

# JDM INVESTMENT COUNSEL, LLC

## CLIENT BROCHURE

*This Form ADV 2A Brochure provides information about the qualifications and business practices of JDM Investment Counsel, LLC. If you have any questions about the contents of this Brochure, please contact us at (614) 937-7632 or via email directly to the Chief Compliance Officer at [ezanner@jdminvestmentcounsel.com](mailto:ezanner@jdminvestmentcounsel.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC"). Registration does not imply a certain Level of skill or training. Additional information about JDM Investment Counsel is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

JDM Investment Counsel's CRD number is: 147736

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January 19, 2017

## ITEM 2: MATERIAL CHANGES

Registered Investment Advisers are required to report updates in the business and service information contained in their Form ADV 1 and ADV 2 Brochures according to the following schedule: 1) Promptly throughout the year when changes occur and; 2) No less than annually, within 90 days of the Adviser's fiscal year end.

JDM Investment Counsel, LLC ("*JDM*" or "*Adviser*") filed this Form ADV 2 Brochure with the Ohio Division of Securities on January 19, 2017. The following information has been updated since JDM's last fiscal year end filing completed on March 4, 2016:

1. JDM has applied to registration with the State of Ohio Division of Securities to transition its registration with the Securities and Exchange Commission.
2. Item 4.E has been amended to reflect the Adviser's assets under management as the close of business on September 30, 2016.
3. Item 5.A has been amended to reflect updates to the Adviser's investment management fee schedule.
4. Item 10 has been amended to reflect an outside business activity for Erick Zanner and David Currier. Mr. Zanner and Mr. Currier are members of an unaffiliated Registered Investment Adviser's investment committee (First Ohio Planning, LLC). In this capacity, Mr. Zanner and Mr. Currier analyze the firm's overall investment results and provide consultation services relating to strategic investment management. The time spent on this activity may vary throughout the year but generally involves preparation time and attendance at bi-weekly meetings. At no time is JDM client information shared between the firms or their respective personnel members. This activity is separate and distinct from the business of JDM Investment Counsel.

JDM Investment Counsel believes in keeping clients informed as part of its services. If clients or prospective clients have any questions or concerns with regard to the services provided by JDM Investment Counsel they should not hesitate to contact the Chief Compliance Officer, Erick Zanner.

Thank you.

**JDM Investment Counsel**

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ADV Part 2B Brochure(s) follow ADV 2A

## ITEM 4: INVESTMENT ADVISER INFORMATION

### A. DESCRIPTION OF THE FIRM.

JDM Investment Counsel, LLC (“JDM.”) is a Registered Investment Adviser headquartered in Columbus, Ohio. JDM has been in business since June 2008 and is regulated by the State of Ohio Division of Securities. Erick Zanner is JDM’s Managing Member, 100% owner and Chief Compliance Officer.

### B. TYPES OF ADVISORY SERVICES

JDM Investment Counsel, LLC (“JDM” or “Adviser”) offers fee-only investment advisory services. The term “*fee-only*” means the Adviser and its registered personnel are only compensated for services provided via advisory fees paid by clients. JDM is a Registered Investment Adviser and is not a broker/dealer or custodial firm.

“*Adviser Representatives*” are those persons authorized to deliver financial and investment advisory services on behalf of the Adviser. Adviser Representatives of JDM are not registered representatives of a broker/dealer and the Representatives are not insurance agents. Therefore, neither the Adviser nor the Representatives of JDM accept commissions for securities or insurance recommendations.

The Adviser may offer a complimentary general consultation to discuss financial and investment advisory services available; to give a prospective client an opportunity to review services desired; and to determine the possibility of a potential Client-Adviser relationship. Services begin only after the client and Adviser formalize the relationship with a properly executed Client Agreement.

After the formal engagement and depending upon the scope of the engagement, the Adviser and client will share in a data gathering and discovery process in an effort to determine the client’s needs, goals, intentions, time horizons, risk tolerance and investment objectives, based upon information provided by the client and the nature of services requested. The client and Adviser may complete a risk assessment, investment policy statement or similar document, depending upon the nature of services to be provided.

JDM offers **Investment Management, Separate Account Management, Financial Planning and Consultation Services**. The Adviser also offers a **complimentary general newsletter** service for clients.

1. **Investment Management Services** are ongoing in nature, focus solely on portfolio management, and do not include financial planning services or consultation services outside the scope of the managed investments.
2. **Separate Account Management Services** are ongoing investment management services provided to referred separate account clients in conjunction with advisory services offered by a client’s private investment adviser.

3. **Financial Planning Services** are hourly or project-based services and generally terminate upon the delivery of services.
4. **Consultation Services** are hourly or project-based services and generally terminate upon the delivery of services.
5. **Newsletters** are complimentary.

**1. Investment Management Services** involve ongoing and continuous portfolio management. JDM's Investment Management Services can provide clients with portfolio assessment, detailed recommendations, asset allocation, implementation, ongoing monitoring and review of the client's portfolio. In the delivery of initial and ongoing services, the Adviser may include a review of the overall aspects of a client's current financial situation and consider both long and short-term objectives, or as directed by the client.

The Adviser can also tailor services to focus only on certain portfolio components or JDM can provide comprehensive portfolio management services, depending upon the client's wishes and/or the nature of the engagement. The Adviser welcomes the opportunity to provide individualized services. However, where investment management services or information are limited, clients must understand that comprehensive investment needs and or objectives may not be fully considered due to the client's option not to receive limited services, the lack of information received, and/or client disclosure.

Investment Management Services begin with an initial data-gathering interview in an effort to determine the client's stated individual needs, goals, time horizons and risk tolerance. JDM utilizes the information provided by the client to prepare recommendations for investments, which may include planning for long-range goals (*i.e.*, retirement planning or college funding) or other segments of an investment plan that may be desired. Investments may include short-term instruments, stocks, bonds, mutual funds, Exchange Traded Funds (ETFs) or other investment vehicles.

After an analysis and data-gathering process and depending upon the nature of services desired, the Adviser may prepare reviews, analysis, asset allocation recommendations, and may recommend specific investments. The Adviser's asset allocation services and rebalancing services are provided to clients invested in stocks, mutual funds, exchange traded funds and other assets, as outlined in the designed investment strategies. Services and investment recommendations to business retirement plans are limited to those offered within the plan.

In the delivery of investment management services, JDM Investment Counsel may utilize four proprietary investment models. Two of the models consist of fixed income (taxable and tax-free) investments. The other two models are balanced (stocks and bonds with the bonds either being taxable or tax-free). The two balanced models make use of covered calls. JDM Investment Counsel is also pleased to customize a portfolio strategy should the client request it.

Clients engaging investment Advisory services must play an active role. The Adviser requires the client to participate in the formation of the investment plan, the development

of investment advice and recommendations and the ongoing services provided. Clients may call the office during regular business hours to discuss their portfolio or ask questions, but the Adviser recommends that clients initiate a meeting with the Adviser no less than annually. *However, clients are obligated to immediately inform the Adviser of any changes in their financial situation to provide the Adviser with the opportunity to review the portfolio to ensure it is still structured to help meet the client's stated needs and objectives.*

The ongoing Investment Management Services provided are based upon the client's stated individual needs and objectives. JDM will generally seek to allocate the client's assets among various investments, taking into consideration the overall management style and portfolio framework selected by the client. The Adviser attempts to construct a diversified portfolio of investment recommendations that are within its realm of expertise. In each case, the stated individual needs, goals and desires of clients are taken into consideration.

In providing ongoing Investment Management Services, JDM will manage investor funds in accordance with an investment policy/strategy or plan as selected by the client and the Adviser will remain available for ongoing advice and recommendations. The Adviser will provide ongoing monitoring of the portfolio in accordance with the directives provided. The underlying portfolio assets will be reviewed internally on a frequent basis (generally quarterly or more often), depending upon the types of investments, market conditions, at the discretion of the Adviser, or as may be specifically requested by the client.

## **2. Separate Account Management**

Certain unaffiliated Registered Investment Advisers have retained JDM as a Separate Account Manager. Separate Account Management clients will enter into an investment management agreement with the unaffiliated Registered Investment Adviser (the client's personal investment adviser) and thereafter will enter into a Separate Account management agreement with JDM to receive management services for one or more specified accounts. In such cases, the client's personal investment adviser is responsible for analyzing the financial goals and needs of each particular client and to determine whether JDM's Separate Account Management Services are (and continue to be) suitable for the client. JDM's Separate Account Management is not a wrap fee program. In providing ongoing management services, JDM will manage investor funds in accordance with an investment policy/strategy selected by the client and the client's personal adviser. JDM will provide ongoing monitoring of the portfolio in accordance with the directives provided and consultation. The underlying portfolio assets will be reviewed internally on a frequent basis (generally quarterly or more frequently), depending upon the types of investments, market conditions, at the discretion of the Adviser, or as may be specifically requested by the investor and the investor's personal investment adviser.

**3. Financial Planning Services** involve hourly or project based services that can be comprehensive in nature or services can be tailored to address one or more components of financial planning.

Advice may be provided on financial and cash management, risk management, financial issues relating to divorce or marital issues, estate planning, tax issues, retirement planning, educational funding, goal setting, or other needs as identified by the client.

The Adviser may offer comprehensive planning services or the client may desire advice on certain planning components. The Adviser can tailor services as desired by the client. The services requested may include short-term and/or long-term goal planning as directed by the client. When Financial Planning Services only focus on certain areas of client interests, needs or is otherwise limited, clients must understand that a client's overall financial and investment needs and objectives may not be considered as a result of time and/or service restraints placed on the Adviser's services. Clients requiring assistance on issues relating to matters outside of financial and investment advisory topics should consult their personal tax adviser, legal counsel, or other professionals for expert opinions. When providing advice on investments within retirement plans, the advice and any recommendations are limited to plan offerings.

Implementation of any advice or recommendations pertaining to securities or non-securities matters (such as insurance), in whole or in part, is entirely at the client's discretion via the service provider(s) of the client's choice.

Financial Planning Services generally utilize long-term strategies so that continuous monitoring is not required. The advice provided by the Adviser may include recommendations for updates and reviews. Clients are welcome but are never obligated to retain the Adviser for additional or follow-up services. Where additional or new services are desired, JDM may require an amended or new client agreement.

Financial Planning Services will not include any portfolio monitoring, investment reviews or investment management. Investment Management Services may be available via a new client agreement.

**4. JDM Investment Counsel** is available to provide **Consultation Services** on an hourly or project basis. Advice may be provided on general issues relating to investments, portfolios, or other issues of interest to clients. The Adviser can tailor services as desired by the client.

Consultation Services are not comprehensive in nature in that services only focus on certain areas of client interests, needs or is otherwise limited. Therefore, clients must understand that a client's overall financial and investment needs and objectives may not be considered as a result of time and/or service restraints placed on the Adviser's services. Services terminate upon the delivery of services. The advice provided by the Adviser may include recommendations for updates and reviews and the client's responsibility to follow-up and secure additional services under a new or amended agreement.

Adviser Representatives may suggest the client work closely with the client's attorney, accountant, insurance agent, and the client's custodian. Clients requiring assistance on issues relating to matters outside of investment Advisory topics should consult their personal tax Adviser, legal counsel, or other professionals for expert opinions.

Implementation of any advice or recommendations pertaining to securities and/or non-securities matters (such as insurance), in whole or in part, is entirely at the client's discretion via the service provider(s) of the client's choice.



When providing consultation services in connection with retirement plan investments, the advice and recommendations are limited to plan offerings. The advice provided by the Adviser may include recommendations for updates and reviews and these services can be obtained under a new or amended agreement at the client's discretion.

Consultation Services will not include any portfolio monitoring, reviews, follow-ups, or other services. If additional or new services are desired, clients are welcome to secure these services via a new or amended agreement. Investment Management Services may be available via a new and separate client agreement.

**5. General Newsletter.** From time to time, JDM may provide a complimentary general newsletter to clients. The content of these newsletters will discuss general information relating to investment management, the markets, financial planning, risk-management strategies or related topics.

### **C. CLIENT TAILORED SERVICES AND CLIENT IMPOSED RESTRICTIONS**

JDM focuses on providing individualized services. The Adviser can tailor services to focus only on certain portfolio components, depending upon the client's wishes and/or the nature of the engagement. However, where client services or information are limited, clients must understand that comprehensive financial and/or investment needs and objectives may not be fully considered due to the client's option to receive limited services, the lack of information received, and/or client disclosure. The Adviser and client will share in a data gathering and discovery process in an effort to determine the client's stated needs, goals, intentions, time horizons, risk tolerance and investment objectives, based upon information provided by the client and the nature of services requested. The client and Adviser may complete a risk assessment, investment policy statement or similar document, depending upon the nature of services to be provided. Clients may not impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs. Clients are welcome to set parameters on the Adviser's limited discretionary authority in writing as to types of investments and amounts purchased or sold. Where clients retain authority to implement recommendations, they are welcome to do so in whole or in part via the financial services provider(s) of their choice.

### **D. WRAP FEE PROGRAMS**

JDM does not recommend wrap fee programs and is not a program manager or sponsor.

### **E. AMOUNTS OF ASSETS UNDER MANAGEMENT**

JDM Investment Counsel's assets under management as of the close of business on September 30, 2016 totaled \$13,328,000 million in 86 discretionary accounts. Approximately 30% of the managed assets are those of high net worth clients; 1% of the assets are those of corporations or other businesses and the remaining assets are those of other than high net worth individuals.

## ITEM 5: FEES AND COMPENSATION

### A. FEE SCHEDULES

JDM is only compensated for advisory services as follows: A percentage of assets under management, hourly fees, and project-based fees (which are dependent upon the nature and scope of the engagement and fees are based upon the number of project hours, using the Adviser's hourly rate as a guide).

**1. Advisory fees for Investment Management Services** are agreed upon at the time of engagement and based upon the following fee scale:

| <u>Managed Portfolio</u>  | <u>Annual Fee</u> |
|---------------------------|-------------------|
| \$200,000 - \$1,000,000   | 3.00%             |
| \$1,000,001 - \$2,000,000 | 1.00%             |
| \$2,000,001 - \$3,000,000 | .50%              |
| \$3,000,001 - \$5,000,000 | .35%              |
| Over \$5 million          | .25%              |

The annual fee may be modified from the above scale and based upon the nature of the engagement, scope and/or complexity of services and/or portfolio, time to be incurred, pre-existing relationships, or other special situations or factors, at the Adviser's discretion. The Adviser's fee may be higher or lower than may otherwise be available through other types of advisory firms for similar services.

Management fees are charged quarterly in advance and calculated using the market value of the portfolio as set by the custodian as of the last market day of the relevant calendar month. The Adviser's quarterly fee is determined by multiplying the portfolio balance on the last trading day of the preceding calendar quarter by  $\frac{1}{4}$  of the Adviser's annual fee. A pro-rata fee is calculated for services initiated at any time other than at the beginning of a calendar quarter. In the rare case where there is an absence of an asset value (via the custodian); the Adviser will utilize at least one independent third party to assess the holding's value.

The management fee may be revised during the engagement, particularly if different needs/complexities are identified or additional services are requested, but only with a 30-day pre-notification from the Adviser. Should the client elect not to accept the fee adjustment, the client is welcome to terminate services at any time.

**2. Separate Account Management** fees are charged in the same manner as the Adviser's Investment Management fees except fees are invoiced quarterly in arrears as follows:

| <u>Account Assets Under Management</u> | <u>Annual Fee*</u> |
|--|--------------------|
| Bond Assets                            | .15%               |
| Balanced Portfolio                     | .25%               |

\*Clients participating in Separate Account Management receive separate advisory services via their personal Registered Investment Adviser and will incur their

Adviser's investment management fees pursuant to the agreement executed between the client and their Adviser.

The Separate Account Management Service is not a wrap program.

Clients utilizing the Separate Account Management Service will remit investment management fees directly to JDM Investment Management. Payment is normally made via a debit to the custodial account as described in Item 5.B.1, below.

**3. Fees for Financial Planning Services** are determined at the time of engagement based upon the time and effort required and/or the nature and complexity of services. JDM's hourly fee is \$200; however, the Adviser may modify the fee based on unique individual situations or complexity of services. Alternatively, the Adviser may propose a project fee based on time, effort and using the Adviser's hourly rate as the guide. The Adviser may require a retainer equal to ½ the proposed project fee in order to schedule services. In these cases, the project balance is due upon the delivery of services. Should the client's condition change during the course of services such that new advice, recommendations or research are required, additional fees may apply. The Adviser will not engage in additional services that result in fees without the client's approval.

**4. Fees for Consultation Services** are determined at the time of engagement based upon the time and effort required and/or the nature and complexity of services. JDM's hourly fee is \$200; however, the Adviser may modify the fee based on unique individual situations or complexity of services. Alternatively, the Adviser may propose a project fee based on time, effort and using the Adviser's hourly rate as the guide. The Adviser may require a retainer equal to ½ the proposed project fee in order to schedule services. In these cases, the project balance is due upon the delivery of services. Should the client's circumstances change during the course of services such that new advice, recommendations or research are required, additional fees may apply. The Adviser will not engage in additional services that result in fees without the client's approval.

**5. The Adviser's Newsletter Service** is complimentary.

## **B. PAYMENT OF FEES**

**1. Payment of Investment Management** fees may be made directly to the Adviser or through a debit to the client's account via the qualified custodian holding the client's funds and securities. The Adviser adheres to the following criteria when payment is made via a qualified custodian as required by the SEC: (1) The client provides written authorization permitting the fees to be paid directly from the client's account held by the independent qualified custodian and the authorization is limited to withdrawing contractually agreed upon Investment Adviser fees; (2) The client will directly receive regular (monthly or quarterly) account statements from the qualified custodian which reflect the Adviser's fee deduction; (3) The frequency of fee withdrawal shall be specified in the written authorization and/or agreement; (4) The custodian of the account shall be advised in writing of the limitation on the Adviser's access to the account and; (5) The client shall be able to terminate the written billing authorization or agreement at any time.

If the designated account(s) do not contain sufficient funds to pay advisory fees, the client can leave standing orders to deduct fees via other accounts. In the absence of alternate instructions, the Adviser will issue an invoice for advisory fees to the client and payment is expected with 10 days of the invoice date.

It is important to note that custodial firms do not verify advisory fees. Therefore, clients should review their custodial statements carefully. If a client should have any questions or concerns in connection with an advisory fee deduction, they should promptly contact JDM Investment Counsel. If at any time during the engagement, the client fails to receive the regular account statements produced by the custodian, it is important for the client to promptly notify JDM Investment Counsel and the custodial firm.

**2. Separate Account Management.** Payment of Separate Account Management fees to JDM is normally accomplished via a debit to the custodial account as described in Item 5.B.1, on the previous page.

**3. and 4. Consultation and Financial Planning** fees are invoiced directly unless alternative arrangements have been made in writing to facilitate a fee debit via a custodial account. The nature of services and the advisory fees for Consultation and/or Financial Planning Services are determined at the time of engagement based upon the estimated time and effort and/or the nature and complexity of services. Alternatively, the Adviser may propose a project fee based on time, effort and the Adviser's hourly rate. JDM may require a retainer equal to ½ the proposed project fee in order to schedule services. In these cases, the project balance is due upon the delivery of services.

Should the client's condition change during the course of services such that new advice, recommendations or research are required, additional fees may apply. The Adviser will not engage in additional services that result in fees without the client's approval.

**5.** The Adviser's **Newsletter** is complimentary.

## **C. FEES ASSOCIATED WITH INVESTING**

Clients are responsible for the payment of all third party fees associated with investing. Clients may pay transaction and brokerage commission to their broker/dealer or other service providers ("*Financial Institution[s]*") as well as any fees associated with their particular accounts (e.g., account opening, maintenance, transfer, termination, wire transfer, retirement plan, trust fees, and all such applicable third party fees, deferred sales charges, oddlot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. All fees paid to the Adviser for Advisory services are separate from the fees and expenses charged to shareholders of ETF's or mutual fund shares offered by mutual fund companies. If a mutual fund previously purchased by or selected by a client should impose a sales charge, a client may pay an initial or deferred sales charge. JDM does not receive any portion of these investment-related fees. Such charges, fees and commissions are exclusive of and in addition to the Adviser's fees. A complete explanation of the expenses charged by a mutual fund or ETF is contained in the respective mutual fund prospectus. Clients are encouraged to read each prospectus and securities offering documents.

#### **D. PREPAYMENT OF FEES**

JDM collects fees quarterly and in advance in connection with **Investment Management Services**. Investment Management Services are ongoing until either party receives notice of termination. Advisory clients/investors who do not receive the Adviser's Form ADV Part 2 at least 48 hours prior to engagement have the right to terminate the Adviser's services within 5 business days of signature without penalty (no fees due or prepaid fees will be promptly refunded). Alternatively, either party may terminate services with written notice to the other and when services are terminated prior to the end of a calendar quarter, the Adviser will promptly return a pro-rated refund of unearned pre-paid fees.

**Separate Account Management** fees are received quarterly and in arrears via the client's primary Investment Adviser. Clients can terminate services immediately upon receipt of written notice. In such cases, the JDM will only be compensated for services provided up until the effective date of termination.

The Adviser may require a pre-paid retainer for **Financial Planning** and/or **Consultation Services** as described in this section. These services terminate upon the delivery of services unless ongoing services are engaged pursuant to the Client Agreement. Financial Planning and Consultation Services may be immediately terminated prior to the conclusion of services upon written notice from either party. In this case, the client will only be invoiced for time incurred by the Adviser up until the effective date of termination or prepaid but unearned fees will be promptly refunded.

JDM's **newsletter** is complimentary.

#### **E. OTHER COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS TO CLIENTS**

JDM Investment Counsel is a *fee-only* Registered Investment Adviser.

Neither JDM nor its supervised persons accept any compensation/commission for the recommendation of securities or insurance 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**

JDM's fees are not "performance based" (based upon a share of capital gains or capital appreciation, or performance, for any portion of funds under an advisory contract). Therefore, the Adviser does not engage in side-by-side management services.

## **ITEM 7: TYPES OF CLIENTS AND MINIMUM CONDITIONS**

The Adviser's services are primarily provided to individuals; pension and profit sharing plans; trusts, estates and charitable organizations; corporations or other business entities.

If an account is subject to the Employee Retirement Income Security Act of 1974, as amended, ("*ERISA*"), the Adviser acknowledges that Adviser is a fiduciary within the meaning of the Act and the ERISA Client is a named fiduciary with respect to the control or management of the assets in the account. In each instance, the Client will agree to obtain and maintain a bond satisfying the requirements of Section 412 of ERISA and to include the Adviser and the Adviser's principals, agents, and employees under those insured under that bond and will deliver to the Adviser a copy of the governing plan documents. If the account assets for which the Adviser provides services represent only a portion of the assets of an employee benefit plan, Client will remain responsible for determining an appropriate overall diversification policy for the assets of such plan.

At its discretion, JDM may accept an account of any size depending upon certain factors, including, but not limited to, investment objectives, investment restrictions, the nature and extent of the relationship with the client, and other business factors. In order to open an account with JDM, a client must complete the proper client agreement(s) and associated paperwork and must appoint a qualified custodian to custody the managed account's assets. JDM reserves the right, in its sole discretion, to decline any new account, or consistent with the applicable client's advisory agreement, to resign as investment adviser to an account after initiation of the investment advisory relationship.

## **ITEM 8: METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

JDM provides individualized services to its clients. Based upon information provided by the client, the Adviser attempts to evaluate an investor's risk tolerance, time horizon, goals and objectives through an interview and data-gathering process in an effort to determine an investment plan or portfolio to best fit the investor's profile. Clients receiving Separate Account Management Services will work with their private Investment Adviser during the data-gathering, assessment, suitability and management processes. Client participation and the client's delivery of accurate and complete information are critical to the Adviser's process. In performing its services, the Adviser shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information.

The Adviser may recommend the services of itself, its Adviser Representatives in their individual capacities as investment managers, and other professionals to implement its

recommendations. Any professional referrals (*i.e.*, insurance agents/firms, accounting professionals, legal professionals, etc.) are *solely* a courtesy and the Adviser receives no direct or indirect compensation as a result of referrals. Clients are welcome but are never under any obligation to act upon any of the recommendations made by the Adviser or to engage the services of any such recommended service firm or professional including the Adviser itself.

The Adviser seeks to take an independent, balanced approach to the management of client investment portfolios. After working with the client to identify short-term and/or long-term financial goals, a strategic investment framework can be tailored to address these objectives.

In the delivery of investment management services, JDM may utilize four proprietary investment models. Two of the models consist of fixed income (taxable and tax-free) investments. The other two models are balanced (stocks and bonds with the bonds either being taxable or tax-free). The two balanced models make use of covered calls.

JDM is also pleased to customize a portfolio strategy should the client request it. The Adviser can provide Advisory services for portfolios ranging from moderately aggressive to conservative, each designed to meet the varying needs of and within the direction set forth by the investors. The Adviser selects the portfolio best suited to their individual needs after clients have defined their objectives, risk tolerance and time horizons and the selection is approved by the client.

**1. Fundamental Analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security. For example, an investor can perform fundamental analysis on a bond's value by looking at economic factors, such as interest rates and the overall state of the economy, and information about the bond issuer, such as potential changes in credit ratings. For assessing stocks, this method uses revenues, earnings, future growth, return on equity, profit margins and other data to determine a company's underlying value and potential for future growth. In terms of stocks, fundamental analysis focuses on the financial statements of the company being evaluated.

Very broadly described, this type of analysis involves a method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and company-specific factors (like financial condition and management).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis.

Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives:

- to conduct a company stock valuation and predict its probable price evolution,
- to make a projection on its business performance,
- to evaluate its management and make internal business decisions,
- to calculate its credit risk.

Fundamental analysis is not without its drawbacks and challenges. For one, this method can be tedious and time consuming. Once a trend in the fundamentals of the company is established, normally, the future growth will be extrapolated using that trend. The extrapolation is a subjective exercise and should be cautiously assessed. For example, the trend may still be up but the market may already be saturated and thus there is a higher chance of the trend flattening rather than continuing upward. Extrapolation may not always work and may result in a wrong call.

In addition to the above, this analysis method involves a time delay since the financial data the analyst is in the process of reviewing is always from the previous year or previous quarter. Additionally, even if a fundamentally strong company at the right price is identified, it does not mean that the company's shares are going to move anytime soon. Therefore, some holdings may need to be held for quite some time.

A stock's position in the market is also driven by investor sentiment, which can sometimes swing in extremes. As a result, stock prices of companies can reach extremely overvalued levels or extremely undervalued levels. When the share price becomes overvalued, a fundamental analyst will stay out or they will exit too early. As the share price reaches extremely overvalued levels, the fundamental analyst might miss out the biggest gain in the share price. This type of analyst may also buy when the price drops within a value range and yet the stock price could head lower still well into oversold regions before recovering.

As with any data produced by third parties, there is always the possibility that the company's data has been manipulated. Enron is a good example. It does happen and it can be very difficult to detect. Thus, an analyst is limited by the data that is published.

**2. Technical Analysis** is a method of evaluating securities by analyzing the statistics generated by market activity, such as past prices and volume. Generally speaking, technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

The field of technical analysis is based on three assumptions:

1. The market discounts everything.
2. Price moves in trends.
3. History tends to repeat itself.

This type of analysis can be broadly described as a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use



charts and other tools to identify patterns that can suggest future activity. It is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Technical analysts lean towards the belief that the historical performance of stocks and markets are likely indications of future performance.

Technical Analysis can be difficult, as analysts need to learn various indicators and patterns and understand how they relate to investor sentiment and behavior. Analysts also have to devise methods of how these issues may impact stock price. Like other analysis methods, technical analysis is not 100% percent accurate or reliable. Relative success depends on the analyst, the analysis tools and the stock or market itself. Often there can be contradicting results which may result in a situation where no trade can be made. An example of this exists when the overall market is heading in one direction and the particular share price is pointing to the opposite direction.

The interpretation of technical indicators is subjective. The same indicator could be interpreted as bullish by one side of the camp and as bearish by the other side of the technical camp. The subjective aspect of technical analysis gives way to another drawback of technical analysis which is the validation of a biased view. The analyst may have already formed a view based on the state the economy is currently or the situation of the market and sector the company is operating in.

**3. Cyclical Analysis** is a method that generally looks at cycles that can impact that market, depending upon the type of securities. This analysis method takes into consideration that there are cyclical and noncyclical securities.

Cyclical stocks are stocks that follow the general economic environment. The automotive industry is a prime example of a cyclical sector. Cyclical stocks do well in times of economic prosperity and generally suffer greater during times of economic recession or hardship. Conversely, health care stocks are an excellent example of non-cyclical stocks as there will always be a need for health care, regardless of the economic situation. These stocks typically have consistent profits, rather than spikes.

Historically, the difference between cyclical and noncyclical stocks has been cash flow. The cash flow of cyclical stocks is affected by the movement of the economy in general. A major category of cyclical stocks is retail consumer products. When the market swings up, cyclical stocks make big upward swings and when it swings down, they move way down. Their movement is widely followed as indicators of the overall health of the economy. However, some cyclical companies attempt to alleviate the impact of cyclical changes by diversifying their product line, expanding to overseas markets and segmenting a cyclical division out to its own stock symbol. Additionally, technology has minimized the impact of cyclical organizations.

Noncyclical stocks are less affected by a downturn in the economy. Referred to as "defensive industries," they are the types of goods that are purchased regardless of the economy. These may include food, insurance and drugs. Analysts attempt to use their knowledge about the cyclical nature of certain industries to predict revenues, interpret earnings reports and make judgments about the overall financial health of a company.

Generally speaking, the stock prices of cyclical companies tend to increase when analysts predict positive news about the future of the economy. If investors feel the market is moving up, cyclical stocks may offer growth opportunities. If they feel the

market is moving down, noncyclical stocks may provide stability.

Market results don't always correlate to analysis. Markets are fluid and can change quickly. Therefore, trends don't always lean in the direction an analyst might expect.

4. **Other.** JDM's investment strategies may be based upon a number of concepts and determined by the type of investor. Services may be customized for each individual client. The Adviser may also apply the concepts of asset allocation, or spreading investments among a number of asset classes (domestic stocks vs. foreign stocks; large cap stocks vs. small cap stocks; corporate bonds vs. government securities).

At its heart, asset allocation seeks to achieve the most efficient diversification of assets, to help lessen risk while not sacrificing the effectiveness of the portfolio in an effort to help yield the client's objectives. Since risk reduction is a key element to long-term investment success, asset allocation principles are a key part of the Adviser's overall approach in preparing advice for clients. JDM takes the general position that investors with diverse portfolios have a better chance of making a profit because it is difficult to accurately predict the movement of the economy. The Adviser does not utilize market-timing strategies.

In certain situations, the Adviser may assist clients who wish to more actively trade securities. In such cases, the Client and Adviser may devise various strategies in order to generate short-term gains. The Adviser's short-term investment strategies may not be appropriate for every investor. The Adviser reserves the right to decline to offer services to any investor and for any reason and investors interested in the short-term strategies should be able to sustain a possible total loss of investment.

The Adviser seeks to minimize trading costs and the impact of investments on taxes. To this end, the Adviser generally sets target ranges for the percentage of assets in each asset class. These ranges are not intended to attempt to time the market, but instead to provide flexibility to reduce trading activity and taxable income. Within each asset class, the Adviser will typically seek to construct broadly diversified portfolios using individual securities or low-cost mutual funds. The choice of whether to use mutual funds will depend on a number of factors, including whether purchasing individual securities in a particular asset class would allow for sufficient diversification consistent with reasonable trading costs, whether there are tax advantages to individual securities, and whether the Adviser believes that there are market inefficiencies that justify buying particular securities.

While JDM will typically recommend investments low-cost mutual funds, index funds and individual securities, the Adviser may assist the client with other investments such as: Exchange traded funds and other types of investments. Depending on the needs of a client, the Adviser may evaluate or offer advice on U.S. Government securities, tax-exempt municipal bonds, and other fixed-income securities. The Adviser will attempt to construct a diversified portfolio of investments that are within its realm of expertise. Additionally, if requested and based upon information provided by the client, the Adviser can prepare an evaluation of existing portfolio and provide recommendations for other investments as deemed appropriate.

While the Adviser may offer general advice on partnership investments, including hedge funds, the services provided are limited to consultation regarding the investment

opportunity and a review of the offering documents. The Adviser does not manage partnership investments.

Portfolio holdings or recommendations are generally judged by (managers' or investments') experience, track record and performance of like-kind investments. The Adviser will actively manage each portfolio. Investors should expect to remain fully invested within the ranges of their selected asset allocation plan at all times unless restated by the client. The Adviser generally looks to the long-term when developing advice and recommendations based upon information provided by the client.

Changing conditions in the client's financial life or significant changes in market conditions may warrant a collaborative effort with the client to modify their strategic investment framework, which consequently may also trigger changes to investment holdings within the portfolio.

Portfolio additions may be in cash or securities provided the Adviser reserves the right to liquidate any transferred securities, or decline to accept particular securities into the client's account. The Adviser may consult with its clients about the options and ramifications of transferring securities. However, clients are hereby advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charge) and/or tax ramifications.

Numerous publicly available sources of economic, financial and investment research are used by the Adviser. Asset allocation software and historical performance modeling software may also be utilized.

*It is important to understand that investing in securities involves a risk of loss that a client should be prepared to bear and there is no single strategy that can guarantee success.*

## **B. MATERIAL RISKS INVOLVED**

Investing in securities involves a risk of loss. JDM takes the general position that investors with diverse portfolios have a better chance of making a profit because it is difficult to accurately predict the movement of the economy. The Adviser can use any or all of the aforementioned different but somewhat complementary methods for investment selections. No single strategy can be relied upon to outperform the market. As outlined below, JDM's goal in its analysis is not to time the market.

JDM generally utilizes long-term trading; short-term trading; short sales; margin Transactions; options writing strategies (including covered options, uncovered options, or spreading strategies).

JDM seeks to utilize investment strategies that are 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 sales, margin transactions and options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

Clients may make additions to and withdrawals from the account at any time, subject to the Adviser's right to terminate an account. Clients may withdraw account assets on notice to the Adviser, subject to the usual and customary securities settlement procedures. The Adviser generally designs its client portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives. Additions may be in cash, cash equivalents and securities. However, the Adviser reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. The Adviser may consult with its clients about the options and ramifications of transferring securities when provided pre-notification of the client's intentions. Clients are hereby advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (*i.e.*, contingent deferred sales charge) and/or tax ramifications.

Clients may choose to make self-directed securities transactions, which are investments that are not reviewed and/or not recommended by the Adviser. In such cases, the Adviser has not passed on the suitability of said investments and while the Adviser may assist with client-directed implementation as a value-added service at the client's request, the Adviser will not manage these types of investments unless agreed in writing.

*It is important to understand that investing in securities involves a risk of loss that a client should be prepared to bear.*

### **C. RISKS OF SPECIFIC SECURITIES UTILIZED**

JDM generally seeks investment strategies that do not involve significant risk or unusual risk beyond that of the general domestic and / or international equity markets. Thoughtful investment selections that are designed to help meet a client's stated goals and risk profile may help keep individual stock and bond risks at an acceptable level.

Investments in individual stocks can be risky. Common stocks are susceptible to market fluctuations and to volatile increases and decreases in value as investors' confidence in and perceptions of their issuers change. Some risks can be controlled and some risks can be guarded against but no strategy can carry guarantees from loss. Certain market risks cannot be controlled, such as market or economic conditions. Investments in common stocks are subject to the risk that in the event of a company's liquidation, the holders of preferred stock and creditors will be paid in full before any payments are made to holders of common stock.

Investments in mutual funds and exchange-traded funds may bear a risk of investment loss. Clients who invest should also be prepared to bear a loss of investment proceeds.

Fixed income investments may be utilized as a portfolio diversification element as well as for income deriving investments outside of equity exposure. Fixed Income Risk Debt securities, such as notes and bonds, are subject to credit risk and interest rate risk. Credit risk is the possibility that an issuer of an instrument will be unable to make interest payments or repay principal when due. Changes in the financial strength of an issuer or changes in the credit rating of a security may affect its value. There are certain risks involved in investing in all types of bonds: Government, Municipal, and Corporate. The following is an overview of the types of risks that one should consider in terms of bond

investments: Interest rate risk; reinvestment risk; inflation risk; mark risk, selection risk, timing risk, and price risk. Additional risks for some government agency, corporate and municipal bonds may include: Legislative risk (a change in the tax code could affect the value of taxable or tax-exempt interest income); Call risk (some corporate, municipal and agency bonds have a "call provision" entitling their issuers to redeem them at a specified price on a date prior to maturity. Declining interest rates may accelerate the redemption of a callable bond, causing an investor's principal to be returned sooner than expected. In that scenario, investors have to reinvest the principal at the lower interest rates. Additional risks for corporate and municipal bonds may include: Credit risk; default risk; event risk and duration risk.

*Past performance is not a guarantee of future returns. Investing in securities involves A risk of loss that all clients should be prepared to bear.*

## **ITEM 9: DISCIPLINARY INFORMATION**

JDM Investment Counsel and its Members have not been involved in any civil, criminal, arbitration, disciplinary or other regulatory events. There is no information in the Adviser's registration records that would impact a client's or prospective client's evaluation of JDM Investment Counsel or the integrity of its management.

JDM Investment Counsel, its Members and its Adviser Representatives have not been involved in any proceedings before the SEC or any other federal, state or foreign regulatory authority. JDM and its Members have not been involved in any self-regulatory organization proceedings or investment-related civil litigation. Information pertaining to the Members and Adviser Representatives of the Adviser are contained on ADV Part 2B Brochure Supplements.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. REGISTRATION AS A BROKER/DEALER OR BROKER/DEALER REPRESENTATIVE**

Neither JDM nor its Adviser Representatives are registered as a broker/dealer or as representatives of a broker/dealer.

### **B. REGISTRATION AS A FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR OR A COMMODITY TRADING ADVISER**

Neither JDM nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator or a Commodity Trading Adviser.

### **C. REGISTRATION RELATIONSHIPS MATERIAL TO THIS ADVISORY BUSINESS AND CONFLICTS OF INTEREST**

JDM Investment Counsel and its Adviser Representatives do not have any material relationships that would present a possible conflict of interest with clients.

JDM does not maintain registration relations with any of the following:

- broker-dealer, municipal securities dealer, or government securities dealer or broker
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
- other investment adviser or financial planner
- futures commission merchant, commodity pool operator, or commodity trading adviser
- banking or thrift institution
- accountant or accounting firm
- lawyer or law firm
- insurance company or agency
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships.

JDM does not operate and does not have a material relationship with a hedge fund or other type of private pooled investment vehicle.

As noted in the representative-specific data at ADV Part 2B, Erick Zanner is also engaged as an arbitrator for the Financial Industry Regulatory Authority, Inc. (“*FINRA*”). The time spent on this activity may vary throughout the year but may account for approximately 2% of his time during the year.

Erick Zanner and David Currier are members of an unaffiliated Registered Investment Adviser’s investment committee (First Ohio Planning, LLC). In this capacity, Mr. Zanner and Mr. Currier analyze the firm’s overall investment results and provide consultation services relating to strategic investment management. The time spent on this activity may vary throughout the year but generally involves preparation time and attendance at bi-weekly meetings. At no time is JDM client information shared between the firms or their respective personnel members. This activity is separate and distinct from the business of JDM Investment Counsel.

#### **D. SELECTION OF OTHER ADVISERS OR MANAGERS AND HOW THIS ADVISER IS COMPENSATED FOR THOSE SELECTIONS**

JDM does not utilize nor select other advisers or third party managers. All assets are managed by JDM.

### **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

#### **A. CODE OF ETHICS**

JDM takes the issue of regulatory compliance seriously and is committed to maintain compliance with federal and applicable state securities laws. Additionally, JDM has a

position of public trust and it is our goal to maintain that trust; provide excellent service, good investment performance; and advice that is suitable.

JDM places great value on ethical conduct. Therefore, the ultimate goal of our internal policies is to challenge our staff to live up not only to the letter of the law, but also to the ideals set forth by the Adviser.

Clients may be familiar with the roles fiduciaries play in various legal situations and in certain industries. As a Registered Investment Adviser, JDM is a fiduciary to each and every client.

As fiduciaries, Investment Advisers owe their clients several specific duties. According to the SEC (to which state regulators defer on this subject), an Investment Adviser's fiduciary duties include:

- ❖ Providing advice that is suitable;
- ❖ Providing full disclosure of material facts and potential conflicts of interest (such that the client has complete and honest disclosure in order to make an informed decision about services of the Adviser and about investment recommendations);
- ❖ The utmost and exclusive loyalty and good faith;
- ❖ Best execution of transactions under the available circumstances;
- ❖ The Adviser's reasonable care to avoid ever misleading clients;
- ❖ Only acting in the best interests of clients.

It is JDM's policy to protect the interests of each of the Adviser's clients and to place the clients' interests first and foremost in each and every situation. JDM Investment Counsel will abide by honest and ethical business practices to include, but is not limited to:

- ❖ The Adviser will not induce trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account.
- ❖ The Adviser will make investment decisions with reasonable grounds to believe that the decisions are suitable for the client on the basis of information furnished by the customer and we will document suitability.
- ❖ The Adviser and Adviser Representatives will not borrow money from clients.
- ❖ JDM Investment Counsel will not recommend the purchase of a security without the reasonable belief that the security is registered, or the security or transaction is exempt from registration in states where we provide investment advice and based upon information the Adviser receives.
- ❖ The Adviser will not recommend that the client place an order to purchase or sell a security through a broker/dealer or agent, or engage the services of a broker/dealer that is not licensed, based upon information available to the Adviser.
- ❖ The staff of the Adviser will report all required personal securities transactions to Erick Zanner, the Chief Compliance Officer, as required. Reportable trades for this Adviser include all *but the following exceptions*:
  - Transactions effected pursuant to an automatic investment plan;
  - Securities held in accounts over which the access person has no direct or indirect influence or control;

- Transactions and holdings in direct obligations of the Government of the United States;
- Money market instruments — bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments;
- Shares of money market funds;
- Transactions and holdings in shares of open-ended mutual funds are not reportable, since the Adviser does not have a material relationship with an investment company which would otherwise require reporting;
- Transactions in units of a unit investment trust are not reportable if the trust is invested exclusively in unaffiliated mutual funds.

All applicable securities rules and regulations will be strictly enforced. JDM will not permit and has instituted controls against insider trading. Adviser Representatives and administrative personnel who do not follow the Adviser's Code of Ethics or who in any way violate securities rules and regulations, or who fail to report known or suspected violations will be disciplined or terminated, depending upon severity. Such persons could also face action by the SEC and/or state securities regulators.

Clients are welcome to request a copy of the Adviser's Code of Ethics by contacting the Adviser's office.

The Adviser emphasizes the unrestricted right of clients to decline to implement any advice rendered, in whole or part. Where the Adviser is granted discretionary authority of the client's accounts, clients are welcome to set investment parameters and/or limitations in writing and such direction is followed until such time the client's written instructions are amended.

## **B. RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS**

JDM does not recommend that clients buy or sell any security in which any of JDM's related persons have a material financial interest.

## **C. INVESTING PERSONAL MONIES IN THE SAME SECURITIES AS CLIENTS**

JDM and/or individuals associated with JDM may have similar investment goals and objectives and as a result may buy or sell securities for their personal accounts that may be identical to or different from those recommended to clients. Thus, at times the interests of the Adviser's or staff members' accounts may coincide with the interests of clients' accounts. However, at no time will the Adviser or any related person receive an added benefit or advantage over clients with respect to these transactions. The Adviser and its associated persons will not place itself in a position to have added benefit as a result of advice given to clients.

## **D. TRADING SECURITIES AT/AROUND THE SAME TIME AS CLIENTS**

JDM its Adviser Representatives acknowledge the Adviser's fiduciary responsibility to place the investment needs of clients ahead of the Adviser and its staff. The interests of clients are held in the highest regard. At no time will the Adviser or any related person receive an added benefit or advantage over clients with respect to these transactions.



The Adviser and its associated persons will not place itself in a position to have added benefit as a result of advice given to clients.

The staff of JDM shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry.

The Adviser has established trading policies for its access persons. Erick Zanner, the Chief Compliance Officer of JDM, is responsible for the monitoring of personal trading conducted by staff.

## **ITEM 12: BROKERAGE PRACTICES**

### **A. FACTORS USED TO SELECT CUSTODIANS AND/OR BROKER/DEALERS**

JDM is not affiliated with any broker/dealer firm. JDM's Adviser Representatives are not registered representatives of any broker/dealer.

Financial Planning and Consultation clients are welcome to implement recommendations, in whole or in part, through the financial services firms of their choice.

Clients are welcome to utilize the service provider of their choice, and in such cases, will direct the Adviser to use their firm of choice (via written direction). As disclosed in the Adviser's Client Agreement, the Adviser cannot guarantee best execution of transactions in these cases, due to limitations imposed by the client's service provider either on the Adviser or in connection with transactions.

JDM recommends the services of Scottrade and Charles Schwab & Co, Inc. ("*Charles Schwab & Co.*"), which provide custodial and account services to independent Registered Investment Advisers and their clients. JDM participates in Scottrade Advisor Services and Charles Schwab Advisor Services programs for independent Registered Investment Advisers. Separate Account Management Services will use Charles Schwab & Co.

The Adviser believes that excellent customer service and trade execution available through its preferred service providers is superior than may otherwise be available to the general public. Charles Schwab & Co. and Scottrade feature broad lines of products and services that may be suitable for many types of investors with varying investable assets and the firms' trading costs are competitive. The preferred service providers also offer outstanding service to both investors and independent investment advisers.

JDM recognizes its duty to obtain best price and execution for its clients under the circumstances available. The decision to utilize the preferred custodial firms is based upon a number of factors as listed below:

- ❖ Quality of overall execution services provided;
- ❖ Reliability;
- ❖ Execution and operation capabilities;
- ❖ Promptness of execution;
- ❖ Creditworthiness, financial condition, and business reputation;
- ❖ Promptness and accuracy of reports on execution;

- ❖ Ability and willingness to correct errors;
- ❖ Promptness and accuracy of confirmation statements;
- ❖ Research (if any) provided;
- ❖ The broker-dealer's facilities and technology;
- ❖ Ability to access various market centers;
- ❖ The market where the security trades;
- ❖ Any expertise in executing trades for the particular type of security;
- ❖ Commission charged;
- ❖ Ability to use ECNs to gain liquidity, price improvement, lower commission rates and anonymity;

Charles Schwab & Co. is a large service provider and provides support services to a large percentage of the independent investment adviser population. Scottrade is also a large and sophisticated order sender. The firms measure trade execution quality through a combination of factors, including:

- Trade Execution Speed
- At-the-Quote or Better Percentage
- Price Improvement Percentage

Charles Schwab & Co. and Scottrade consolidate their “best execution” responsibilities within a specialized monitoring group to provide a regular and rigorous review of the execution quality received from the venues where the service provider routes equity and option orders. Additionally, for consumers seeking specific details about the service providers’ execution services, the firms offer additional information about trade quality and execution via their corporation website.

The service providers indicate in their best execution policies that they continually monitor alternative venues to identify opportunities for improving execution quality. The service providers consider a number of factors in evaluation of execution among markets and firms, including: Execution price and opportunities for price improvement, market depth and order size, the trading characteristics of the security, speed and accuracy of executions, the availability of efficient and reliable order handling systems, liquidity and automatic execution guarantees, and service levels and the cost of executing orders at a particular market or firm. Price improvement occurs when an order is executed at a price more favorable than the displayed national best bid or offer. The service providers regularly monitor the execution quality provided through various markets and firms to ensure orders are routed to market venues that have provided high-quality executions over time.

Generally, the larger service providers compare the reported executions and unexecuted orders to the National Best Bids and Offers (NBBO's) at the time of order entry and identify a subset of items that require review. Market volatility, volume and system availability may delay account access and trade executions. Price can change quickly in fast market conditions, resulting in an execution price different from the quote displayed at order entry. Execution price, speed and liquidity and account access are affected by many factors, including market volatility, size and type of order and available market centers.

The SEC requires brokerage firms to make publicly available their order routing practices via quarterly reports. The report is to provide information on routing non-

directed orders (any order that the customer or Adviser has not specifically instructed to be routed to a particular venue for execution). For non-directed orders, the service provider will select the venue. Note: Brokerage firms are required to disclose any material arrangements with the venues utilized, including but not limited to any intermediation or payments for order flow arrangements. Clients are welcome to obtain copies of these reports if desired.

JDM monitors its preferred service provider's best execution documentation. While it is possible that clients may pay higher commissions or transaction fees through preferred service providers, JDM has determined these firms currently offer the best overall value to the Adviser and clients for the brokerage, service, and technology provided. JDM periodically reviews other alternatives that are available to the Adviser market. Advisory clients should also evaluate service providers before opening an account since they are welcome to select their preferred firm.

## **1. SOFT DOLLAR BENEFITS**

Generally speaking, soft dollars are benefits (primarily investment research and brokerage services) that investment advisers receive in exchange for directing trade activity to a particular brokerage-custodial firm. Section 28(e) of the Securities Exchange Act of 1934, as amended (15 U.S.C. § 78bb (e)), establishes a safe harbor for money managers who use client funds to purchase brokerage and research services for their managed accounts. Under Section 28(e), a money manager is protected from liability for a breach of fiduciary duty solely on the basis of having paid more than the lowest commission rate for "brokerage and research services provided by a broker-dealer," the manager determines in good faith that the amount of the commission is reasonable in relation to the value of such services.

JDM may receive certain added benefits for utilizing the recommended custodians such as general research, the ability to deduct advisory fees from clients' custodial accounts, discounts on periodicals or materials, complimentary business and compliance newsletters, and various other non-cash services. Any general research the JDM may receive is used for the benefit of all clients. The value of products, research and services given if any, is nothing extraordinary from what may be available via other custodial relationships. Therefore, the Adviser takes the position that the benefits received are negligible and customary within the advisory business and do not impair its independence in terms of service provider selection. However, benefits are received when the Adviser utilizes and recommends Charles Schwab & Co. and Scottrade to its clients and thus a conflict of interest exists in conjunction with these recommendations.

**Services received that benefit clients** include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products available through Charles Schwab & Co. and Scottrade include some which JDM might not otherwise have access to or would require a significantly higher minimum investment by our clients. Therefore, the services described in this paragraph generally benefit clients and clients' accounts.

The following benefits received present conflicts of interest between JDM and its clients:

**Services that may not directly benefit clients** are those products and services that our preferred service providers make available to JDM but may not directly benefit our

clients or their accounts. These products and services assist the Adviser in managing and administering its clients' accounts and include investment research (both the broker/dealers' and that of third parties). JDM may use this research to service all or some substantial number of our clients' accounts, including those maintained away from the broker/dealer providing the research. In addition, the service providers make available software and other technology that provides access to client account data (such as duplicate trade confirmations and account statements); facilitates trade execution and allocation of orders for multiple accounts; provides pricing and other market data, facilitates payment of advisory fees from client accounts and assists with back-office functions, recordkeeping and client reporting.

**Services that generally benefit only the Adviser** are those other benefits intended to help the Adviser manage and further develop its business enterprise. These services may include but are not limited to educational conferences and events as well as technology. Services also may include general compliance news, general legal and business consulting as well as publications and conferences on practice management and business succession. The service providers may also offer access to employee benefits providers and human capital consultants. These firms may also provide these services themselves and in other cases, they will arrange for third-party vendors to provide services to the Adviser. The firms may also discount or waive fees for some services or pay all or a portion of a third-party's fees. The service providers may also provide other benefits such as occasional business entertainment of our personnel. The Chief Compliance Officer monitors all gifts and other considerations given and received.

The custodial firms generally do not charge their Adviser clients separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the service providers or that settle into the service providers' accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions).

Receipt of the aforementioned service benefits present a conflict of interest between JDM and its clients. As a fiduciary, JDM must place the best interest of their clients first.

## **2. BROKERAGE FOR CLIENT REFERRALS**

JDM receives no referrals from a broker/dealer or third party in exchange for recommending or using a broker/dealer or third party.

## **3. CLIENTS DIRECTING BROKER / DEALER / CUSTODIAN**

Financial Planning and Consultation clients are welcome to utilize any service provider they may choose and are welcome to implement any advice or recommendations in whole or in part.

Clients are welcome to utilize the service provider of their choice, and in such cases, will direct the Adviser to use their firm of choice (via written direction). If the client requests the Adviser to arrange for the execution of securities brokerage transactions for the client's account, the Adviser shall direct such transactions through their selected broker-dealer until alternative directions are provided in writing. As disclosed in the Adviser's

Client Agreement, the Adviser cannot guarantee best execution of transactions in these cases, due to limitations that may be imposed by the client's service provider either on the Adviser or in connection with transactions. In such cases, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Adviser will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by the Adviser (as described below). As a result, the 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.

Subject to its duty of best execution, the Adviser may decline a client's request to direct brokerage if, in the Adviser's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

## **B. AGGREGATION (BLOCK) TRADING FOR MULTIPLE CLIENT ACCOUNTS**

The Adviser will generally provide Investment Advisory services in connection with mutual funds. When dealing with individual securities issues, the Adviser will not aggregate transactions unless aggregation is consistent with its duty to seek best execution and the terms of the Adviser's investment advisory agreement (and/or the Investment Policy Statement) with each client for whom such trades are being aggregated. The Adviser will, of course, provide individual advice and treatment to each client and in each instance, the Adviser must reasonably believe that it can obtain best price by aggregation. JDM receives no additional benefit as a result of the proposed aggregation.

Separate Account Management clients will have their accounts custodied at Charles Schwab & Co. and JDM's individual client accounts are custodied at Scottrade. When a block trade involves accounts of both types, JDM will employ a coin flip to determine which custodian receives the first order to ensure fair dealing.

In each instance where aggregation is undertaken, it is the Adviser's policy that no client will be favored over any other client. Each client participating in an aggregated order will participate at the average share price for all Advisers' transactions in that security on a given business day, with transaction costs shared pro-rata, based upon each client's participation in the transaction. There is no requirement to allocate trades pro-rata and in some cases it might not make sense. Therefore, each incidence will be reviewed by the Chief Compliance Officer to determine the appropriate action and a similar review will occur during the preparation of the Adviser's internal allocation statement. The objective of an allocation statement is to ensure that based upon the individual needs and financial objectives of its various clients (taking into consideration any restrictions or limitations), the Adviser is distributing investment opportunities among client accounts in a rational and predictable manner and that the distribution is fair and equitable to all. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement. If the order is partially filled, it will be allocated pro-rata based on the allocation statement and documented accordingly. Deviations from the Adviser's allocation methodology are stated up front and are permitted only for good cause after a review by the firm's Officers. Examples of some circumstances that might warrant such a deviation include tax considerations, particular investment guidelines, client-imposed restrictions, etc. The Adviser will document any special considerations. It is the Adviser's position that an order may be allocated on a basis

different from that specified in the allocation statement if all clients accounts receive fair and equitable treatment and the reason for the change in allocation is explained in writing and is approved in writing by the Chief Compliance Officer generally no later than one hour after the opening of the markets on the trading day following the day the order was executed.

Certain issues may impact the Adviser's allocation under the particular circumstances and in such cases, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis. The Adviser may also utilize a rotational allocation process in an effort to be fair to all participating clients.

The Adviser may utilize the custodian's prime broker program whereby the custodial firm may effect clients' over-the-counter securities transactions on an agency basis. Typically, the service providers execute transactions based upon a number of factors. These factors include: Size of order, trading characteristics of the security, favorable execution prices, access to reliable data, availability of efficient transaction processing and possible price reductions. In filling these orders, the service provider may transact with a market-making broker-dealer ("market maker") on the other side of the trade. A market maker may mark-up/down the price of securities for which it makes a market, which is a cost that will be incurred by the client in addition to any agency commissions assessed by the client's service provider. Normally, best price and execution is obtained for over-the-counter securities transactions by executing directly with the market maker on a principal basis. Therefore, in some cases, clients may incur transaction costs, in addition to any commissions charged by their services provider, when trades in over-the-counter securities are effected on their behalf through that broker on an agency basis.

The Adviser's choice to utilize the service provider's prime broker program or similarly termed service available through the selected service provider may limit or eliminate the Adviser's ability to obtain best price and execution in each case. In certain cases, a security may be purchased through another service provider and in such cases, the security purchased is then transferred to the client account at the client's selected custodian, and a "trade away" delivery fee is assessed to the client account.

**Trade error policy:** JDM requires its personnel to carefully implement investment decisions. Nevertheless, if a trade error occurs, it is JDM's policy to correct the error as soon as possible and in such a manner that the affected client is not disadvantaged and bears no loss. The custodial firms' policies on trade errors is to reimburse clients for any loss if the amount is \$100 or less. If the loss is greater than \$100, the Adviser will normally reimburse the client. Conversely, if there is any gain from the trade error, the custodian will normally deposit that gain into the Adviser's trade error account. It is the Adviser's policy to utilize proceeds from trade errors to cover potential future events.

Alternatively, the custodian may retain the gain and utilize the funds in accordance with internal policies.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **A. FREQUENCY AND NATURE OF PERIODIC REVIEWS AND THE REVIEWERS**

**Investment Management Services** involve continuous and ongoing services to include monitoring and internal review of portfolio assets. Internal reviews occur no less than quarterly, however, these reviews may occur more frequently, depending upon the nature and complexity of the portfolio. Internal reviews may also occur at the time of significant deposits or withdrawals or may be triggered by market conditions or other factors. Reviews generally entail analyzing securities, various markets, investment results, and other factors. JDM may also review a portfolio if the client's asset allocation deviates over the targeted acceptable limits, at which time rebalancing is considered. Reviews are conducted by JDM's Adviser Representatives under the supervision of Erick Zanner, Managing Member and Chief Compliance Officer.

Individual reviews (with clients) are conducted as requested by the client. JDM prefers clients initiate meetings no less than annually. However, clients are obligated to contact JDM when there exists a real or potential change in the clients' financial condition. *This prompt notification gives JDM the opportunity to review the clients' new information and as a result JDM and client can help ensure the designed investment strategies continue to be appropriate based on client's data and stated objectives.*

Clients receiving Separate Account Management Services will engage in individual reviews with their primary investment adviser. This adviser is required to promptly notify JDM of any changes in the client's financial situation throughout the engagement. JDM is available for consultation as may be requested and provides internal Sub-Account reviews no less than quarterly as described in the Separate Account Management Services section of this Brochure.

The Adviser's **Consultation Services** and **Financial Planning Services** are offered on an hourly or a fixed fee project basis and do not include reviews since services terminate upon delivery. While the advice provided may include a recommendation for a future review or meeting, clients are welcome but never obligated to engage the Adviser for additional and/or future services. New or follow-up services will be available under a new or amended agreement.

### **B. FACTORS THAT MAY TRIGGER NON-PERIODIC REVIEWS OF ACCOUNTS**

As noted above, reviews may also be triggered by material market, economic or political events or reported changes in the client's financial situation (such as termination of employment, illness, physical relocation, inheritance or retirement).

### **C. CONTENT AND FREQUENCY OF REGULAR REPORTS**

Clients can expect to receive confirmation statements from all transactions and a monthly/quarterly account statement, directly from their custodial firm. The custodian's

quarterly reports detail account value, net change, portfolio holdings, and all account activity. The Adviser may prepare additional portfolio data or post meeting documentation at the Adviser's discretion.

## **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)**

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

### **B. COMPENSATION TO NON-ADVISORY PERSONNEL FOR CLIENT REFERRALS**

JDM does not directly or indirectly compensate any person who is not a supervised person of JDM's staff in exchange for client referrals.

## **ITEM 15: CUSTODY**

JDM does not take custody of client accounts (funds or securities) other than the ability to deduct investment management fees from accounts (via the custodian) with the client's authorization. Custody services are provided by Scottrade, Charles Schwab & Co. or the client's selected custodial firm. Clients can expect to receive regular account statements from the custodian and should carefully review those statements.

The Adviser will only have access to custodial accounts in order to implement trades (via limited discretionary authority) and to deduct contractually agreed upon advisory fees and only with the appropriate client authorization. It is important that clients receive custodial statements directly. If clients find that custodial account statements are not being received directly, they must promptly contact JDM and their custodial firm.

In all cases, clients have a direct and beneficial interest in their securities (individual ownership), rather than an undivided interest in a pool of securities. Execution of transactions and custody of client funds and securities are services provided by the client's selected brokerage/custodial services provider(s).

## **ITEM 16: INVESTMENT DISCRETION**

Investment Management clients have the ability to leave standing instructions with the Adviser to refrain from investing in particular industries, invest in limited amounts of securities and to re-balance portfolios (also termed as "limited discretion").

With the client's authorization as provided in the custodial account forms and the Adviser's Client Agreement, JDM will maintain limited discretionary trading authority to execute securities transactions in the investor's portfolio within investor's designated investment objectives, to include the securities to be bought and sold, and the amount of



securities to be bought and sold. JDM will never have full power of attorney and will not have the authority to take custody of investor funds or securities other than the constructive custody associated with the deduction of contractually agreed advisory fees via investor's qualified custodian (requires client authorization).

The Adviser also may agree to provide non-discretionary investment management services to its clients relative to: (1) variable life/annuity products and/or (2) their individual accounts held through employer-sponsored retirement plans. In so doing, JDM either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product which is owned by the client, or at the custodian designated by the sponsor of the client's retirement plan. Investments and service providers relative to Plan offerings are limited to only those available through the respective Plans and are determined by the Plan Sponsor(s).

## **ITEM 17: VOTING CLIENT SECURITIES (PROXIES)**

Clients retain the authority to vote proxies. JDM requires that investors ensure that proxy ballots are mailed directly to each investor or an authorized third party. The Adviser will not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies.

In the event the Adviser's proxy advice is requested, JDM shall only furnish consultations to existing clients. JDM will not solicit proxies from non-clients. When providing advice to clients, JDM will disclose any significant relationship with the issuer, its affiliates or a security holder proponent of the matter on which proxy voting advice is given, as well as any material interest of the Adviser in the matter. JDM will not accept any special fee or remuneration for furnishing the voting advice from any person other than the security holder recipient thereof. JDM's voting advice will not be provided on behalf of any person soliciting proxies, or on behalf of a participant in an election contest subject to SEC Rule 14a-11. JDM will never communicate with the press concerning a particular proxy. JDM recognizes that any deviations from these stated policies may require JDM to comply with the SEC's Proxy Registration Rules.

## **ITEM 18: FINANCIAL INFORMATION**

### **A. BALANCE SHEET**

JDM does not require nor solicit fee prepayment of more than \$500 per client, six months or more in advance. Therefore, JDM is not required to include a balance sheet with this Brochure.

### **B. FINANCIAL CONDITIONS REASONABLY LIKELY TO IMPAIR THE ADVISER'S ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS**

Neither JDM nor its management have any financial condition/challenge that is likely to reasonably impair the Adviser's ability to meet contractual commitments to clients.

## **C. BANKRUPTCY PETITIONS IN PREVIOUS TEN YEARS**

JDM has never been party to a bankruptcy petition.

## **ITEM 19: STATE REGULATED ADVISER INFORMATION**

JDM Investment Counsel is solely engaged in the business of providing financial and investment advisory services.

For information about JDM Investment Counsel's sole Owner, Managing Member and Chief Compliance Officer, please refer to ADV 2, Part B which accompanies this Brochure. Item 10 of this Brochure and Mr. Zanner's ADV 2B also describes his outside business activities.

JDM Investment Counsel and its Adviser Representatives do not accept performance-based fees in connection with its investment management services.

JDM Investment Counsel and its Adviser Representative have not been involved in any arbitration claims or any civil, regulatory or self-regulatory proceedings. The Adviser, its management and its Adviser Representatives have never been the subject of a revocation or suspension of a professional license or registration. None of these parties has ever been the subject of a bankruptcy.

JDM Investment Counsel is a fee-only Adviser. The Adviser and its Adviser Representatives do not have any relationship or arrangement with any issuers of securities.

## **PRIVACY POLICY**

As a Registered Investment Adviser, JDM meets the definition of a "financial institution" in the Federal Gramm-Leach-Bliley Act (the "Act"). JDM is therefore subject to the rules of privacy imposed on Investment Advisers. The State of Ohio (and many other states) defer to the SEC's Regulation S-P, also known as the "Privacy Rule".

Privacy of nonpublic personal information is an issue that JDM takes seriously. To maintain compliance with the Privacy Rule, every broker, dealer, investment company and investment adviser is required to adopt policies and procedures reasonably designed to safeguard customer and consumer records and information. JDM has adopted a Privacy Policy to protect clients and consumers.

In its role as Investment Adviser, JDM routinely collects nonpublic personal information from clients. This information generally will include but is not limited to:

- Data provided from applications, forms and other information provided to us either verbally or in writing, and include but are not limited to name, address, phone number, account information, social security number, assets, employment, income and debt;

- Data about transactions, accounts, trading activity and parties to transactions; health and beneficiary information (such as may pertain to planning issues);
- Information from other outside sources;
- Any other data that is deemed to be nonpublic personal information by Regulation S-P.

JDM values our clients' trust and confidence. We will never sell the nonpublic personal information we obtain from consumers or clients.

Nonpublic personal information provided by clients or prospective clients to JDM, (including the Adviser's personnel), and information and advice furnished by JDM to clients, shall be treated as confidential and shall not be disclosed to unaffiliated third parties, except as directed by clients with written authorization, by application to facilitate the advisory services offered by JDM via an unaffiliated financial services provider (such as the client's custodial and/or brokerage firms), or as required by any rule, regulation or law to which the Adviser or its staff may be subject.

JDM maintains client records in a controlled environment and records (electronic and otherwise) are only available to authorized persons of the Adviser who have a need to access client information in order to deliver advisory or services, provide administrative support, or to respond to client requests. JDM has made reasonable efforts and conducts periodic tests to ensure that its electronic network is hack-proof.

JDM's position on protecting non-public personal information extends beyond the term of the JDM Client Agreement. Client information is retained in a protected manner for the time period required by regulators (five years from the data of last use) and thereafter is safely destroyed via deleted electronic record, in-house shredding or a contracted secure shredding service.

Consumers (who are not clients) who provide information during an initial consultation or for other purposes but do not go on to become clients of the Adviser also receive privacy protection. Original materials will be promptly returned in person or via the mail if the Adviser's services are not engaged. Alternatively, if nonpublic personal information is contained in copies of documents, notes or some other media, this information will be securely filed for a period of up to one year (depending upon likelihood of engagement) before being shredded in-house or via our secure shredding service.

Clients are encouraged to discuss any questions regarding JDM's privacy policies with Erick Zanner, Managing Member and Chief Compliance Officer.

# **JDM INVESTMENT COUNSEL, LLC**

## **FORM ADV PART 2B INDIVIDUAL DISCLOSURE BROCHURE**

*for*

**ERICK R. ZANNER  
PRESIDENT AND CHIEF COMPLIANCE OFFICER**

*This Brochure provides information about Erick Zanner that supplements the JDM Investment Counsel, LLC ("JDM") Brochure. Please contact the office of JDM Investment Counsel via the contact information listed below if you did not receive JDM's Brochure or if you have any questions about the contents of this supplement. Additional information about JDM Investment Counsel and Erick Zanner is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

Erick Zanner's CRD number is: 1068709

**35 North Fourth Street  
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January 19, 2017

## ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

**ERICK R. ZANNER**

**MANAGING MEMBER AND CHIEF COMPLIANCE OFFICER**

Year of Birth: 1956

***Examinations, Licenses and Professional Designations:***

FINRA: Series 3,5,8,24,53, and 63 (*inactive – not broker/dealer registered*)

NASAA: Series 65 – Investment Adviser Law Exam

State of Ohio: Insurance Licensed (*inactive*)

***Education:***

Capital University, Columbus, OH

B.S., Economics (1978)

Wright State University, Dayton, OH

M.S., Economics (1980)

***Business:***

JDM Investment Counsel, LLC, Bexley, OH

Managing Member and Chief Compliance Officer

Registered Investment Adviser June 2008 – Present

Magnus Advisory Group, LLC (dba *JDM Market Counsel*), Bexley, OH

Adviser Representative

Registered Investment Adviser January 2008 – June 2008

Citigroup Global Markets, Inc., Columbus, OH

Registered Representative

Broker/Dealer August 2001 – January 2008

Morgan Stanley Dean Witter, Inc., Columbus, OH

Registered Representative

Broker/Dealer December 1990 – August 2001

Huntington National Bank /The Huntington Company, Columbus, OH

Manager, Municipal Trader

Banking August 1987 – December 1990

## Item 3: Disciplinary Information

Erick Zanner has no record of legal or disciplinary events that are material to a client's or prospective client's evaluation of Mr. Zanner or the integrity of his practice. Mr. Zanner has not been involved in any issues involving criminal or civil actions, administrative proceedings before the SEC or any other federal, state or foreign regulatory authorities.

Mr. Zanner has also not been involved in any civil, self-regulatory organization proceedings or arbitrations. Neither Mr. Zanner nor JDM Investment Counsel has been party to a bankruptcy. Disclosure background on representatives can be located via the Financial Industry Regulatory Authority's ("FINRA") BrokerCheck system which is located at the following link: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### **Item 4: Other Business Activities**

Erick Zanner is an arbitrator for the Financial Industry Regulatory Authority, Inc. ("FINRA"). The time spent on this activity may vary throughout the year but accounts for approximately 2% of his time.

Erick Zanner is a member of an unaffiliated Registered Investment Adviser's investment committee (First Ohio Planning, LLC). In this capacity, Mr. Zanner analyzes the firm's overall investment results and provides consultation services relating to strategic investment management. The time spent on this activity may vary throughout the year but generally involves preparation time and attendance at bi-weekly meetings. At no time is JDM client information shared between the firms or their respective personnel members. This activity is separate and distinct from the business of JDM Investment Counsel.

#### **Item 5: Additional Compensation**

Other than salary, Erick Zanner does not receive any economic benefit from any person, company or organization, either directly or indirectly, in exchange for providing clients with Advisory services through JDM Investment Counsel.

#### **Item 6: Supervision**

Erick Zanner is the Managing Member and Chief Compliance Officer of JDM Investment Counsel and as such, he supervises the Adviser's day-to-day activities and personnel. Mr. Zanner has had significant and relevant experience in the financial industry and as owner of the Adviser, he has a vested interest in the Adviser's compliance and risk management programs. JDM takes the issue of compliance and risk management seriously. The Adviser's supervisory system establishes clear lines of authority, accountability and responsibility. Clients are welcome to contact the Chief Compliance Officer with questions or concerns in connection with the Adviser's services, staff monitoring or the Adviser's internal compliance program. Mr. Zanner can be reached via the contact information listed on the cover page of ADV Part 2A and ADV 2B.

#### **Item 7: Additional Information**

JDM Investment Counsel and Erick Zanner has never been the subject of an arbitration claim and neither has been involved in any investment-related proceedings. The Adviser and/or Mr. Zanner have never been the subject of a registration or license suspension or revocation. As noted in Item 3 of this Brochure, Erick Zanner has never been party to a bankruptcy petition.

# **JDM INVESTMENT COUNSEL, LLC**

## **FORM ADV PART 2B INDIVIDUAL DISCLOSURE BROCHURE**

*for*

### **DAVID S. CURRIER PORTFOLIO MANAGER**

*This Brochure provides information about David Currier and supplements the JDM Investment Counsel, LLC ("JDM") Brochure. Please contact the office of JDM Investment Counsel via the contact information listed below if you did not receive JDM's Brochure or if you have any questions about the contents of this supplement. Additional information about JDM Investment Counsel and David Currier is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

David Currier's CRD number is: 6412386

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Suite 200  
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(614) 937-7632  
[ezanner@jdminvestmentcounsel.com](mailto:ezanner@jdminvestmentcounsel.com)  
[jdminvestmentcounsel.com](http://jdminvestmentcounsel.com)**

January 19, 2017

## **ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**DAVID S. CURRIER**  
**PORTFOLIO MANAGER**

Year of Birth: 1984

***Examinations, Licenses and Professional Designations:***

NASAA: Series 65

CFA Institute: 2015 Chartered Financial Analyst® Level II Candidate

***Education:***

University of Colorado, Boulder, CO

B.A., Economics 2006

***Business:***

JDM Investment Counsel, LLC, Bexley, OH

Portfolio Manager 2014 – Present

Business Development Manager 2009 - 2014

Registered Investment Adviser

Vogt Williams and Bowen, Columbus, OH

Project Director 2006 – 2009

Market Research Firm

### **Item 3: Disciplinary Information**

David Currier has no record of investment-related legal or disciplinary events and has not been involved in any complaints or other issues that would impact a client's or prospective client's evaluation of Mr. Currier or his business integrity. Mr. Currier has not been involved in any issues involving criminal actions, administrative proceedings before the SEC or any other federal, state or foreign regulatory authorities.

Mr. Currier has not been involved in any investment-related civil, self-regulatory organization proceedings or arbitrations. Mr. Currier has never been party to a bankruptcy. Disclosure background for Adviser Representatives can be located via the Financial Industry Regulatory Authority's ("FINRA") BrokerCheck system which is located at the following link: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Item 4: Other Business Activities**

David Currier is a member of an unaffiliated Registered Investment Adviser's investment committee (First Ohio Planning, LLC). In this capacity, Mr. Currier analyzes the firm's overall investment results and provides consultation services relating to strategic investment management. The time spent on this activity may vary throughout the year but generally involves preparation time and attendance at bi-weekly meetings. At no time is JDM client information shared between the firms or their respective personnel members. This activity is separate and distinct from the business of JDM



Investment Counsel.

### **Item 5: Additional Compensation**

Other than salary received from JDM Investment Counsel, David Currier does not receive any economic benefit from any person, company or organization, either directly or indirectly, in exchange for providing advisory services through JDM Investment Counsel.

### **Item 6: Supervision**

JDM takes the issue of compliance and risk management seriously. The Adviser's supervisory system establishes clear lines of authority, accountability and responsibility. Erick Zanner is the Managing Member and Chief Compliance Officer of JDM Investment Counsel and as such, he supervises the Adviser's day-to-day activities and personnel. Mr. Zanner has had significant and relevant experience in the financial industry and as owner of the Adviser, he has a vested interest in the Adviser's compliance and risk management programs. Clients are welcome to contact the Chief Compliance Officer with questions or concerns in connection with the Adviser's services, staff monitoring or the Adviser's internal compliance program. Mr. Zanner can be reached via the contact information listed on the cover page of ADV Part 2A and ADV 2B.

### **Item 7: Additional Information**

As noted in Item 3 of this Brochure, David Currier has never been party to a bankruptcy petition, investment-related civil litigation, a securities arbitration nor has he ever been the subject of a registration or license suspension or revocation.

### **Information About the CFA® Designation**

The Chartered Financial Analyst® (CFA®) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 90,000 CFA® charterholders working in 134 countries.

To earn the CFA® charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

High Ethical Standards:

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA® charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity

- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

Global Recognition:

Passing the three CFA® exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level).

Earning the CFA® charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA® charterholders—often making the charter a prerequisite for employment. Additionally, regulatory bodies in 22 countries and territories recognize the CFA® charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA® Program curriculum into their own finance courses.

Comprehensive and Current Knowledge:

The CFA® Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA® Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA® charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).