



Firm Brochure

This brochure provides information about the qualifications and business practices of J2 Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at (248) 641-4444 or by email at: info@j2cmonline.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about J2 Capital Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. J2 Capital Management, Inc.'s CRD number is: 152964.

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

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Item 2: Material Changes

There are no material changes in this brochure from the last annual updating amendment of J2 Capital Management, Inc. on August 29, 2018. Material changes relate to J2 Capital Management, Inc.'s policies, practices or conflicts of interests.

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Item 4: Advisory Business

A. Description of the Advisory Firm

J2 Capital Management, Inc. was established in April 2009 and the principal owners are John Salomon, Jr. and John Benedict.

B. Types of Advisory Services

J2 Capital Management, Inc. (hereinafter "J2CM") offers the following services to advisory clients:

Investment Supervisory Services

J2CM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. J2CM creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

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

J2CM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. J2CM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Variable Annuity

J2CM may perform tax free exchanges on existing variable annuity contracts that are outside of the surrender charge period for a new fee based variable annuity contract. J2CM will use only fee based variable annuity contracts because of their low fees, extensive investment options, and the ability to cancel without a back end charge. J2CM will also place new business into a fee based variable annuity for non-qualified money for clients seeking tax deferral.

401k Management

J2CM provides asset management services for client 401k or other company retirement plans. The client will provide J2CM with the website, user name, and password in order to manage investments within the investment options provided. Accordingly, J2CM is not deemed to have custody in this arrangement. Plans that allow the participants to change address or request a distribution via the website portal are not candidates for this service.

Subadvisory Services

J2CM offers the following strategies to other advisors for use with their clients: RCI Tactical Models, Tactical Global Rotation, Tactical Value and Income, Risk Managed RS Leaders, Tactical Sector Rotation. Additionally, J2CM offers the following strategies to other advisors within the Nationwide variable annuity: RCI Tactical Models, Tactical Sector Rotation, Tactical Income, and Strategic Core Tactical.

Financial Planning

Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services can be based on hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

Services Limited to Specific Types of Investments

J2CM limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, REITs, insurance products and government securities. J2CM may use other securities as well to help diversify or hedge a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

J2CM offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets of the client.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent J2CM from properly servicing the client account, or if the restrictions would require J2CM to deviate from its standard suite of services, J2CM reserves the right to end the relationship.

D. Wrap Fee Programs

J2CM does not participate in any wrap fee programs.

E. Amounts Under Management

J2CM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$119,921,104	0.00	June 2019

Item 5: Fees and Compensation

A. Fee Schedule for Retail Clients

Investment Supervisory Services Fees

Assets Under Management	RCI Tactical Models	J2 Tactical Global Rotation	Tactical Value & Income	J2 Risk Managed RS Leaders	J2 Tactical Sector Rotation	J2 Endurance	J2 Tactical High Yield Bond	Annuity Strategies	401k Consulting Program
\$0 - \$500,000	1.30%	1.30%	1.50%	1.50%	1.50%	1.25%	1.20%	1.20%	0.50%
\$500,001 - \$1,000,000	1.20%	1.20%	1.20%	1.20%	1.20%	1.15%	1.10%	1.00%	0.50%
Above \$1,000,000	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	0.80%	0.50%

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with written notice.

Refunds on terminated accounts are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract.

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Advisory fees may also be invoiced and payment will be made to J2CM via check.

Variable Annuity

J2CM offers tactical strategies through Nationwide. The same rules referenced above apply to the management of these strategies.

401k Management Fees

401k management fees range per the above schedule. Flat fee management fees can be negotiated as well. The client will receive a quarterly invoice explaining the fee computation.

Subadvisory Services Fees

Strategies offered to other advisors are charged a Subadvisory fee that is negotiable between the parties. The maximum fee that J2CM will charge for Subadvisory services is .50% annually. Fees are paid quarterly in advance and advisors may terminate account management with written notice. It is the responsibility of the advisor/broker dealer to invoice J2CM for the prepaid management fee not utilized.

Financial Planning Fees

HOURLY FEES

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services is between \$75 and \$150. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in advance based on the estimated number of hours required, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

WRAP FEES

J2CM does not participate in any wrap fee programs.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Advisory fees may also be invoiced and payment will be made to J2CM via check. Fees are paid quarterly in advance.

Payment of Financial Planning Fees

Hourly Financial Planning fees are paid via check in advance based on the estimated number of hours required, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

Fixed Financial Planning fees are paid via check. Fees are paid in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

Payment of Wrap Fees

J2CM does not participate in any wrap fee programs.

Payment of Subadvisory Service Fees

These fees are computed quarterly and billed in advance. J2CM receives an accounting from the participating broker dealers at the beginning of each quarter to confirm applicable fees.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fee etc.). Those fees are separate and distinct from the fees and expenses charged by J2CM. J2CM will attempt to mitigate these fees to the best of their ability. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

J2CM collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Any fee reimbursement properly due will be remitted within 14 days via check or a credit to client's account.

E. Outside Compensation for the Sale of Securities to Clients

Neither J2CM nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

J2CM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

J2CM generally provides investment advice to the following Types of Clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Advisors/ broker dealers

Minimum Account Size

There is a retail account minimum of \$200,000, which may be waived by the investment advisor based on the needs of the client and the complexity of the situation. Minimum for Subadvisory accounts will range between \$25,000 and \$100,000, depending on the strategy chosen.

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

A. Methods of Analysis and Investment Strategies

J2CM's methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis.

Charting analysis involves the use of patterns in performance charts. J2CM uses this charting technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

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

Technical analysis involves the analysis of past market data; primarily price and volume.

Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

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

B. Material Risks Involved

J2CM may utilize margin transactions, option writing, inverse ETFs, and short term trading strategies, depending on the strategy selected for the client. J2CM utilizes 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.

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

C. Risks of Specific Securities Utilized

J2CM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

Short sales risks include the upward trend of the market and the infinite possibility of loss.

Margin transactions use leverage that is borrowed from a brokerage firm as collateral. The risk of loss and the potential for gain is increased when using margin.

Options writing involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. The cost of the option is at risk if the option is not completed or exercised.

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

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

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

Neither J2CM nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

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

Neither J2CM nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

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

John Salomon, Jr. is a licensed insurance agent. He does not offer clients advice or products from those activities.

D. Selection of Other Advisors or Managers and How This Adviser is compensated for Those Selections

J2CM does not utilize or select other subadvisors or third party managers. All accounts are managed by J2CM.

Item 11: Code of Ethics, Participation in Transactions, Personal Trading

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality,

Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

J2CM does not recommend that clients buy or sell any security in which a related person to J2CM has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of J2CM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of J2CM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. J2CM will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

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

From time to time, representatives of J2CM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of J2CM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. J2CM will always transact client's transactions before its own when similar securities are being bought or sold.

Item 12: Brokerage Practices

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

J2CM participates in the TD AMERITRADE Institutional program. TD AMERITRADE Institutional is a division of TD AMERITRADE, Inc. ("TD AMERITRADE") member FINRA/SIPC/NFA. TD AMERITRADE is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD AMERITRADE offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. J2CM receives some benefits from TD AMERITRADE through its participation in the program. (Please see the disclosure under Item 13.A. below.)

J2CM considers a number of factors in selecting and/or recommending brokers and custodians for its Clients' accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided.

As disclosed under Item 12.B. above, J2CM participates in TD AMERITRADE's institutional customer program and J2CM may recommend that clients maintain accounts with TD AMERITRADE. There is no direct link between J2CM's participation in the program and the investment advice it gives to its Clients, although J2CM receives economic benefits through its participation in the program that are typically not available to TD AMERITRADE retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving J2CM participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to J2CM by third party vendors.

TD AMERITRADE may also have paid for business consulting and professional services received by Registrant's related persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for Registrant's personnel to attend conferences or meetings relating to the program or to TD AMERITRADE's advisor custody and brokerage services generally. Some of the products and services made available by TD AMERITRADE through the program may benefit J2CM but may not benefit its Client accounts. These products or services may assist J2CM in managing and administering Client accounts, including accounts not maintained at TD AMERITRADE.

Other services made available by TD AMERITRADE are intended to help J2CM manage and further develop its business enterprise. The benefits received by J2CM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. As part of its fiduciary duties to clients, the firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by J2CM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the J2CM's choice of TD AMERITRADE for custody and brokerage services.

1. Research and Other Soft-Dollar Benefits

J2CM receives no soft dollar benefits. J2CM always acts in the best interest of the client.

2. Brokerage for Client Referrals

J2CM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

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

J2CM allows clients to direct brokerage. J2CM may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients' money because without the ability to direct brokerage J2CM may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices.

B. Aggregating (Block) Trading for Multiple Client Accounts

J2CM maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing J2CM the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

Item 13: Reviews of Accounts

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

Each account is assigned to a strategy. The strategies are monitored on a continuous basis by John Benedict and John Salomon to ensure that each strategy is compliant with the investment selections assigned to the strategy.

All financial plans are reviewed prior to plan delivery by the clients' designated investment advisor representative.

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

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

C. Content and Frequency of Regular Reports Provided to Clients

Clients will receive a monthly statement from the custodian. Performance reports will be electronically delivered each quarter (and available upon request) along with the quarterly billing invoice. Client's that prefer regular mail delivery will be switched to regular mail delivery. In addition, clients will have the ability to run their own performance reports for interim periods through their account log in.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients

As disclosed under Item 12 above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors.

B. Compensation to Non –Advisory Personnel for Client Referrals

J2CM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

J2CM, with client written authority, has limited custody of client's assets through direct fee deduction of J2CM's Fees only. If the client chooses to be billed directly by TD Ameritrade Institutional, a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member, J2CM would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

For those client accounts where J2CM provides ongoing supervision, the client has given J2CM written discretionary authority over the client's accounts with respect to securities to be bought

or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides J2CM discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

Item 17: Voting Client Securities (Proxy Voting)

J2CM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

J2CM does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

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

Neither J2CM nor its management have any financial conditions that is likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

Neither J2CM nor its management has been the subject of a bankruptcy petition in the last ten years.