

**Item 1 – Cover Page**



**JBR Co. - Financial Management, Inc.  
d/b/a FMI**

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This brochure provides information about the qualifications and business practices of JBR Co.-Financial Management, Inc. dba FMI. Registration as an Investment Advisor does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact Kayla Tweedy at 580-226-4058 or [kayla@fmiardmore.com](mailto:kayla@fmiardmore.com). The information in this brochure has not been approved or verified by the United States Securities Commission or by any state securities commission authority.

Additional information about JBR Co. Financial Management, Inc., also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

JBR Co. Financial Management Inc. d/b/a FMI - IARD/CRD #117600

Updated: February 2024

## **Item 2 – Material Changes**

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) .

Material Changes:

Kayla Tweedy is the firms Chief Compliance Officer and an owner of the firm.

Bregan Heitz is an owner of the firm.

Currently, our Brochure may be requested, free of charge, by contacting the person listed on this brochure.

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## **Item 4 - Advisory Business**

JBR Co. - Financial Management, Inc., dba FMI ("FMI") has been in business since July 1997. The firm is owned by Mike Whitson, Allen Bynum, Kayla Tweedy and Bregan Heitz. Kayla Tweedy is the firm's Chief Compliance Officer. In addition, JBR Co. - Financial Management, Inc. operates its advisory activities in the state of Oklahoma under the trade name of FMI.

FMI manages investment assets for a wide range of clients with a wide range of amounts to invest. FMI does not specialize in any form of advisory service or type of investment.

FMI attempts to customize each clients' portfolio to their individual goals and time horizon. While some clients may strictly want investments, which provide cash flow, the portfolios must still be diversified to minimize the market risk; other clients may be more risk-tolerant and willing to quest of a higher long-term rate of return. Investment performance is monitored regularly and reported to the client each calendar quarter.

Clients are provided with a periodic newsletter, prepared in-house, to highlight specific planning issues. Our Financial Advisors meet with each client annually to discuss investment performance and current client concerns.

FMI also offers Consulting Services. FMI's consulting service provides general investment advice, regarding assets contained in the client's investment account(s) on a non-discretionary basis.

FMI offers services to 401K plan on a discretionary basis, and in accordance with the objectives specified, and in accordance with the agreement signed by the parties. FMI will memorialize the services provided and scope of compensation with an Agreement between FMI as advisor to the plan sponsor/employer.

When FMI provides investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal

advice);

- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Whitson and Bynum have significant experience in insurance planning - life, health, disability, and long-term-care -that can be valuable to clients during these annual meetings.

There is no charge to the client for these annual meetings. No pressure is exerted upon the client to engage our Financial Advisors to perform any service outside of the scope of FMI - clients are free to choose any outside consultant or Insurance agent. FMI considers the annual meeting as an opportunity to address client concerns in a range of topics the client may express interest in but have no other source of information.

There are no wrap-fee agreements with any client.

The Firm manages approximately \$247,105,766 under management on a discretionary basis as of December 31, 2023.

## **Item 5 - Fees and Compensation**

### *Investment Management:*

Fees are charged based on the fair market value of assets under management. Clients are billed at the rate of 1% (100 bps) annually or each calendar quarter, in arrears, at the rate of .25% (25 bps) for all assets up to and including \$1,000,000.00 under management. All assets under management in excess of \$1,000,000.00 will be billed at the rate of .5% (50 bps) annually or each calendar quarter at the rate of .125% (125 bps).

Determination of whether a client is billed annually or quarterly is based on the materiality of the assets in the account or per client request.

Client accounts which have less than \$25,000 under management may be billed annually. The minimum fee for any client, regardless of number of accounts is \$50 per year.

Simple IRA clients are billed at the rate of 1% (100 bps) annually for all assets up to and including

\$50,000.00 under management. All assets under management in excess of \$50,000.00 will be billed at the rate of .5 % (50 bps) annually. Simple IRA accounts with assets under management of \$5,000.00 or less will be billed at the minimum fee of \$50.00 annually.

401K Plan clients are billed at the rate of .75% (75 bps) annually.

It is preferred for clients to agree to have the fees deducted from their accounts; in which case the client receives a copy of the invoice as submitted to the broker-dealer for payment. The invoice identifies the assets in all accounts included in the billing and formula for computation of the fee. Clients must consent in advance to direct debiting of their investment account. If clients insist, they can be billed directly; In which case they also receive an invoice indicating the accounts for which they are being billed and the formula for computation of the amount they are billed.

#### *Assets Under Advisement*

Fee Range: .5% to 1%, per annum based on scope of work, investment advice, services provided, size and complexity of account(s).

Determination of whether a client is billed annually or quarterly is based on the materiality of the assets in the account or per client request.

Adviser will send an invoice to Client as stated above via email or US Mail. Invoices are due and payable within 30 days of receipt.

Some mutual funds are not included in Charles Schwab's no-transaction-fee inventory. Those may incur a transaction fee up to but no more than \$49.95 when purchased or sold. FMI does not participate in this fee. FMI does not purchase load or commission based mutual funds.

There are no other fees for mutual funds charged by FMI or the broker-dealer. Individual mutual funds may charge management and 12(b)(1) fees, but FMI does not participate in these fees. In addition to the annual advisory fee each mutual fund in which your assets are invested will incur separate investment advisory fees and other expenses for which you will bear a proportionate share.

FMI does not receive any other form of compensation for the management of the assets. There are no fees nor commissions received that might otherwise create a conflict of interest.

Clients have the option of purchasing an investment FMI recommends with them or with other brokers or agents not affiliated with FMI.

FMI receives no commissions from the purchase or sale of any investment.

Any termination of an account prior to the next billing period shall be charged a prorated management fee.

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

There are no performance-based fees or side-by-side fees arrangements with any client of FMI.

## **Item 7 - Types of Clients**

FMI clients are primarily individuals, corporations, and partnerships.

FMI prefers for the client to open an account with at least \$100,000 but will open accounts for clients with lesser amounts.

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

### Sources of Information:

FMI is an active participant in the securities markets; Our Financial Advisors read a number of investment advisory newsletters, magazines, and electronic transmissions to stay familiar with fluctuations in the security markets. FMI designs portfolios using in-depth asset class research and mutual fund due diligence from Morningstar, Seeking Alpha and other independent sources.

### Investment Strategies:

FMI invests in actively managed mutual funds, indexed mutual funds, exchange-traded funds, along with individual stocks and bonds to build the clients portfolio and they continue to monitor investment performance against established benchmarks.

### Risk of Loss:

All investments involve some risk-systematic, market or timing risks. FMI seeks to minimize the risks by allocation of the portfolio among a number of investments with varying styles and market caps; as well as allocations to fixed income products. Ultimately, investing in securities involves risk of loss that clients should be prepared to bear.

## **Item 9 - Disciplinary Information**

We do not have any legal, financial, or other “disciplinary” item(s) to report to you. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client /Adviser relationship with us.

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

Riley is a consultant with Jack B. Riley Consulting, Inc., He receives compensation for consulting services. This could cause a conflict of interests for clients. Conflicts of interests include; clients feeling pressured into using Riley for his services in order to continue a relationship with FMI.

Several of our Financial Advisors are licensed to sell insurance (life, disability & annuities). To the extent insurance products are offered to advisory clients of FMI, the Financial Advisors will be paid a commission by the insurance company who issues the policy. This creates a conflict of interest as there is an incentive to recommend insurance products based on the compensation received, rather than on the client's needs. Notwithstanding such conflict of interest, FMI addresses its fiduciary duty by utilizing insurance products only where it is in the best interest of clients, and after consultation with the client.

These services listed above and provided by our Financial Advisors are not promoted through FMI unless the need for these services benefit and/or are requested by the client.

There are no other relationships with any related parties that directly or indirectly are associated with FMI.

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

FMI's Privacy Statement is provided to each new client when he/she opens an investment account. As well a copy of the Code of Ethics is available to any client who may request it, at any time.

Our Financial Advisors nor any related person recommends to clients or buys for client accounts securities in which they have a material interest. No member of FMI recommends investment in warrants, options,



or futures.

Our Financial Advisors do buy or sell securities in their personal accounts that may be included in client accounts as well.

In no instance does the investment in their accounts consist of a material investment in their portfolios nor a major holding in any clients' accounts. Furthermore, our Financial Advisors will make decisions based on the best interests of client accounts before making decisions within their own portfolios.

To mitigate conflicts of interest, all Financial Advisors comply with FMI's Code of Ethics and procedures, which collectively impose restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons. Additionally:

- No security may be bought or sold by a principal or employee of FMI before the firm's clients' accounts have had the opportunity to make such transactions as appropriate.
- All FMI and employee trades will be reviewed by our Chief Compliance Officer, and
- Employees will not receive a more favorable execution price on a particular day than those received by our investment advisory clients.

FMI will also maintain quarterly reports on all personal securities transactions, except transactions in investment company securities and/or other exempt transactions.

## **Item 12 - Brokerage Practices**

FMI has utilized Charles Schwab Institutional as the broker dealer for all the client accounts. The relationship with Schwab has been favorable for many years - the advisers are satisfied with the transaction support historical data maintenance. FMI believes the services provided by Schwab are among the best in the industry and why they are recommended to our clients.

Schwab provides to all its advisers an electronic research platform that presents trading data and historical performance, similar to the Morningstar format. Schwab does not urge purchase of Schwab products and does not reward advisers for purchasing its proprietary products. Rather the research platform is provided to allow advisers to have access to objective research about all investment products. Because this research is made available to FMI it does create a soft dollar arrangement between Schwab and FMI.

FMI does not consider, in selecting or recommending broker-dealers, whether FMI receives referrals from the broker-dealer or a third party. FMI does not receive compensation from Schwab for any referrals.

FMI does not recommend, request nor require that a client direct it to execute transactions through a specific broker-dealer.

FMI conducts account orders through single orders, linked orders, orders by master account, orders by master account-linked, and orders by client accounts.

### **Item 13 - Review of Accounts**

Allen Bynum and Mike Whitson review the client accounts monthly for allocation and performance.

Clients receive, from FMI, a written quarterly report (or annual report) indicating each of the assets held and the portfolio performance for the year-to-date. Charles Schwab also sends a monthly statement to every client indicating the monthly transactions, the assets in the account and the year-to-date dollar value of the unrealized gain or loss. The FMI logo will appear on marketing materials or client statements.

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

FMI participates in the payment of referral fees to qualified solicitors. The solicitor will receive twenty percent (20%) of the investment advisory fee received by FMI. In such cases, the Client will receive a separate written disclosure statement from the solicitor us that will explain, among other things, the nature of FMI's affiliation with the solicitor (if any) and a description of the compensation the solicitor will receive from FMI. As stated in these documents, the solicitor fee is included in the investment advisory fee charged to the client. FMI's policy is that if FMI pays a referral fee to a solicitor for any account, the fee schedule applicable to that Client's account will be the same as the schedule that would have applied to accounts of similar size receiving similar services where no referral fees are paid.

In addition, for Employees of the firm that bring in accounts, they will receive twenty percent (20%) of the investment advisory fee received by FMI for a specified period as stated in their agreement.

## **Item 15 - Custody**

FMI does have total discretion in managing the client accounts. The custodian, Charles Schwab, will provide account statements directly to clients at their address of record at least quarterly. FMI recommends that each client closely review the activity disclosed on their account statement for accuracy and completeness. If there are any questions the client should call FMI immediately so that any issue can be timely resolved.

FMI also recommends that clients compare the account statements at the end of each calendar quarter received from the broker-dealer with the quarterly statements provided by FMI. The client can then be aware of any difference that may occur and notify FMI immediately.

The client will receive a notice of fee deduction each time a fee is directly deducted at the same time the custodian is notified of the amount of the fee to be deducted from the client's account. The notice will provide the formula used to calculate the fee, the amount of assets under management the fee is based on and the notification each quarter for accuracy. If there are any differences the client is urged to contact FMI immediately.

## **Item 16 - Investment Discretion**

The signing of the Investment Management Agreement provides FMI with discretionary authority to manage securities accounts on behalf of clients. FMI has the authority to determine without obtaining specific consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

FMI does not receive from the broker dealer any transaction or commission fees for any transaction in the clients account.

The client may choose to withhold the authority to request disbursements (check or wire request, early distributions) from the account.

## **Item 17 - Voting Client Securities**

FMI does not vote proxy election on clients' accounts. All voting issues, proxies, and solicitations will be communicated to Advisory Clients through the Client's broker-dealer/custodian. Clients may contact FMI to request assistance on the proxy elections.

## **Item 18 - Financial Information**

Neither FMI nor its Financial Advisors have been the subject of bankruptcy in the last ten years; or for any time period.

FMI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. FMI does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, therefore has no material additional financial disclosures to make.

### **Privacy Notice to Customers**

We do not disclose nonpublic personal information about our individual clients or former clients except as permitted by law. We restrict access to nonpublic personal information about you (that we may obtain from your account and your transactions) to those employees who need to know that information to provide products or services to you or to alert you to new, enhanced, or improved products or services we provide. We maintain physical, electronic, and procedural safeguards that comply with federal standards to safeguard your nonpublic personal information.