

JJM Financial Strategies, Inc.

SEC File Number: 801 – 43630

Part 2A, Firm Brochure

Dated: June 16, 2015

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This Brochure provides information about the qualifications and business practices of JJM Financial Strategies, Inc. If you have any questions about the contents of this Brochure, please contact us at (215) 504-9610 or john@jjmfinancial.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 JJM Financial Strategies, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to JJM Financial Strategies, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes made to JJM Financial Strategies, Inc.'s disclosure statement since last year's Annual Amendment filing on February 22, 2014.

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Item 4 Advisory Business

- A. JJM Financial Strategies, Inc. (“JJM Financial”) is a corporation formed on January 11, 1993 in the Commonwealth of Pennsylvania. JJM Financial became registered as an Investment Adviser Firm in May 1993. JJM Financial is owned by John J. Malzone, JJM Financial’s Principal.
- B. As discussed below, JJM Financial offers to its clients (individuals, pension and profit sharing plans, trusts and business entities, etc.) investment advisory services, and, to the extent specifically requested by a client, retirement planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage JJM Financial to provide non-discretionary investment advisory services on a *fee-only* basis. In limited situations, JJM Financial *may* determine to provide discretionary investment advisory services. JJM Financial’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under JJM Financial’s management on a stepped up basis.

RETIREMENT PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, JJM Financial *may* determine to provide retirement planning and/or consulting services on a stand-alone separate fee basis. JJM Financial’s planning and consulting fees are negotiable, but generally range from \$175 to \$1,750 on a fixed fee basis, and generally between \$175 to \$275 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 JJM Financial to provide planning or consulting services, clients are generally required to enter into a *Retirement Planning Agreement* with JJM Financial 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 JJM Financial commencing services. JJM Financial **does not** provide estate, tax or insurance planning. If requested by the client, JJM Financial may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from JJM Financial. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client’s responsibility to promptly notify JJM Financial if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising JJM Financial’s previous recommendations and/or services.

MISCELLANEOUS

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

any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.

Independent Managers. JJM Financial 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. JJM Financial 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 JJM Financial 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.

Retirement Plan Rollovers-No Obligation/Conflict of Interest: Clients are under absolutely no obligation to engage JJM Financial as the investment adviser for his/her employer-sponsored retirement account(s). Rather, clients can continue to self-direct such retirement account(s). However, if a client determines that he/she would like JJM Financial's assistance in managing his/her retirement account, JJM Financial shall charge a separate and additional advisory fee for ongoing advisory services, which clients would not incur by continuing to self-direct the retirement account. As a result, any recommendation by JJM Financial that clients engage JJM Financial to manage an otherwise self-directed retirement account presents a conflict of interest. Again, clients are under absolutely no obligation to engage JJM Financial as the investment adviser for his/her retirement account.

Use of Mutual Funds: Most mutual funds are available directly to the public. Thus, a client or prospective client can obtain many of the mutual funds that may be recommended and/or utilized by JJM independent of engaging JJM as an investment advisor. However, if a client or prospective client determines to do so, he/she/it will not receive JJM's initial and ongoing investment advisory services.

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

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

- C. JJM Financial 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, JJM Financial 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 JJM Financial's services.

- D. JJM Financial does not participate in a wrap fee program.
- E. As of December 31, 2014, JJM Financial had \$36,000,000 in assets under management on a discretionary basis and \$93,595,000 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT ADVISORY SERVICES

If a client determines to engage JJM Financial to provide non-discretionary investment advisory services on a *fee-only* basis, JJM Financial's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under JJM Financial's management on a stepped up basis as follows:

<u>Assets Under Management</u>	<u>Annual Fee Debt Securities</u>	<u>Annual Fee Equity Securities</u>
First \$1,000,000	0.25%	1.00%
Next \$4,000,000	0.20%	0.75%
Next \$5,000,000	0.15%	0.50%
Next \$10,000,000	0.10%	0.25%
Over \$20,000,000	0.05%	0.10%

*The resulting amount determined based upon assets under management shall be subject to a \$1,250 quarterly minimum not to exceed 2.5% of the portfolio. JJM Financial reserves the right to raise the quarterly minimum at anytime following written notification of same to client.

RETIREMENT PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, JJM Financial *may* determine to provide retirement planning and/or consulting services on a stand-alone fee basis. JJM Financial's planning and consulting fees are negotiable, but generally range from \$175 to \$1,750 on a fixed fee basis, and \$175 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have JJM Financial's advisory fees deducted from their custodial account. Both JJM Financial's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of JJM Financial's investment advisory fee and to directly remit that management fee to JJM Financial in compliance with regulatory procedures. In the limited event that JJM Financial bills the client directly, payment is due upon receipt of JJM Financial's invoice. JJM Financial shall deduct fees and/or bill clients quarterly in arrears, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, JJM Financial shall generally recommend that T.D. Ameritrade ("Ameritrade") and/or Charles Schwab and Co., Inc. ("Schwab") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Ameritrade and Schwab charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income

securities transactions). In addition to JJM Financial's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

- D. JJM Financial's annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the previous quarter. The *Investment Advisory Agreement* between JJM Financial and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, any unpaid portion of JJM Financial's earned fee shall be prorated and billed in accordance with the terms specified in the *Investment Advisory Agreement*.
- E. Neither JJM Financial, nor its representatives, accepts compensation from the sale of securities or other investment products.

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

Neither JJM Financial, nor any supervised person of JJM Financial, accepts performance-based fees.

Item 7 Types of Clients

JJM Financial's clients shall generally include individuals, pension and profit sharing plans, trusts and business entities. JJM Financial does not generally require an annual minimum fee or asset level for investment advisory services. However, JJM Financial, 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 8 Methods of Analysis, Investment Strategies and Risk of Loss

- A. JJM Financial 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)

JJM Financial 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)

Please Note: Investment Risk. 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 JJM Financial) will be profitable or equal any specific performance level(s).

- B. JJM Financial's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis JJM Financial must have access to current/new market information. JJM Financial has no control over the dissemination rate of market information; therefore, unbeknownst to JJM Financial, certain analyses may be compiled with outdated market information, severely limiting the value of JJM Financial's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

JJM Financial's primary investment strategies - Long Term Purchases and Short Term Purchases - 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.

- C. Currently, JJM Financial primarily allocates investment management assets of its client accounts among individual debt and equity securities, and various no-load mutual fund classes, primarily on a non-discretionary basis, in accordance with the investment objectives of the client.

Item 9 Disciplinary Information

JJM Financial has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither JJM Financial, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither JJM Financial, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. JJM Financial does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person.

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

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

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

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

- B. Neither JJM Financial nor any related person of JJM Financial recommends, buys, or sells for client accounts, securities in which JJM Financial or any related person of JJM Financial has a material financial interest.
- C. JJM Financial and/or representatives of JJM Financial *may* buy or sell securities that are also recommended to clients. This practice may create a situation where JJM Financial and/or representatives of JJM Financial are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if JJM Financial 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 JJM Financial's clients) and other potentially abusive practices.

JJM Financial has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of JJM Financial's "Access Persons". JJM Financial's securities transaction policy requires that an Access Person of JJM Financial 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 JJM Financial selects; provided, however that at any time that JJM Financial has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. JJM Financial and/or representatives of JJM Financial *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where JJM Financial and/or representatives of JJM Financial 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, JJM Financial has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of JJM Financial's Access Persons.

Item 12 Brokerage Practices

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

Factors that JJM Financial considers in recommending *Ameritrade* and/or *Schwab* (or another broker-dealer/custodian, investment platform and/or mutual fund sponsor to clients) include historical relationship with JJM Financial, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by JJM Financial's clients shall comply with JJM Financial's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where JJM Financial determines, in good faith, that the commission/transaction fee is reasonable. Accordingly, although JJM Financial will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, JJM Financial's investment management fee. JJM Financial's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. TD American Institutional Program

JJM Financial participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("*TD Ameritrade*") member FINRA/SIPC/NFA. *TD Ameritrade* is an independent and unaffiliated SEC-registered broker-dealer. *TD Ameritrade* offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. JJM Financial receives some benefits from *TD Ameritrade* through its participation in this program. (Please see the disclosure under Item 14 below.)

Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, JJM Financial may receive from *Ameritrade* and/or *Schwab* (or another broker-dealer/custodian, investment platform and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist JJM Financial to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by JJM Financial may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis

attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by JJM Financial in furtherance of its investment advisory business operations.

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

JJM Financial's clients do not pay more for investment transactions effected and/or assets maintained at *Ameritrade* and/or *Schwab* as a result of this arrangement. There is no corresponding commitment made by JJM Financial to *Ameritrade* and/or *Schwab* 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.

JJM Financial's Chief Compliance Officer, John J. Malzone, 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 such arrangement may create.

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

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

JJM Financial's Chief Compliance Officer, John J. Malzone, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that JJM Financial provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless JJM Financial decides to purchase or sell the same securities for several clients at approximately the same time. JJM Financial may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among JJM Financial's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders

been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. JJM Financial shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

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

Item 14 Client Referrals and Other Compensation

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

JJM Financial's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* and/or *Ameritrade* as a result of this arrangement. There is no corresponding commitment made by JJM Financial to *Schwab* and/or *Ameritrade* 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.

As disclosed under Item 12 above, JJM Financial participates in *TD Ameritrade* institutional customer program and JJM Financial may recommend *TD Ameritrade* to Clients for custody and brokerage services. There is no direct link between JJM Financial's participation in the program and the investment advice it gives to its Clients, although JJM Financial receives economic benefits through its participation in the program that are typically not available to *TD Ameritrade* retail investors.

These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving JJM Financial participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the

ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to JJM Financial by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by JJM Financial's related persons. Some of the products and services made available by *TD Ameritrade* through the program may benefit JJM Financial but may not benefit its Client accounts. These products or services may assist JJM Financial in managing and administering Client accounts, including accounts not maintained at *TD Ameritrade*. Other services made available by *TD Ameritrade* are intended to help JJM Financial manage and further develop its business enterprise. The benefits received by JJM Financial or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to *TD Ameritrade*. As part of its fiduciary duties to clients, JJM Financial endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by JJM Financial or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the JJM Financial's choice of *TD Ameritrade* for custody and brokerage services.

JJM Financial also receives from *TD Ameritrade* certain additional economic benefits that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the benefits include up to \$5,000 of back office support services provided by AllBackOffice, an unaffiliated third party, to assist with the costs for the transitioning certain clients to *TD Ameritrade*. JJM Financial has no expectation that these Additional Benefits will be offered again. *TD Ameritrade* provides this benefit to JJM Financial in its sole discretion and at its own expense, and JJM Financial does not pay any fees to *TD Ameritrade* for this additional economical benefit. JJM financial and *TD Ameritrade* have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional services.

JJM Financial's receipt of the Additional Services raises potential conflicts of interest. In providing Additional services to JJM financial, *TD Ameritrade* most likely considers the amount and profitability to *TD Ameritrade* of the assets in, and trades placed for, JJM Financial's client accounts maintained with *TD Ameritrade*. *TD Ameritrade* has the right to terminate the Additional Services Addendum with JJM Financial, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from *TD Ameritrade*, JJM Financial may have the incentive to recommend to its clients that the assets under management by JJM Financial be held in custody with *TD Ameritrade* and to place transactions for the client accounts with *TD Ameritrade*. JJM Financial's receipt of Additional Services does not diminish its duty to act in the best interest of its clients, including to seek best execution of trades for client accounts.

JJM Financial's Chief Compliance Officer, John J. Malzone, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. If a client is introduced to JJM Financial by either an unaffiliated or an affiliated solicitor, JJM Financial 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 JJM Financial's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to JJM Financial 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 JJM Financial's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between JJM Financial and the solicitor, including the compensation to be received by the solicitor from JJM Financial.

Item 15 Custody

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

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

Item 16 Investment Discretion

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

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

Item 17 Voting Client Securities

Unless the client directs otherwise in writing, JJM Financial is responsible for voting client proxies (**However**, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits.). JJM Financial shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. JJM Financial shall

monitor corporate actions of individual issuers and investment companies consistent with JJM Financial's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which JJM Financial will consider when determining how it will vote differ on a case by case basis, they may, but are not limited to, include the following: a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, JJM Financial may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), JJM Financial may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. JJM Financial shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how JJM Financial voted on any specific proxy issue is also available upon written request. Requests should be made by contacting JJM Financial's Chief Compliance Officer, John J. Malzone.

Item 18 Financial Information

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

ANY QUESTIONS: JJM Financial's Chief Compliance Officer, John J. Malzone, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.