Brochure

Dated: November 15<sup>th</sup> 2014

Contact: Terence Dolan, Chief Compliance Officer

96 Main Street East Islip, NY 11730

---

This Brochure provides information about the qualifications and business practices of Benjamin & Jerold Advisers, LLC ("B&J Advisers"). If you have any questions about the contents of this Brochure, please contact us at (646) 558-0055 or [tdolan@benjaminjeroldadvisers.com](mailto:tdolan@benjaminjeroldadvisers.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 B&J Advisers also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to B&J Advisers 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**

---

The following document constitutes material changes to the Original ADV Part 2A, which have been made since “B&J Advisers” most recent original filings.

This is a materially new document for commencing business under the Benjamin & Jerold Advisers LLC. These governances will outline procedures for the Benjamin & Jerold Advisers LLC updated business plan and commencement of activity.

---

**Item 3            Table of Contents**

---

Item 1	Cover Page .....	1
Item 2	Material Changes .....	2
Item 3	Table of Contents .....	2
Item 4	Services, Fees, & Compensation.....	3
Item 5	Account Requirements and Types of Clients .....	5
Item 6	Portfolio Manager Selection & Evaluation .....	6
Item 7	Client Information Provided to Portfolio Managers .....	13
Item 8	Client Contact with Portfolio Managers .....	14
Item 9	Additional Information .....	14

## **Item 4            Services, Fees and Compensation**

---

### **A.        INVESTMENT ADVISORY SERVICES**

The client can determine to engage B&J Advisers to provide discretionary investment advisory services on a wrap fee basis. (See discussion below). If a client determines to engage B&J Advisers on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client's particular need.

#### **B&J ADVISERS ADVISORY WRAP PROGRAM**

B&J Advisers is the sponsor and investment manager of the B&J Advisers Advisory Wrap Program (hereinafter the "Program"). Under the Program, B&J Advisers is able to offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The current annual Program fee ranges from negotiable to 2.00%, depending upon the amount and type of the Program assets.

B&J Advisers charges an annual wrap fee for participation in the Program. The wrap fee will be charged as a percentage of assets under management, as follows:

<u>Market Value of Portfolio</u>	<u>Annual % Fee</u>
Up to \$250,000	2.00%
\$250,000 - \$750,000	1.50%
\$750,001 - \$1,500,000	1.25%
\$1,500,001 - \$5,500,000	1.00%
Over \$5,500,000	0.75%

Under the Program, B&J Advisers shall be provided with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in the written agreement between each client and B&J Advisers. Clients may change/amend these limitations, in writing, at any time. The client shall have reasonable access to one of B&J Advisers' investment professionals to discuss their account.

Either Interactive Brokers ("IB") or COR Clearing ("COR") shall serve as the custodian for Program accounts. However, in the event that a client should choose to engage B&J Advisers to provide investment advisory services and

determine not to custody their assets with IB or COR, B&J Advisers may recommend Claraphi Advisory Network ("Claraphi"), in its capacity as an unaffiliated SEC registered, investment adviser. Claraphi utilizes FolioFN Investments, Inc. ("FolioFN"), an SEC registered, FINRA member broker-dealer, for custodial services.

**Fee Calculation:** The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client, pursuant to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (hereinafter the "Act").

**Fee Payment:** Clients will be charged in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. Fees are prorated for accounts opened during the quarter. An additional fee for the current quarter will be assessed if assets are deposited after the beginning of the quarter, prorated based on the number of calendar days remaining in the quarter during which the service will be in effect. No portion of the fee will be credited to the client for the current calendar quarter should any withdrawals from the portfolio occur in the same calendar quarter.

**Termination of Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of prior written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five (5) business days after entering into the agreement.

## **MISCELLANEOUS**

**Client Responsibilities:** In performing any of its services, B&J Advisers 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. Furthermore, unless the client indicates to the contrary in the client's Investment Objective Confirmation letter, B&J Advisers shall assume that there are no restrictions on its services, other than to manage the account in accordance with the client's designated investment objective. **Moreover, it remains each client's responsibility to promptly notify B&J Advisers if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising B&J Advisers' previous recommendations and/or services.**

**Please Note: Investment Performance:** As a condition to participating in the Program, the participant **must** accept that past performance may not be

indicative of future results, and understand that the future performance of any specific investment or investment strategy (**including** the investments and/or investment strategies purchased and/or undertaken by B&J Advisers) **may not:** (1) achieve their intended objective; (2) be profitable; or, (3) equal historical performance level(s) or any other performance level(s).

- B. Participation in the Program may cost more or less than purchasing such services separately. Also the Program fee charged by B&J Advisers for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

Depending upon the percentage wrap-fee charged by B&J Advisers, the amount of portfolio activity in the client's account, and the value of custodial and other services provided, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and/or if B&J Advisers were to negotiate transaction fees and seek best price and execution of transactions for the client's account.

- C. The Program's wrap fee **does not** include certain charges and administrative fees, including, but not limited to, fees charged by *Independent Managers*, transaction charges (including mark-ups and mark-downs) resulting from trades effected through or with a broker-dealer other than the designated Program custodian(s) (i.e. IB, COR, or FolioFN, as applicable) alternative investment fees, wire fees, short term redemption fees, bond concessions, and loads. Participants may also incur transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are **in addition to** the Program's wrap fee.

Please Also Note: Clients who select IB, COR, or FolioFN, as applicable as their custodian for their Program account shall not be responsible for commission expenses but shall be responsible for transaction costs.

- D. B&J Advisers' related persons who recommend the B&J Advisers Advisory Wrap Fee Program to clients do not receive compensation as a result of a client's participation in the wrap fee program.

## **Item 5      Account Requirements and Types of Clients**

---

B&J Advisers' clients shall generally include individuals, business entities, trusts, estates, and charitable organizations. B&J Advisers, in its sole discretion, may charge a lesser 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, etc.).

## **Item 6            Portfolio Manager Selection and Evaluation**

---

- A. B&J Advisers may allocate a portion of a client's Program assets among unaffiliated independent investment managers 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 Program assets. B&J Advisers shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors, which B&J Advisers 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.
- B. B&J Advisers acts as the portfolio manager for the Program. Inasmuch as the execution costs for transactions effected in the client account will be paid by B&J Advisers, a potential conflict of interest arises in that B&J Advisers may have a disincentive to trade securities in the client account. In addition, the amount of compensation received by B&J Advisers as a result of the client's participation in the Program may be more than what B&J Advisers would receive if the client paid separately for investment advice, brokerage and other services.

As the Program sponsor, B&J Advisers shall be responsible for the primary management of the Program, including the selection and termination of all Independent Manager[s]. Once selected, Independent Manager[s] shall be responsible for day-to-day management and selection of securities for the account.

- C. As discussed below, B&J Advisers also offers to its clients discretionary investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

## **ADVISORY BUSINESS SERVICES**

### **Investment Advisory Services**

The client can determine to engage B&J Advisers to provide discretionary investment advisory services on a wrap fee basis. (See discussion below).

### **B&J ADVISERS ADVISORY WRAP PROGRAM FEES**

If a client determines to engage B&J Advisers to provide investment management services on a wrap fee basis in accordance with B&J Advisers Program, the services offered under, and the corresponding terms and conditions pertaining to, the Program

are discussed in the Wrap Fee Program Brochure, a copy of which is presented to all prospective Program participants. Under the Program, B&J Advisers is able to offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The current annual Program fee ranges from negotiable to 2.00%, depending upon the amount and type of the Program assets.

B&J Advisers 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 B&J Advisers), B&J Advisers 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.

### **CLARAPHI ADVISORY NETWORK WRAP-FEE PROGRAM**

B&J Advisers is a participating investment adviser in an unaffiliated wrap fee program sponsored by Claraphi (“the Claraphi Program”). The services offered under, and the corresponding terms and conditions pertaining to the Claraphi Program are discussed in the Claraphi Advisory Network Wrap-Fee Brochure, a copy of which is presented to all prospective Claraphi Program participants. Fees for the Claraphi Program shall be paid monthly in arrears. Clients who determine to participate in the Claraphi Program will pay the wrap fee directly to Claraphi, who, in turn, will remit a portion of the wrap fee to B&J Advisers. The advisory fee remitted to B&J Advisers is based upon an annual percentage of assets under management, and are calculated by Claraphi on a monthly basis. FolioFN shall serve as the custodian for program accounts. **Please Note:** In the event that B&J Advisers is engaged to provide investment management services as part of this unaffiliated wrap-fee program (such as Claraphi), B&J Advisers will be unable to negotiate commissions and/or transaction costs. Under a wrap program, the wrap program sponsor (Claraphi) arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the participant more or less than purchasing such services separately. In the event that B&J Advisers is engaged to provide investment management services as part of an unaffiliated managed account program, B&J Advisers will likewise be unable to negotiate commissions and/or transaction costs.

### **Financial Planning and Consulting Services**

To the extent requested by a client, B&J Advisers 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. B&J Advisers’ planning and consulting fees are negotiable, but generally range from \$2,500 to \$25,000 on a fixed fee basis, and from \$250 to \$1,000 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging B&J Advisers to provide planning or consulting services, clients are generally required to enter into a Financial

Planning and Consulting Agreement with B&J Advisers setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to B&J Advisers commencing services. If requested by the client, B&J Advisers may recommend the services of other professionals for implementation purposes, including certain of B&J Advisers' representatives in their individual capacities as registered representatives of a broker-dealer and/or licensed insurance agents. (See disclosure below). 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 B&J Advisers. **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 and not B&J Advisers. Clients are also reminded that they have certain rights under state and federal laws, and nothing contained above shall be deemed a waiver of those rights. **Please Also Note:** It remains the client's responsibility to promptly notify B&J Advisers if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising B&J Advisers' previous recommendations and/or services.

### **Miscellaneous Advisory Services Disclosure**

**Non-Investment Consulting/Implementation Services.** If requested by the client, B&J Advisers may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither B&J Advisers, nor any of its representatives, serves as an attorney or accountant, and no portion of B&J Advisers' services should be construed as same. To the extent requested by a client, B&J Advisers may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of B&J Advisers in their separate registered/licensed capacities as discussed below. 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 B&J Advisers. **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:** Each client is advised that it remains the client's responsibility to promptly notify B&J Advisers if there is ever any change in client's financial situation or investment objectives for the purpose of reviewing/evaluating/revising B&J Advisers' previous recommendations and/or services.

**Alternative Investments.** B&J Advisers may provide investment advice regarding unaffiliated alternative investments. B&J Advisers' role relative to the alternative investments shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become an alternative investment investor, the amount of assets invested in the alternative investment(s) shall be included as part of "assets under management" for purposes of B&J Advisers calculating its investment advisory fee. **B&J Advisers' clients are under absolutely no obligation to consider or**



make an investment in an alternative investment(s).

**Conflicts of Interest – Alternative Investments.** If requested, the client can engage certain of B&J Advisers’ representatives, in their individual capacities as registered representatives of **Benjamin & Jerold Brokerage I, “BJB”** an SEC-registered and FINRA member broker-dealer, to implement investments on a commission basis in alternative investments. Certain of B&J Advisers’ related persons have financial interests and/or warrants to purchase additional interests in the same alternative investments.

The recommendation by B&J Advisers’ related persons that clients purchase interests in alternative investments on a commission basis, in which B&J Advisers’ related persons also have a financial interest presents a material conflict of interest - because B&J Advisers’ related persons may have the incentive to recommend that a client make such an investment based upon the overall success of the alternative investment in which B&J Advisers’ related persons have a personal interest, as opposed to a particular client’s need.

To address these material conflicts of interest:

1. B&J Advisers does not recommend, without specific disclosure, that clients allocate investment assets in any alternative investments in which B&J Advisers and/or its related persons also have a financial interest;
2. B&J Advisers does not have, nor will it exercise, any discretionary authority to place any client assets in any alternative investments in which B&J Advisers and/or its related persons also have a financial interest;
3. B&J Advisers reminds its clients in Form ADV where appropriate, and before they consider allocating investment assets that they are under absolutely no obligation to consider or make an investment in alternative investments;
4. Before a client allocates investment assets in any alternative investments in which B&J Advisers and/or its related persons also have a financial interest, clients are required to sign an alternative investment acknowledgment form, which identifies the particular alternative investment at issue and the conflicts associated with the sale of that particular alternative investment; and
5. B&J Advisers’ Chief Compliance Officer, Terence Dolan, remains available to address any questions that a client or prospective client may have regarding the above material conflicts of interest.

**Please Note:** Alternative investments generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each alternative investment’s offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, alternative

investments do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the alternative investment, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note: Valuation.** The value(s) for all alternative investments owned by the client shall reflect the most recent valuation provided by the investment sponsor. If no subsequent valuation post purchase is provided by the investment sponsor, then the valuation shall reflect initial purchase price. If the valuation reflects the initial purchase price (and/or a value as of a previous date), then the current value(s) (to the extent ascertainable) could be significantly more or less than original purchase price. If, in the rare instance that B&J Advisers believes that it should undertake an analysis of the value provided, B&J Advisers will base such analysis on its knowledge of the security and current market conditions, and, to the extent available/applicable, compare the value to similarly situated publicly traded companies. If B&J Advisers receives information it deems material to the value of the alternative investment, it shall take reasonable measures to confirm such information with the investment sponsor and contact the client to communicate such information.

**Independent Managers.** B&J Advisers may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers 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. B&J Advisers 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 B&J Advisers 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.

**Trade Error Policy.** B&J Advisers shall reimburse accounts for losses resulting from B&J Advisers' trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within B&J Advisers' custodian firm account and B&J Advisers retains the net gains and losses.

**Client Obligations.** In performing its services, B&J Advisers 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 B&J Advisers if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising B&J Advisers' previous recommendations and/or services. B&J Advisers 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, B&J Advisers 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 B&J Advisers' services.

B&J Advisers only manages client accounts on a wrap fee basis. As stated above, if a client determines to engage B&J Advisers on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody) (See Item 4.B). The services included in a wrap fee agreement will depend upon each client's particular need. **Please Note:** When managing a client's account on a wrap fee basis, B&J Advisers, after its payment of all other costs included in the wrap fee (transaction fees, custodial charges, etc.), shall retain the balance of the wrap fee as compensation for its services.

### **Performance Based Fees and Side-By-Side Management**

B&J Advisers and its supervised sub-advisors may accept performance-based fees following the guidelines listed below. The following is an excerpt of a Client / Adviser disclosure.

Compensation. As compensation for its management services hereunder during the term of this Agreement, the Investment Manager shall be entitled to, and the Client shall pay to the Investment Manager in arrears, the Management Fees and Performance Fees (as such terms are defined below) with respect to the Account computed in accordance with, and payable as stated in, this Section. Fees shall be paid not later than the tenth calendar day of the month immediately following the month for which the applicable fee is earned. The Client hereby authorizes the Custodian to deduct from the Account and pay to the Investment Manager on the submission of an invoice in arrears the Management Fee and the Performance Fee, if any, applicable to such Account for each month. The Investment Manager will send to the Client a monthly statement showing the amount of each fee due, the Account value or Account Asset value on which the fee is based (as applicable) and the calculation of the fees. Client is responsible for verifying fee computations. The Custodian will send the Client a monthly statement showing all amounts paid from the Account, including all fees paid by Custodian to the Investment Manager. The Client shall take such further actions and execute such further written instructions, instruments, agreements and documents as the broker or the Custodian may reasonably require in order to fulfill the intent and purposes of this Agreement. The Investment Manager reserves the right to negotiate different fees for different clients and share any portion of these fees with third parties in accordance with regulatory and industry standards. The assets, liabilities and performance attributable to one Account shall not impact the calculation of the assets, liabilities or performance attributable to any other Account or client.

#### *Definitions.*

**"Net Assets"** for purposes of calculating the management fees due under this Agreement means the Account's total assets less the total liabilities. The value of any privately placed or otherwise restricted or illiquid securities purchased for the Account shall be determined on the basis of the then-most-recent valuations or other reports

provided by the issuer, and if no such reports have been provided, then the value shall be (A) as determined by the Investment Manager in its discretion (using such valuation methods as the Investment Manager may determine to be fair and reasonable under the circumstances) or (B) the historical cost of the security purchased by the Account, whichever is lower.

**“Preferred Return”** means, as to any Account asset, a preferred return on the Client’s contributed capital with respect to the Account asset accrued at the non-compounded rate of \_\_\_\_ per annum. In the case of any Account asset as to which Client makes an additional or follow-on investment, the Preferred Return shall be calculated separately for each additional or follow-on investment.

**“Unreturned Capital”** means, as to any Account asset, the amount of Client contributed capital that has not been returned to the Client under clause (B) of Section 0.

*Management Fee.* The Client shall pay the Investment Manager a monthly fixed **“Management Fee”** at the rate of \_\_\_\_ percent of the month-end Net Assets in the Account (approximately \_\_\_\_ annually), whether or not the Account realizes profits. The Investment Manager may, in its sole and absolute discretion, waive or reduce the Management Fee with respect to any Account.

*Performance Fee.* The **“Performance Fee”** payable to the Investment Manager shall be a portion of the distributions, if any, from each Account asset as determined in accordance with this paragraph. All distributions and other receipts received in respect of an Account asset shall be allocated to the Client and to the Investment Manager in the following rank and order: (A) *first*, to the Client, in respect of its accrued but unpaid Preferred Return; (B) *second*, to the Client, to the extent of its Unreturned Capital until the contributed capital has been fully returned; and (C) *thereafter*, \_\_\_\_ percent to the Investment Manager as its Performance Fee and the remainder to the Client. If the Account is closed or its assets are withdrawn by the Client before the end of a month, the closing date for purposes of calculating the Performance Fee will be deemed to be the end of the month in which the Account is closed. The Investment Manager may, in its sole and absolute discretion, waive or reduce the Performance Fee with respect to any Account.

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

B&J Advisers may utilize the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- 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)

- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

B&J Advisers 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)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

**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 B&J Advisers) will be profitable or equal any specific performance level(s). B&J Advisers' 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 B&J Advisers must have access to current/new market information. B&J Advisers has no control over the dissemination rate of market information; therefore, unbeknownst to B&J Advisers, certain analyses may be compiled with outdated market information, severely limiting the value of B&J Advisers' 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.

B&J Advisers' 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, B&J Advisers may also implement and/or recommend –use of margin and/or options transactions. Each of these strategies has a high level of inherent risk. (See discussion below).

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin.

**Please Note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by B&J Advisers in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to B&J Advisers may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential **conflict of interest** whereby the client's decision to employ margin may correspondingly increase the management fee payable to B&J Advisers. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by B&J Advisers shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio.

**Please Note:** Although the intent of the options-related transactions that may be implemented by B&J Advisers is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct B&J Advisers, in writing, not to employ any or all such strategies for his/her/their/its accounts. (**See** Independent Manager[s] above).

Currently, B&J Advisers primarily allocates client investment assets among various mutual funds and/or exchange traded funds and Independent Manager[s], on a discretionary basis in accordance with the client's designated investment objective(s).

### **Voting Client Securities**

B&J Advisers does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially 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.

Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact B&J Advisers to discuss any questions they may have with a particular solicitation.

---

**Item 7            Client Information Provided to Portfolio Managers**

---

B&J Advisers shall be the Program's portfolio manager. B&J Advisers shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). B&J Advisers shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at anytime, impose restrictions, in writing, on B&J Advisers' services.

As indicated above, each client is advised that it remains his/her/its responsibility to promptly notify B&J Advisers if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising B&J Advisers' previous recommendations and/or services.

To the extent the Program utilizes Independent Manager[s], B&J Advisers shall provide the Independent Manager[s] with each client's particular investment objective(s). Any changes in the client's financial situation or investment objectives reported by the client to B&J Advisers shall be communicated to the Independent Manager[s] within a reasonable period of time.

---

**Item 8            Client Contact with Portfolio Managers**

---

The client shall have, without restriction, reasonable access to the Program's portfolio manager.

---

**Item 9            Additional Information**

---

B&J Advisers has not been the subject of any disciplinary actions.

**Other Financial Industry Activities and Affiliations**

Certain of B&J Advisers' representatives are also registered representatives of Benjamin & Jerold Brokerage I ("BJB"), an SEC registered and FINRA member broker-dealer.

Neither B&J Advisers, 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.

**Registered Representatives of BJB.** As disclosed above, certain of B&J Advisers' representatives are registered representatives of BJB, an SEC Registered and FINRA member broker-dealer. Clients may choose to engage certain of B&J Advisers' representatives, in their individual capacities as registered representatives of BJB, to effect securities brokerage transactions on a commission basis.

**Affiliated Insurance Agency and Licensed Insurance Agents.** Envida Life is an affiliated licensed insurance agency. In addition, certain of B&J Advisers' representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage certain of B&J Advisers' representatives to purchase insurance products on a commission basis.

**Conflict of Interest:** The recommendation by B&J Advisers' representatives that a client purchase a securities or insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from B&J Advisers' representatives. Clients are reminded that they may purchase insurance products or securities recommended by B&J Advisers through other non-affiliated broker-dealers or insurance agents. **B&J Advisers' Chief Compliance Officer, Terence Dolan, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

#### **Code of Ethics, Participation / Interest in Client Transactions & Personal Trading**

B&J Advisers maintains an investment policy relative to personal securities transactions. This investment policy is part of B&J Advisers' overall Code of Ethics, which serves to establish a standard of business conduct for all of B&J Advisers' 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, B&J Advisers also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by B&J Advisers or any person associated with B&J Advisers.

Except as stated immediately below, neither B&J Advisers nor any related person of B&J Advisers recommends, buys, or sells for client accounts, securities in which B&J Advisers or any related person of B&J Advisers has a material financial interest:

**Conflicts of Interest – Alternative Investments.** If requested, the client can engage certain of B&J Advisers' representatives, in their individual capacities as registered representatives of BJB, an SEC-registered and FINRA member broker-dealer, to implement investments on a commission basis in alternative investments. Certain of B&J Advisers' related persons have financial interests and/or warrants to purchase additional interests in the same alternative investments.

**The recommendation by B&J Advisers' related persons that clients purchase interests in alternative investments on a commission basis, in which B&J Advisers' related persons also have a financial interest presents a material conflict of interest - because B&J Advisers' related persons may have the**



**incentive to recommend that a client make such an investment based upon the overall success of the alternative investment in which B&J Advisers' related persons have a personal interest, as opposed to a particular client's need.**

To address these material conflicts of interest:

1. B&J Advisers does not recommend, without specific disclosure, that clients allocate investment assets in any alternative investments in which B&J Advisers and/or its related persons also have a financial interest;
2. B&J Advisers does not have, nor will it exercise, any discretionary authority to place any client assets in any alternative investments in which B&J Advisers and/or its related persons also have a financial interest;
3. B&J Advisers reminds its clients in Form ADV where appropriate, and before they consider allocating investment assets that they are under absolutely no obligation to consider or make an investment in alternative investments;
4. Before a client allocates investment assets in any alternative investments in which B&J Advisers and/or its related persons also have a financial interest, clients are required to sign an alternative investment acknowledgment form, which identifies the particular alternative investment at issue and the conflicts associated with the sale of that particular alternative investment; and
5. B&J Advisers' Chief Compliance Officer, Terence Dolan, remains available to address any questions that a client or prospective client may have regarding the above **material conflicts of interest**.

B&J Advisers and/or representatives of B&J Advisers may buy or sell securities that are also recommended to clients, which purchases may be made in the separate capacity as a registered representative of a broker-dealer. In fact, as stated above, B&J Advisers' related persons have financial interests in some of the alternative investments that they recommend on a commission in their separate capacities as registered representatives of BJB. This practice may create a situation where B&J Advisers and/or representatives of

B&J Advisers are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a material 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 B&J Advisers 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 B&J Advisers' clients) and other potentially abusive practices.

To address this **material conflict of interest**, B&J Advisers has a personal securities transaction policy in place to monitor the personal securities transactions and securities

holdings of each of B&J Advisers' "Access Persons." B&J Advisers' securities transaction policy requires that an Access Person of B&J Advisers 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 B&J Advisers selects; provided, however that at any time that B&J Advisers has only one Access Person, he or she shall not be required to submit any securities report described above. Further, all Access Persons must submit to a pre-clearance review before investing in any alternative investments that are also recommended by B&J Advisers' related persons in their separate capacities as registered representatives of a broker-dealer. Finally, an Access Person is also required to obtain the pre-approval of the Chief Compliance Officer before engaging in any outside business activities that may be required for the Access Person to acquire an interest in an alternative investment. B&J Advisers' personal securities transaction policy dictates that any proposed transaction will not be pre-approved by the Chief Compliance Officer if it would constitute or result in "scalping," "front-running," or other potentially abusive practices to the detriment of B&J Advisers' clients.

B&J Advisers and/or representatives of B&J Advisers (in the capacity as an investment advisor representative of B&J Advisers or in a separate and individual capacity as a registered representative of a broker-dealer) may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where B&J Advisers and/or representatives of B&J Advisers 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., B&J Advisers has a personal securities transaction policy, which prohibits any potential trades that would constitute or result in "scalping," "front-running," or other potentially abusive practices to the detriment of B&J Advisers' clients.

## **Review of Accounts**

For those clients to whom B&J Advisers provides investment supervisory services, account reviews are conducted on an ongoing basis by B&J Advisers' Principals and representatives. All investment supervisory clients are advised that it remains their responsibility to advise B&J Advisers 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 B&J Advisers on an annual basis.

B&J Advisers **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.

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. B&J Advisers may also provide a written periodic report summarizing account activity and performance.

### **Client Referrals and Other Compensation**

B&J Advisers may receive an indirect economic benefit from IB, COR and/or FolioFN. B&J Advisers, without cost (and/or at a discount), may receive support services and/or products from IB, COR and/or FolioFN.

Although not a material consideration when determining whether to recommend that a client purchase a specific investment product, B&J Advisers may receive from a particular investment product sponsor (i.e., a mutual fund company, variable investment product sponsor, etc.) financial support that may assist the Registrant with client marketing events. Financial support received from a sponsor to conduct a specific marketing event could exceed the total cost of the specific event. However, there is no corresponding commitment made by B&J Advisers, to any such product sponsor that its financial support will result in a certain level of sales production of their products to B&J Advisers' clients. The receipt of financial support that may be received by B&J Advisers is in addition to the commission compensation received by certain of B&J Advisers' representatives when selling an investment product, in their individual capacities as registered representatives.

B&J Advisers' clients do not pay more for investment transactions effected and/or assets maintained at IB, COR and/or FolioFN as a result of this arrangement. There is no corresponding commitment made by B&J Advisers to IB, COR and/or FolioFN 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.

**B&J Advisers' Chief Compliance Officer, Terence Dolan, 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.**

If a client is introduced to B&J Advisers by either an unaffiliated or an affiliated solicitor, B&J Advisers may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from B&J Advisers' investment management fee, and shall not result in any additional charge to the client. If the client is introduced to B&J Advisers by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of B&J Advisers' written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between B&J Advisers and the solicitor, including the compensation to be received by the solicitor from B&J Advisers.

## **Financial Information**

B&J Advisers does not solicit fees of more than \$2,000 per client, six months or more in advance.

B&J Advisers 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.

B&J Advisers has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: B&J Advisers' Chief Compliance Officer, Terence Dolan, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**