

# JBJ Investment Partners, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of JBJ Investment Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (843) 606-3917 or by email at: [Jim@jbjinvest.com](mailto:Jim@jbjinvest.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 JBJ Investment Partners, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). JBJ Investment Partners, LLC's CRD number is: 165294*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of JBJ Investment Partners, LLC on March 29, 2014 are described below. This list summarizes changes to policies, practices or conflicts of interests only.

- Mathew Shane Emmert is now 50% owner of JBJ Investment Partners, LLC (Item 4.A)

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

JBJ Investment Partners, LLC is a Limited Liability Company organized in the state of South Carolina. The firm was formed in August of 2012, and the principal owners are James Brown Jackson and Mathew Shane Emmert.

### B. Types of Advisory Services

JBJ Investment Partners, LLC (hereinafter “JBJ”) offers the following services to advisory clients:

#### *Investment Supervisory Services*

JBJ offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. JBJ creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client’s specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

JBJ evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. In the case of actively managed accounts, JBJ will typically request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. However, all actions are taken in accordance with previously established risk tolerance levels that are well documented in the Investment Policy Statement, which is given to each client. Further, JBJ has no beneficial interest in trading commissions or other brokerage fees, which removes any incentive to “churn” accounts, allowing us to keep our goals aligned with those of our clients.

#### *Selection of Other Advisers*

JBJ may, as appropriate, direct clients to third-party money managers. The Client hereby appoints JBJ as a monitoring investment adviser for investments held at other third-party investment advisers. JBJ shall recommend other third-party advisers and monitor securities supervised by third-party advisers, subject to the objectives, limitations and restrictions listed in the client’s written Investment Policy Statement. JBJ will be compensated via a fee-sharing agreement with the advisors to which it directs those clients. The shared fees will not exceed any limit imposed by any regulatory agency.

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Before selecting other advisors for clients, JBJ will always ensure that those advisors are properly licensed or registered as investment advisors with the appropriate regulatory agency.

### ***Portfolio Management***

BJJ offers portfolio management services to clients primarily via the design, implementation and monitoring of Exchange-Traded Fund (ETF) portfolios. These services are frequently used in combination with the selection of third-party advisors to diversify client holdings. These portfolios are managed on a discretionary basis.

### ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. Investment planning involves working with clients to make sure their investments match their respective risk tolerance and goals. college planning entails helping clients save for higher education, whether for the client or his/her children or other dependents, in the ideal manner to suit the client's overall financial goals and means, while retirement planning entails making sure clients are financially equipped for retirement in light of the client's anticipated income and expenses, investments, and other assets. Debt/credit planning consists of breaking down client budgets and aiding clients in decision-making as to current debt, anticipated significant expenses and potential debt, and avoiding excessive debt. It is anticipated that each of these services will take approximately 3-4 hours of financial planning.

These services are based on fixed fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement. There is no account minimum for financial planning clients.

### ***Services Limited to Specific Types of Investments***

BJJ generally limits its investment advice and/or money management approach to mutual funds, equities, bonds, fixed income, debt securities, ETFs, Master Limited Partnerships (MLPs) and other Publicly Traded Partnerships (PTPs), Real Estate Investment Trusts (REITs), and government securities. JBJ may use other securities as well to help diversify a portfolio when appropriate.

## **C. Client Tailored Services and Client Imposed Restrictions**

BJJ offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk

tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent JBJ from properly servicing the client account, or if the restrictions would require JBJ to deviate from its standard suite of services, JBJ reserves the right to end the relationship.

#### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. JBJ does not participate in any wrap fee programs.

#### **E. Amounts Under Management**

JBJ has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$290,368,721.00	\$0.00	12/31/2014

### **Item 5: Fees and Compensation**

#### **A. Fee Schedule**

##### ***Investment Supervisory Services Fees***

Total Assets Under Management	Annual Fee
All Assets Under Management	0.25%

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with thirty days' written notice. Fees are based on the assets under management on the last day of the previous quarter. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Fees that are collected in advance will be refunded based on the prorated amount of work completed up to the day of termination within the quarter terminated. The fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the quarter up to and including the day of termination. (\*The daily rate is calculated by dividing the quarterly



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AUM fee by the number of days in the termination quarter). Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract.

### ***Selection of Other Advisers Fees***

JBJ may direct clients to third-party money managers. JBJ will be compensated via a fee-sharing agreement with the advisors to which it directs those clients. This relationship will be disclosed in each contract between JBJ and each third party adviser. The fees shared will not exceed any limit imposed by any regulatory agency. The fee schedule is as follows:

<b>AUM</b>	<b>JBJ's Fee</b>	<b>Third Party's Fee</b>	<b>Total Fee</b>
All Assets Under Management	0.25%	0.75%	1.00%

These fees may be negotiable under limited circumstances depending upon the needs of the client and the complexity of the situation. Fees are typically paid quarterly in advance, and clients may terminate their contracts with ten days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination.

### ***Portfolio Management***

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
All Assets Under Management	0.50%

JBJ offers portfolio management services to clients primarily via the design, implementation and monitoring of Exchange-Traded Fund (ETF) portfolios. These services are frequently used in combination with the selection of third-party advisors to diversify client holdings. These portfolios are managed on a discretionary basis. Fees may be negotiable under limited circumstances depending upon the needs of the client and the complexity of the situation. Fees are typically paid quarterly in advance, and clients may terminate their contracts with ten days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination.

### ***Financial Planning Fees***

#### ***Fixed Fees***

Depending upon the complexity of the situation and the needs of the client, the rate for creating client financial plans is between \$500 and \$1,500. Financial planning may include, without limitation: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning, each service as further detailed

above. The advisor will determine the fixed fees depending on the specific financial planning services (listed in the preceding sentence) that the client requires, the need to take into account dependents or other individuals, the diversity of client assets to be addressed by the financial plan, as well as conversations with the client. Fixed fees will be offered to all clients, including but not limited to Individuals, High-Net-Worth Individuals, and Pension and Profit Sharing Plans. Fixed fee services will not vary in price depending on the investment adviser representative who provides these services.

Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Clients may terminate their contracts without incurring any advisory fees or other penalty within five business days of signing the advisory contract.

## **B. Payment of Fees**

### ***Payment of Investment Supervisory Fees***

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are typically paid quarterly in advance.

### ***Payment of Portfolio Management Fees***

Management fees are withdrawn directly from the client's accounts with client written authorization. Fees are typically paid quarterly in advance.

### ***Payment for Selection of Other Advisers Fees***

Selection of Other Advisors fees are withdrawn directly from the client's accounts with client written authorization. Fees are typically paid quarterly in advance.

### ***Payment of Financial Planning Fees***

Fixed Financial Planning fees are paid via check or credit card in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third-party fees (e.g. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by JBJ, and JBJ does not share in those fees in any way. Please see Item 12 of this brochure regarding additional broker/custodian information.

## **D. Prepayment of Fees**

JBJ collects fees in advance and in arrears. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days of the respective billing period. Fees will be deposited back into client accounts within fourteen days.

The fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the quarter up to and including the day of termination.

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(\*The daily rate is calculated by dividing the quarterly AUM fee by the number of days in the termination quarter).

#### **E. Outside Compensation for the Sale of Securities to Clients**

Neither JBJ nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

### **Item 6: Performance-Based Fees and Side-By-Side Management**

JBJ does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

### **Item 7: Types of Clients**

JBJ generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans

#### ***Minimum Account Size***

There is an account minimum, \$250,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

#### **A. Methods of Analysis and Investment Strategies**

##### ***Methods of Analysis***

JBJ's methods of analysis include fundamental analysis.

*Fundamental analysis* involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

### ***Investment Strategies***

JBJ typically uses long term trading, but short term trading is possible under unusual or limited circumstances.

**Investing in securities involves risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### ***Methods of Analysis***

*Fundamental analysis* concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

### ***Investment Strategies***

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Short term trading generally holds greater risk and clients should be aware that there is a material risk of loss using any of those strategies. Consequently, JBJ is typically an infrequent trader and only engages in short-term trading under rare or unusual circumstances.

**Investing in securities involves risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

JBJ generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will also utilize the investment types listed below which (other than Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of a bond or "fixed income" nature, which typically coincides with lower risk, or they can be of a stock or "equity" nature (which typically entails the higher risks outlined here).

**Equity** investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Treasury Inflation Protected/Inflation Linked Bonds:** The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (which is extremely unlikely); however, though rather minimal, they do carry a potential risk of losing share price value based on movements in market interest rates.

**Fixed Income** is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

**Debt securities** carry risks such as the possibility of default on the principal (default risk or credit quality risk), fluctuation in interest rates (interest rate risk), liquidity risk, and counterparties being unable to meet obligations.

**Stocks & Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy).

**Precious Metal ETFs** (Gold, Silver, Palladium, Bullion backed "electronic shares" not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

**Master Limited Partnerships/Publically Traded Partnerships:** Investing in MLPs and PTPs has the potential for high volatility and large drawdowns in line with equities and commodities. MLPS involve capital market risks and ownership structure risks due to conflicts of interest. There is also a potential for regulatory/legislative changes that could eliminate the tax benefits that MLP investors currently enjoy.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time that the client owns the investments. These risks include but are not limited to inflation risk (purchasing power risk), interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability, and inflation.

**Past performance is not a guarantee of future returns. Investing in securities involves risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither JBJ nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither JBJ nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither JBJ nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

BJJ may direct clients to third-party money managers. JBJ will be compensated via a fee-sharing agreement with the advisers to which it directs those clients. This relationship will be disclosed in each contract between JBJ and each third party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This may create a conflict of interest in that JBJ has an incentive to direct clients to the third-party money managers that provide JBJ with a larger fee split. However, JBJ currently maintains the same fee-split arrangement with all sub-advisors. JBJ will always act in the best interests



of the client, including when determining which third party manager to recommend to clients. JBJ will ensure that all recommended advisors or managers are licensed or “notice filed” in the states in which JBJ is recommending them to clients.

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

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free of charge upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

BJJ does not recommend that clients buy or sell any security in which a related person to BJJ or BJJ has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of BJJ may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of BJJ to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. BJJ will always transact client business before their own when similar securities are being bought or sold and will document any transactions that could be construed as conflicts of interest.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of BJJ may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of BJJ to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such

transactions may create a conflict of interest. JBJ will always transact client transactions before its own when similar securities are being bought or sold.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

The Custodian, Schwab Institutional, a division of Charles Schwab & Co., Inc., (CRD # 5393), was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. JBJ will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

#### ***1. Research and Other Soft-Dollar Benefits***

JBJ participates in Charles Schwab's Institutional program. Schwab Institutional provides JBJ with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers at no charge to them so long as a total of at least \$10 million of the adviser's clients account assets are maintained at Schwab Institutional. Schwab Institutional services may include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require significantly higher minimum initial investments. Schwab Institutional also makes available to JBJ other products and services that JBJ benefit from but may not benefit all clients' accounts. These include software and other technology that provide access to your account data (such as trade confirmations and account statements), facilitate trade execution, provide research, pricing information and other market data, facilitate payment of our fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting. Schwab Institutional also makes available to JBJ other services intended to help us manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to JBJ by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to JBJ. JBJ endeavors to act in your best interests, and our recommendation that you maintain your assets in accounts at Schwab may be based in part on the benefit to JBJ of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

## ***2. Brokerage for Client Referrals***

JBJ receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

JBJ recommends a specific custodian, Schwab Institutional, a division of Charles Schwab & Co., Inc., (CRD # 5393), to clients; however, JBJ will allow clients to direct brokerage. Not all investment advisers allow their clients to direct brokerage. By directing brokerage, JBJ may be unable to achieve most favorable execution of client transactions and this practice may cost clients more money.

Additionally, JBJ may be unable to achieve most favorable execution of client transactions if the client does choose to direct brokerage. A client choosing to direct brokerage may cost the client money because without the ability to direct brokerage JBJ may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

JBJ maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing JBJ the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed continuously only by James Brown Jackson, Managing Member. James Brown Jackson is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at JBJ are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by James Brown Jackson, Managing Member. There is only one level of review and that is the total review conducted to create the financial plan.

## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

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

## **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

JBJ does not receive any economic benefit, directly or indirectly from any third party for advice rendered to JBJ clients.

## **B. Compensation to Non – Advisory Personnel for Client Referrals**

JBJ does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

# **Item 15: Custody**

JBJ, with client written authority, has limited custody of client's assets through direct fee deduction of JBJ's fees only. If the client chooses to be billed directly by Schwab Institutional, a division of Charles Schwab & Co., Inc., (CRD # 5393), JBJ would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. The client will also receive invoices from JBJ directly. The client should compare the invoice to the statements receives from broker-dealers and custodians.

# **Item 16: Investment Discretion**



For those client accounts where JBJ provides ongoing supervision, the client has given JBJ written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides JBJ discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

### **Item 17: Voting Client Securities (Proxy Voting)**

JBJ will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

JBJ does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither JBJ nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

JBJ has not been the subject of a bankruptcy petition in the last ten years.