

J. F. WILLIAMS CO., INC.

FIRM BROCHURE

SEPTEMBER 17, 2015

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This brochure provides information about the qualifications and business practices of J. F. Williams Co., Inc. If you have any questions about the contents of this brochure, please contact us at (303) 753-4506. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission.

J. F. Williams Co., Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about J. F. Williams Co., Inc. is available on the SEC's website www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Advisor is 113569.

ITEM 2 MATERIAL CHANGES

ANNUAL UPDATE

This section of our brochure will be updated annually when material changes occur. The previous release of our brochure is dated March 31, 2015.

MATERIAL CHANGES SINCE THE LAST UPDATE

As of March 31, 2015, J. F. Williams Co., Inc. is no longer eligible to remain registered under State supervision and is now federally registered with the Securities Exchange Commission (“SEC”).

FULL BROCHURE AVAILABLE

If you would like to receive a complete copy of our most recent brochure, please contact us at (303) 753-4506, or visit our website (www.jfwco.com) to download a copy.

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ITEM 4 ADVISORY BUSINESS

OWNERSHIP/ADVISOR HISTORY

J. F. Williams Co., Inc. was founded in 1995. James F. Williams is the founder and Chief Executive Officer. He is the majority stockholder owning approximately 91% of the shares. Additional information about Mr. Williams is available in the ADV Part 2B – Supplemental Brochure. Matthew A. Elliott is the Vice President. He is a minority stockholder owning approximately 9% of the shares. Additional information about Mr. Elliott is available in the ADV Part 2B – Supplemental Brochure.

ADVISORY SERVICES OFFERED

J. F. Williams Co., Inc. provides financial planning and investment management to individuals, profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is tailor made for each client based on ongoing consultation with each client. Areas of advice may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

J. F. Williams Co., Inc. is a fee-only financial planning and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

All clients engaged for investment management services obtain a formal investment policy statement. This investment policy statement (IPS) sets forth the guidelines by which all of the client's funds will be invested. This document is generated through a formalized process which helps to access the client's risk tolerance and goals. The IPS document is monitored over time and updated as warranted by the client's circumstances.

Clients may opt for a written financial plan. The financial plan may include any or all of the following: retirement/financial independence planning, cash flow analysis, life and disability income insurance needs analysis, education funding planning, estate planning and net to heirs' calculation.

All of our clients' accounts are held at a custodian. Charles Schwab & Co., Inc. is the custodian for the vast majority of our clients' accounts. We provide investment services for accounts, such as 401(k) plans, held at other custodians. J. F. Williams Co., Inc. has a limited power of attorney to places trades in our clients' accounts, and in some cases, withdraw our investment management fees when authorized by the client.

TAILORED SERVICES

We tailor our services to a client's needs, goals and objectives. Clients are allowed to restrict the types of securities and/or investment classes that we use their portfolios. All restrictions must be provided to us in writing.

CLIENT ASSETS MANAGED

As of 03/31/2015, J. F. Williams Co., Inc. managed approximately \$107,720,804 in assets for approximately 100 clients. 100% of these assets are managed on a non-discretionary basis. That is, all trades are authorized by our clients prior to being placed.

ITEM 5 FEES AND COMPENSATION

J. F. Williams Co., Inc. is compensated in two ways:

1. Fees for establishing an investment policy statement or developing a written financial plan are calculated on an hourly basis and are based on participation of firm advisors and staff.

Fees range up to \$250 per hour per advisor/staff member. Clients can be billed for simultaneous participation by multiple members of the firm.

2. Investment management fees based on a percentage of the investable assets according to the following schedule:

<u>Account Balance Portion</u>	<u>Annual Retainer Percent</u>	<u>Cumulative Effective Rate</u>
up to \$100,000	1.00%	1.00%
\$100,001 to 250,000	.90%	.94%
\$250,001 to \$500,000	.80%	.87%
\$500,001 to \$1,000,000	.70%	.785%
\$1,000,001 to \$2,500,000	.60%	.674%
\$2,500,001 to \$5,000,000	.50%	.587%
\$5,000,001 and above	.40%	-

BILLING FREQUENCY AND PAYMENT METHODS

Fees for establishing an investment policy statement or developing a written financial plan are generally payable at the end of the consultation. In some cases, these fees are payable on a quarterly basis. Fixed fees for these services may be negotiated with clients who prefer to do so. These fees are payable by check.

Investment management fees are paid quarterly, in arrears, i.e., at the end of each calendar quarter. Clients may choose to pay this fee by check or have it withdrawn from their account(s). Generally, our fees are not negotiable but we retain the right to modify our fee schedule for specific clients under certain circumstances.

OTHER FEES CLIENTS PAY

The primary vehicles we recommend to our clients are “no-load” mutual funds. Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% of the asset value per year for their services. These fees are in addition to the fees paid by you to J. F. Williams Co., Inc.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Charles Schwab & Co., Inc. charges a transaction fee each time we trade the mutual funds in our clients’ accounts. Virtually all of the mutual funds we use are subject to these transaction fees. The transaction fee schedule from Charles Schwab & Co., Inc. is below:

<u>Transaction Amount</u>	<u>Fee Percentage</u>	<u>Minimum Fee</u>	<u>Maximum Fee</u>
\$0 - \$15,000	0.24%	\$20.00	\$36.00
>\$15,000	0.12%	\$36.00	\$49.00

AVAILABILITY OF INVESTMENT PRODUCTS

Depending on each specific fund, the mutual funds we recommend may be available through other advisors, other brokers, or in some cases, directly through the mutual fund companies themselves.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

J. F. Williams Co., Inc. does not charge performance-based fees.

ITEM 7 TYPES OF CLIENTS

J. F. Williams Co., Inc. provides investment advice to individuals, profit sharing plans, trusts, estates, charitable organizations, and business entities.

To commence a relationship with our firm, we require a minimum of \$1 million in investments or cash be placed under our management. We reserve the option to waive or change this minimum for any prospective client. J. F. Williams Co., Inc. does not require any account minimum to maintain our advisory services.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

METHODS OF ANALYSIS

On a quarterly basis, J. F. Williams Co., Inc. reviews the performance objectives for each mutual fund held in our clients' account. Fund performance is evaluated in terms of an appropriate market index (e.g. S&P 500/Citigroup Large Value index for a domestic large cap value equity fund) and the relevant peer group (e.g. the large cap value mutual fund universe for a large cap value mutual fund).

INVESTMENT STRATEGIES

Financial markets work and they have historically rewarded investors for the capital they supply. Companies compete for this investment capital driving prices to fair value. Our strategy is to develop and implement a disciplined strategy that harvests the returns from these companies in a cost effective manner. We believe there is no room for guess work when it comes to managing investments, and strategies based on speculation drive down investor returns.

We believe the most important decision our clients make is selecting the amount of their portfolio to allocate into bonds versus stocks. Empirical studies show that the mix of assets in a broadly diversified portfolio is the most important determinant of total return and risk. The decision to allocate a portion of a portfolio into stocks comes with risk, but this risk comes with a reasonable expectation of higher return.

Stock returns come from risk, but not all risks carry a reasonably reliable reward. Risks worth bearing can be summarized in three dimensions. 1) Stocks are riskier than bonds and have higher expected returns. 2) Among stocks, small companies are riskier than large companies therefore they carry higher expected returns; and 3) lower priced "value" companies are riskier than higher priced "growth" companies therefore they carry higher expected returns.

Bonds serve to mitigate the stock risk in the portfolio. Performance and risk in bonds is largely driven by two dimensions. 1) Bonds that mature farther into the future are subject to the risk of unexpected changes in interest rates. Bonds with lower credit quality are subject to risk of default. By shortening up bond maturities and holding bonds with investment grade credit quality or better we can better stabilize the volatility in the overall portfolio.

With this understanding, we establish a unique investment policy that aligns with the unique risk/return profile of each client. The investment policy is implemented using a strategic allocation of mutual funds that represent broadly diversified and consistent exposure to asset classes worldwide.

RISK OF LOSS

All investment programs have certain risks that are borne by the investor. Some types of risk can be greatly mitigated by investing the portfolio in a diversified portfolio. Examples of risk that can be

mitigated include concentrating a portfolio into specific securities, sectors, industries, or countries. We refer to this type of risk as non-systematic risk.

On the contrary, risks that cannot be mitigated are the risks associated with investing in a diversified portfolio. Our strategy is to engage these risks intentionally with the expectation that the investor will be rewarded with a long term rate of return that compensates the investor for bearing these risks. We refer to this type of risk as systematic risk.

We believe that reducing trading activity reduces transaction fees and reduces the tax impact on the performance of our clients' portfolios. Trading frequency is generally associated with the following activity:

- Annual portfolio rebalancing;
- Year-end tax planning;
- Anytime funds are either being added to or withdrawn from the portfolio; or
- When a mutual fund is being swapped for another mutual fund due to unacceptable performance.

ITEM 9 DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events within the past 10-year period that would be material to your evaluation of the Firm or the integrity of its management.

J. F. Williams Co., Inc. has no information applicable to this Item because it has never been the subject of any administrative, civil, criminal, or self-regulatory proceedings.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

J. F. Williams Co. Inc. does not have any other financial industry activities or affiliations. This section is not applicable.

ITEM 11 CODE OF ETHICS

DESCRIPTION

James F. Williams and Matthew A. Elliott are both CFP® Certificants and they have both committed to the code of ethics as outlined by Certified Financial Planner Board of Standards, Inc. Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. All employees of J. F. Williams Co., Inc. sign an attestation to this Code of Ethics and it is available for review by clients and prospective clients upon request.

The firm and our personnel owe a fiduciary duty to our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the principles that form the fiduciary standard.

MATERIAL INTEREST IN SECURITIES

J. F. Williams Co. Inc. does not have a material interest in any security. This section is not applicable.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

J. F. Williams Co., Inc. and its employees may buy or sell securities that are recommended to, or held by, clients, and this represents a conflict of interest. However, these transactions are insignificant to the market as a whole and exclusively in mutual funds, and therefore, there is virtually no likelihood

that this conflict would influence the actions or decisions of J. F. Williams Co., Inc. or its employees. Moreover, J. F. Williams Co., Inc. has a duty to put its clients' interest first. We have implemented safeguards monitoring our employee's personal securities holdings to ensure we are meeting our duties to clients.

PERSONAL TRADING

The Chief Compliance Officer of J. F. Williams Co., Inc. is James F. Williams. He reviews all employee trades each quarter. Additionally, Matthew Elliott performs a review of James William's trades. Since the firm invests client assets solely in widely traded mutual funds, the risk that employee transactions would sway the value of these funds is virtually nil.

Our staff members are permitted to buy or sell securities for their personal accounts that are the same as those recommended to clients. They are permitted to have an interest or position in traded securities that may also be recommended to one or more of our clients.

ITEM 12 BROKERAGE PRACTICES

RECOMMENDATION CRITERIA & BEST EXECUTION

In order to provide clients the full benefit of the investment management services we provide, we require that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. We have selected Schwab based on their very competitive transaction fee costs to clients, their capabilities, dependability and reputation. Although we may require that clients establish accounts at Schwab, it is the client's decision to utilize our services and to custody assets with Schwab, we are independently owned and operated and not affiliated with Schwab. We provide investment management services for accounts held at other custodians. This typically occurs when we are providing investment management services for our clients' qualified plans, such as a 401(k) or 403(b).

Our clients establish brokerage accounts with Schwab. All trading and other transactions are executed within the established client accounts under a limited power of attorney (LPOA). Our policy is to clear each transaction with the client prior to placing the trade order.

This method of operation does not present a meaningful opportunity for J. F. Williams Co., Inc. to select brokers for individual transactions. Also, J. F. Williams Co., Inc. only recommends open-ended mutual fund investments for clients, which are priced at the end of each business day and offer little opportunity to improve execution.

RESEARCH AND SOFT DOLLARS

We participate in Schwab's Schwab Institutional services program. While there is no direct link between the investment advice we give and our participation in this program, we do receive economic benefits that we would not otherwise receive if we did not utilize their platform to manage our client's accounts. These benefits include: (i) receipt of duplicate client trade confirmations and bundled duplicate statements; (ii) access to a trading desk; (iii) limited cost mitigation on trade errors (the firm covers trading errors up to a certain amount); (iv) deducting investment advisory fees directly from client accounts (with prior authorization); (v) access to an electronic communication network for client order entry and account information; (vi) receipt of compliance publications; and (vii) access to mutual funds that generally require significantly higher minimum initial investments or are generally available only to institutional investors.

The benefits we receive through participation in this program are not dependent on the amount of transactions directed to Schwab. Further, the benefits we receive through this relationship are used generally for the benefit of all our clients.

Given that the value of limited trade error mitigation is immaterial and given that all of the other benefits accrue to our clients, we do not regard these benefits as soft dollar arrangements.

BROKERAGE FOR CLIENT REFERRALS

We do not receive client referrals in exchange for brokerage services from Schwab.

DIRECTED BROKERAGE

We do not allow clients to direct us to a specific broker-dealer to execute securities transactions for their accounts. All clients' transactions are executed at Schwab.

TRADE AGGREGATION

J. F. Williams Co., Inc. does not participate in any order aggregation trading activity.

ITEM 13 REVIEW OF ACCOUNTS

REVIEWS

J. F. Williams Co., Inc., with the cooperation of each client, conducts an annual review to formally review their portfolio, and written financial plan (if applicable). We may also intermittently review a client's account when there is a changing circumstance or decision that affects our client's life (e.g. marriage, divorce, major purchase, inheritance, business purchase or succession, change of employment, birth of child, etc.).

REPORTS

J. F. Williams Co., Inc. provides each client with a quarterly performance report.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

J. F. Williams Co., Inc. has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals and we are neither obligated to, nor do we necessarily, reciprocate by making referrals to such referral sources.

ITEM 15 CUSTODY

In cases where our clients have authorized us to withdraw our advisory fees from their accounts we do so on a quarterly basis which constitutes constructive custody. As such, we follow the procedures below:

- The client has provided written authorization for us to withdraw the fee.
- The fee calculation is described in the client's quarterly invoice each time we withdraw the fee.
- Clients can reconcile the amount of the fee withdrawn by comparing our invoice to the statements received from Charles Schwab & Co., Inc.

See Fees & Compensation above for details on our fees.

Also, clients are urged to compare the account statements received directly from Charles Schwab & Co., Inc. to the performance report statements provided quarterly by the J. F. Williams Co., Inc.

ITEM 16 INVESTMENT DISCRETION

J. F. Williams Co., Inc. does not accept discretionary authority to manage assets on behalf of our clients. See Advisory Business above for details.

ITEM 17 VOTING CLIENT SECURITIES

We do not vote proxies on behalf of our clients. Proxy solicitation materials will be forwarded to clients for response and voting. In the event a client has a question or would like a recommendation about a proxy solicitation, the client may contact his/her investment advisor representative.

ITEM 18 FINANCIAL INFORMATION

We do not have any financial impairment that will preclude us from meeting contractual commitments to clients.

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

OTHER BUSINESS ACTIVITY

We and our executive officers do not have any other business activity.

PERFORMANCE BASED COMPENSATION

We and our executive officers do not receive performance based compensation.

DISCIPLINARY HISTORY

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of each supervised person providing investment advice. No information is applicable to this Item.

ADDITIONAL RELATIONSHIPS WITH ISSUERS OF SECURITIES

We do not have a relationship with an issuer of securities.