

October 1, 2024

# PART 2A OF FORM ADV: BROCHURE

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This Brochure provides information about the qualifications and business practices of JFS Wealth Advisors, LLC "JFS". If you have any questions about the contents of this Brochure, please contact us at 724-962-3200 or [info@jfswa.com](mailto:info@jfswa.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.

JFS Wealth Advisors, LLC is a Registered Investment Advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about JFS Wealth Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Please note that there have been material changes since the annual update of JFS Wealth Advisors' brochure, dated March 31, 2023, which are summarized below.

- Our affiliate, Focus Treasury & Credit Solutions, LLC (FTCS) was acquired by UPTIQ, Inc. and has been renamed UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, UPTIQ). We have revised the information concerning FTCS to describe our new arrangement with UPTIQ. Further information on this conflict of interest is available in Items 4, 5, and 10 of this Brochure.
- On August 31, 2023, investment vehicles affiliated with Clayton, Dubilier & Rice, LLC (CD&R) and Stone Point Capital LLC (Stone Point) indirectly acquired Focus Financial Partners Inc. (Focus Inc.). This transaction resulted in investment vehicles affiliated with CD&R collectively becoming majority owners of Focus Financial Partners, LLC (Focus LLC) and investment vehicles affiliated with Stone Point collectively becoming owners of Focus LLC. Because JFS Wealth Advisors, LLC (JFS) is an indirect, wholly owned subsidiary of Focus LLC, the CD&R and Stone Point investment vehicles are indirect owners of JFS. Items 4 and 10 have been revised to reflect this new ownership structure.
- JFS named August Santillo as the firm's Chief Compliance Officer in April 2023.

Additionally, since the last annual update of JFS Wealth Advisors' brochure, dated March 29, 2024, the following material changes have occurred:

- An affiliate of JFS, Focus Solutions Holdings, LLC, distributes the earned revenue from UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, UPTIQ) to us when we are licensed to receive such revenue (or when no such license is required) and the distribution is not otherwise legally prohibited. See Items 5 and 10 of this Brochure for further information.
- The amount of insurance commission revenue earned by an affiliate, Focus Risk Solutions (FRS), is considered for purposes of determining the amount of additional compensation that certain of our financial professionals are entitled to receive. Further information on this conflict of interest is available in Items 4, 5, and 10 of this Brochure.
- We have also added information concerning Flourish Financial LLC, which helps our clients obtain cash management solutions from unaffiliated third-party financial institutions. Further information on this conflict of interest is available in Items 4, 5, and 10 of this Brochure.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure can be requested by contacting August Santillo, Chief Compliance Officer, by phone at 724-962-3200 or 1-877-745-1700 or by email at [asantillo@jfswa.com](mailto:asantillo@jfswa.com). Our Brochure is also available on our website, [www.jfswa.com](http://www.jfswa.com), free of charge.

Additional information about JFS Wealth Advisors, LLC is also available via the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with JFS Wealth Advisors, LLC (JFS) who are registered, or are required to be registered, as investment advisor representatives of JFS.

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## Item 4 – Advisory Business

### FOCUS FINANCIAL PARTNERS, LLC

JFS Wealth Advisors, LLC (JFS), successor to the firm founded in 1986, is part of the Focus Financial Partners, LLC (Focus LLC) partnership. Specifically, JFS is a wholly owned indirect subsidiary of Focus LLC. Focus Financial Partners Inc. is the sole managing member of Focus LLC. Ultimate governance of Focus LLC is conducted through the board of directors at Ferdinand FFP Ultimate Holdings, LP. Focus LLC is majority-owned, indirectly and collectively, by investment vehicles affiliated with Clayton, Dubilier & Rice, LLC (CD&R). Investment vehicles affiliated with Stone Point Capital LLC (Stone Point) are indirect owners of Focus LLC. Because JFS is an indirect, wholly owned subsidiary of Focus LLC, CD&R and Stone Point investment vehicles are indirect owners of JFS.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the Focus Partners), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

JFS is a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (ERISA) with respect to investment management services and investment advice provided to ERISA plans and ERISA plan participants. JFS is also a fiduciary under section 4975 of the Internal Revenue Code of 1986, as amended (the IRC) with respect to investment management services and investment advice provided to individual retirement accounts (IRAs), ERISA plans, and ERISA plan participants. As such, JFS is subject to specific duties and obligations under ERISA and the IRC, as applicable, that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice, the fiduciary must either avoid certain conflicts of interest or rely upon an applicable prohibited transaction exemption (a PTE).

As a fiduciary, we have duties of care and of loyalty to you and are subject to obligations imposed on us by the federal and state securities laws. As a result, you have certain rights that you cannot waive or limit by contract. Nothing in our agreement with you should be interpreted as a limitation of our obligations under the federal and state securities laws or as a waiver of any non-waivable rights you possess.

### Wealth Management Services (WM)

Wealth Management Services include continuous investment management and personal financial planning. Refer to the “Financial Planning Services” section below for details regarding JFS’ approach to financial planning. Providing investment management and financial planning services together under one fee schedule is called the Lifetime Planning Continuum®.

JFS Wealth Advisors, LLC provides continual advice to a client regarding investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client’s particular circumstances are established, JFS develops a Financial Goal Plan and creates and manages a portfolio based on the Plan. JFS will manage advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the stated objectives of the client.

A Financial Goal Plan is developed to determine the appropriate investments, investment timeframes, and levels of risk. The Plan is developed as follows:

- Gather client information.
- Consult with the client to determine goals and objectives.

- Review basic financial data, which typically includes overviews of assets and liabilities, cash flow, tax situation, short-term events, long-term goals, risk management, and estate structures.
- Identify the need for additional professional advice, such as legal, tax, accounting, etc.

A client may decide to complete a Financial Goal Plan in phases rather than complete a full Plan at one time. The typical areas of a Plan are investment planning, retirement planning, cash flow analysis and budgeting, risk assessment and insurance needs analysis, tax planning, estate planning, and education planning.

A client may impose restrictions on the types of securities included in the portfolio (ex. use only socially responsible securities). However, most clients do not impose restrictions, nor do we suggest that they do.

The primary custodians used for client accounts are Charles Schwab & Co., Inc., Fidelity Investments, and National Advisors Trust Co. Client accounts are typically invested in no load mutual funds or Exchange Traded Funds (ETFs), although other securities can be used depending upon the unique needs, circumstances, and risk tolerance of the individual client.

### Investment Advisory Services (IAS)

For those individuals who do not wish to engage JFS for the Wealth Management Services referenced above, JFS offers its Investment Advisory Services (IAS) platform.

Under IAS, the client receives services limited to JFS' allocation (and automatic rebalancing) of the client's assets typically among various mutual funds or ETFs consistent with the client's investment objectives.

JFS remains available to provide personal financial planning and consulting services on a fixed fee basis upon client request.

### Financial Planning and Advisory Services

JFS provides a range of financial planning and consulting services, which focus on analyzing a number of different aspects relevant to a client's financial situation, including:

- Personal Financial Statements
- Cash Flow Analysis and Budgeting
- Cash Management
- Investment Planning and Asset Allocation
- Retirement Planning
- Estate and Legacy Planning
- Tax Planning
- Risk management, Risk Assessment and Insurance Needs Analysis
- Business Planning
- Distribution Planning
- Family Educational Planning

Proper financial planning is an ongoing process. Life's circumstances change, and a client's goals and opportunities change over time. JFS believes that ongoing planning and advice are key factors in developing and maintaining an investment strategy and that an ongoing relationship should be maintained between the client and JFS.

Financial planning services are typically provided in the form of a Financial Goal Plan. While

a Financial Goal Plan typically encompasses a broad range of financial planning topics, JFS will focus on specific financial planning topics based on the client's request and unique needs. Specific services are agreed upon in advance. Clients are engaged under a specific engagement letter that details the nature of the services and the fixed fee amount. These engagement letters can be terminated by the client without penalty by giving written notice of termination within five business days of executing a contract for services. The fixed fee is non-negotiable and nonrefundable after the five-day grace period and is typically payable in full upon completion of contracted services.

## Held-Away Assets

JFS implements investment advice on behalf of certain clients in held-away accounts that are maintained at independent third-party custodians. These held-away accounts are often 401(k) accounts, 529 plans and other assets that are not held at our primary custodians.

## Tax Preparation Services

JFS offers to provide tax return preparation services to its clients on a fixed fee and/or hourly basis. The fixed price or hourly rates depend upon the professional providing the service and the complexity of the return. Clients are engaged under a specific engagement letter that details the nature of the services and the fixed fee amount and/or that hourly charges apply. These engagement letters can be terminated by the client without penalty by giving written notice of termination within five business days of executing a contract for services. The fee is non-negotiable and non-refundable after the five-day grace period and is payable in full upon completion of contracted services.

## Advisory Services

JFS typically provides investment advice as a part of Financial Goal Plans issued to clients. The advice is general in nature and includes guidance on asset allocation strategies and alternatives to achieve strategies. Fees for this service are charged on a fixed fee basis. Clients are engaged under a specific engagement letter that details the nature of the services and the fixed fee amount. These engagement letters can be terminated by the client without penalty by giving written notice of termination within five business days of executing a contract for services. The fixed fee is nonnegotiable and non-refundable after the five-day grace period and is typically payable in full upon completion of contracted services.

## Consulting Services

JFS provides other services for clients, as requested, on a fixed price and/or hourly basis. If applicable, hourly charges are based on JFS' standard hourly rates. These services include, but are not limited to business consulting and strategy, periodic investment reviews, and benefit plan analysis. Clients are engaged under a specific engagement letter that details the nature of the services and the fixed fee amount and/or that hourly charges apply. These engagement letters can be terminated by the client without penalty by giving written notice of termination within five business days of executing a contract for services. The fee is non-negotiable and non-refundable after the five-day grace period and is typically payable in full upon completion of contracted services.

## Business Retirement Plan Services and Business Retirement Plan Advisory Services

JFS assists retirement plan sponsors with the following investment fiduciary services as set forth in JFS' investment advisory agreement or investment management agreement.

- As an ERISA 3(38) investment manager, JFS' investment services provided on a discretionary basis without the ERISA plan sponsor/client prior approval include: investment screening, selecting, and monitoring. JFS' service offering typically includes creation of managed portfolio models.
- As an ERISA 3(21) investment manager, JFS' investment services provided on a



nondiscretionary basis include: investment screening, selecting, and monitoring. JFS' service offering typically includes creation of managed portfolio models. However, the ERISA plan sponsor/client retains and exercises the final decision-making authority for implementing or rejecting JFS' recommendations.

- Additional fiduciary services provided by JFS may include: screening, selecting, and monitoring of the Plan's Qualified default investment alternative and revision or creation and maintenance of the Plan's Investment Policy Statement (IPS).

JFS assists retirement plan sponsors with the following non-fiduciary services as set forth in JFS' investment advisory agreement or investment management agreement.

- Qualified and non-qualified retirement plan design;
- Group and individual employee education and counseling; and
- Investment committee and plan sponsor fiduciary education.

Custodians of retirement plan Trustee accounts and retirement plan participant accounts include Charles Schwab & Co., Inc., Charles Schwab Bank, Matrix, Fidelity Institutional, Mid Atlantic, Ascensus Trust, Reliance Trust Co., Commonfund, and Tecum Capital Partners. JFS' Business Retirement Plan Services and Business Retirement Plan Advisory Services are fee-based, and clients are engaged under a specific contract for services. These contracts can be terminated by the client without penalty by giving written notice of termination within five business days of executing a contract for services. After the five-day period, a client can terminate the agreement at any time with a thirty-day written notice.

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, UPTIQ) and Flourish Financial LLC (Flourish). Please see Items 5 and 10 for a fuller discussion of these services and other important information.

We also help our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC (FRS), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. Please see Items 5 and 10 for a fuller discussion of these services and other important information.

## Miscellaneous

### Non-Discretionary Service Limitations

Clients who decide to engage JFS on a non-discretionary investment management or advisory basis must be willing to accept that JFS cannot effect any account transactions without obtaining prior written or verbal consent to any such transactions from the client. Accordingly, in the event of a market correction during which the client is unavailable, JFS will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's written or verbal consent.

### Client Obligations

Each client retains the responsibility to promptly notify JFS if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, and/or revising JFS' previous recommendations or services.

When performing requested services, JFS will not be required to verify any information received from the client or from the client's other professionals. JFS is expressly authorized to rely on such information.

## Financial Planning and Non-Investment Consulting/ Implementation Services

Neither JFS, nor any of its employees, serves as an attorney. Accordingly, none of JFS' services should be viewed as those provided by an attorney.

When requested by a client, JFS recommends the services of other professionals for the implementation of certain financial planning recommendations or other non-investment implementation purposes (ex. attorneys, accountants, insurance agents/agencies, etc.), including JFS' related licensed insurance entity. Clients are under no obligation to engage the services of any recommended professional. Clients retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from JFS.

If any client engages a recommended professional, and a dispute arises afterward relative to that engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

## Conflict of Interest

A potential conflict of interest exists for retirement plan rollovers. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options):

- Leave the money in the former employer's plan, if permitted;
- Roll over the assets to the new employer's plan, if one is available and rollovers are permitted;
- Roll over the assets to an Individual Retirement Account ("IRA"); and/or
- Cash out the account value (which could, depending upon the client's age, result in adverse tax consequences).

If JFS recommends that a client roll over their retirement plan assets into an account to be managed by JFS, such a recommendation creates a conflict of interest if JFS will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

The recommendation by JFS that a client purchase an insurance commission product from JFS' related insurance entity, JFS Risk Management, LLC, presents a conflict of interest. The receipt of commissions by JFS Risk Management, LLC provides an incentive to recommend insurance products based on commissions to be received rather than on a particular client's need. However, JFS does have a duty at all times to act in the client's best interest.

No client is under any obligation to purchase any insurance commission product from JFS' related insurance entity. Clients are reminded that they may purchase insurance products recommended by JFS through other, non-related insurance agencies. JFS' Chief Compliance Officer, August Santillo, remains available to address any questions that clients or prospective clients may have regarding this or any other conflict of interest.

## Dimensional Fund Advisors Mutual Funds

JFS utilizes the mutual funds issued by Dimensional Fund Advisors (DFA). DFA funds are generally only available through registered investment advisers approved by DFA. Thus, if the client were to terminate JFS' services and transition to another adviser who has not been approved by DFA to utilize DFA funds, restrictions regarding additional purchases of, or reallocation among other DFA funds, will generally apply. In addition to JFS' investment advisory fee described in Item 5 below, and transaction and/or custodial fees that may be charged by the account custodian, clients will also incur, relative to all mutual fund and



exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

## Assets Under Management

JFS manages \$3,389,350,596 in client assets as of December 31, 2023 of which \$2,940,390,726 are discretionary and \$448,959,870 are non-discretionary.

## Item 5 – Fees and Compensation

### FEE SCHEDULES

Wealth Management Services, Investment Advisory Services, and Business Retirement Plan Services are fee-based, and clients are engaged under a specific contract for services. These contracts can be terminated by the client without penalty by giving written notice of termination within five business days. After the five-day period, clients can terminate the agreement at any time with a thirty-day written notice. Advisory fees due will be prorated to the date when written notice of termination is given, and the effective date of termination will be thirty days later.

**The annual fee for Wealth Management (WM) Services** will be charged as a percentage of assets under management generally not to exceed 1.50%. The most typical fee is the following CUMULATIVE schedule:

1.0% of first \$1,000,000 of assets,  
plus 0.9% of next \$1,000,000, plus  
0.8% of next \$1,000,000, plus  
0.7% of next \$1,000,000, plus  
0.6% on assets greater than  
\$4,000,000 Minimum  
\$1,500 per quarter

**For clients desiring Wealth Management (WM) Services with less than \$600,000 of investable assets at the beginning of the relationship**, JFS has developed a hybrid schedule that blends a fixed fee with an asset under management fee. The fixed fee varies in accordance with the complexity of the client's situation and ranges from \$2,400 - \$5,400 with accompanying AUM charges as follows in the table below. The fixed fee plus asset management fee is billed quarterly, in advance. Once the assets under management equal or exceed \$600,000, the fee schedule is switched to the Wealth Management (WM) schedule above:

Fixed Fee, plus AUM fee  
\$2,400 plus .6% of assets  
\$3,000 plus .5% of assets  
\$3,600 plus .4% of assets  
\$4,200 plus .3% of assets  
\$4,800 plus .2% of assets  
\$5,400 plus .1% of assets

**The annual fee for Investment Advisory Services (IAS)** will be charged as a percentage of assets under management. The most typical fee is the following schedule:

1.25% of assets  
Minimum \$750 per quarter

**Certain fee schedules for firms added via merger or acquisition are grandfathered.**

**Additionally, for certain clients, the following has been grandfathered.**

**Cash Management can be provided as an additional service as needed.** Upon client request, advisor provides cash management services, including maintaining cash reserves or systematic withdrawals more frequently than semi-annually. In order to make a clear distinction between invested assets and short-term reserves, and in order not to distort the investment performance of the investment portfolio, these services will be provided through the means of a separate money market or other cash-type account registered in the client's name. For these services, these accounts will be billed a flat rate of 0.25% per annum on the total market value of the account based on data provided by the account custodian and usually deducted directly from the account. Fees will be deducted quarterly based on the asset value at the end of the previous quarter. This fee is assessed separate from any fees assessed on the investment portfolio. These are standard fees, and in certain instances, fees may be reduced based on the situation.

**The annual fee for Business Retirement Plan Services** will be charged as a percentage of assets under management generally not to exceed 1.25%. The most typical fee is the following applicable CUMULATIVE schedule:

0.6% of first \$3,000,000 of assets, plus  
0.5% of next \$2,000,000, plus  
0.3% of next \$5,000,000, plus  
0.2% on assets greater than \$10,000,000  
Minimum \$3,000 per year / \$750 per quarter, not to exceed \$1,000 per participant

### **Held-Away Assets**

For certain clients, we charge an advisory fee for services provided to the held-away accounts mentioned above in Item 4, just as we do with client accounts held at our primary custodians. The specific fee schedule charged by us is provided in the client's investment advisory agreement with us.

### **Billing**

The specific way in which fees are charged by JFS is detailed in the client's specific contract with JFS.

Typically, JFS' advisory fees are billed quarterly in advance based upon the gross market value of the assets (including cash, accrued interest, accrued dividends, margin balances and the values of securities purchased with borrowed funds) on the last business day of the previous quarter unless otherwise specified in the client's advisory contract. JFS' advisory fee is prorated, if applicable.

Clients elect either to be billed for services or to have fees directly debited from their account(s). The default is for fees to be directly debited.

### **Fixed Price/Hourly Agreements**

The following services are provided on a fixed price and/or hourly basis and are billed at the completion of the service or client engagement or as detailed in the client's agreement. The fixed price amount and/or hourly rates are based upon the requested services, the

professional(s) providing the services, and the complexity of the engagement.

- Financial Planning Services, including Tax Planning Services
- Tax Return Preparation Services\*
- Advisory Services
- Consulting Services
- Other Services, including Estate Administration Services, as requested and mutually agreed upon

\* At the exclusive discretion of JFS, tax return preparation services may be included for certain clients as part of their annual fee for Wealth Management Services.

## GENERAL INFORMATION ON FEES & SERVICES

### Negotiability of Fees

In certain circumstances, all of JFS' fees are negotiable. Similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisors for similar or lower fees. In the event that the client is subject to an annual minimum fee, the client could pay a higher percentage fee than referenced in the above fee schedule. Accordingly, fees vary from client to client although JFS strives to be consistent in its fees. Certain fees are waived for JFS' employees and are often waived or discounted for certain family members of employees.

The fee schedule for each client is detailed in the advisory contract for that client. Fees are discussed with each client and mutually agreed upon before execution of the advisory contract.

### Fee Calculation

The advisory fees for Wealth Management Services and Investment Advisory Services are detailed above. The fee charged is calculated as described above and is not charged on the basis of a share of capital gains on or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a) (1) of the Investment Advisers Act of 1940).

The services above can be provided on a fixed price basis depending upon the services requested and the unique needs of the client. The fixed price is agreed upon in advance and is detailed in the specific contract for the services.

### Account Minimums

JFS generally requires a \$600,000 aggregate account minimum for Wealth Management Services. However, JFS, in its sole discretion, sometimes charges a lesser management fee and/or reduces or waives its account minimum based on certain criteria (ex. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, etc.).

JFS does not typically enforce an account minimum for Business Retirement Plan Services.

### Account Fees and Expenses

From time to time, small portions of positions will be sold to bring the cash account balance to the level required for automatic deduction of advisory fees. It is understood that the payment of these advisory fees will reduce the total investment return.

Clients will incur additional transaction costs related to specific investments. JFS neither receives nor shares in any portion of these costs. The custodians utilized by JFS charge

no transaction fees on most individual stocks and exchange traded funds. In the case of individual stocks, bonds, closed-end and institutional share class open-end investment companies, options, and the like, there are typically costs charged directly by the custodian and/or clearing broker-dealer. The costs may include transaction fees.

All fees paid to JFS for advisory services (ex. Wealth Management Services, Investment Advisory Services, Business Retirement Plan Services, etc.) are separate and distinct from the fees and expenses charged by mutual funds to their shareholders and private investment funds to their limited partners. These fees and expenses are described in each fund's prospectus or private offering memorandum, as applicable.

A client could invest in certain mutual funds or private investment funds directly, without the services of JFS. In that case, the client would not receive the services provided by JFS which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to the client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by JFS to fully understand the total amount of fees to be paid by the client and to evaluate the advisory services being provided.

### Termination of Advisory Relationship

A client agreement can be canceled at any time, by either party, for any reason upon receipt of a thirty-day written notice. Billing will cease on the date when written notice of termination is provided, but the effective date of termination will be thirty days later. Upon termination of an advisory relationship, any prepaid, unearned fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement. In the event of withdrawal of funds or the termination of any account, any fees or other expenses associated with rebalancing or liquidating the account holdings will typically be assessed to the client's account or billed.

### UPTIQ Treasury & Credit Solutions (UPTIQ) and Flourish Financial (Flourish)

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, UPTIQ) and Flourish Financial LLC (Flourish). Focus Financial Partners, LLC (Focus) is a minority investor in UPTIQ, Inc. UPTIQ is compensated by sharing in the revenue earned by such third-party financial institutions for serving our clients. The revenue paid to UPTIQ also benefits UPTIQ Inc.'s investors, including Focus, our parent company. When legally permissible, UPTIQ also shares a portion of this earned revenue with our affiliate, Focus Solutions Holdings, LLC (FSH). For non-residential mortgage loans made to our clients, UPTIQ will share with FSH up to 25% of all revenue it receives from such third party financial institutions. For securities-backed lines of credit (SBLOCs) made to our clients, UPTIQ will share with FSH up to 75% of all revenue it receives from such third-party financial institutions. For cash management products and services provided to our clients, UPTIQ will share with FSH up to 33% of all revenue it receives from the third-party financial institutions and other intermediaries that provide administrative and settlement services in connection with this program. As noted above, Flourish facilitates cash management solutions for our clients. When legally permissible, Flourish pays FSH a revenue share of up to 0.10% of the total amount of cash held in Flourish cash accounts by our clients. This earned revenue is indirectly paid by our clients through an increased interest rate charged by the third-party financial institutions or, for cash balances, a lowered yield. FSH distributes this revenue to us when we are licensed to receive such revenue (or when no such license is required) and the distribution is not otherwise legally prohibited. Further information on this conflict of interest is available in Item 10 of this Brochure.

### Focus Risk Solutions (FRS)

We help our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC (FRS), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. FRS has arrangements with

certain third-party insurance brokers (the Brokers) under which the Brokers assist our clients with regulated insurance sales activity. If FRS refers one of our clients to a Broker and there is a subsequent purchase of insurance through the Broker, then FRS will receive a portion of the upfront and/or ongoing commissions paid to the Broker by the insurance carrier with which the policy was placed. The amount of revenue earned by FRS for the sale of these insurance products will vary over time in response to market conditions. The amount of insurance commission revenue earned by FRS is considered for purposes of determining the amount of additional compensation that certain of our financial professionals are entitled to receive. The amount of revenue earned by FRS for a particular insurance product will also differ from the amount of revenue earned by FRS for other types of insurance products. Further information on this conflict of interest is available in Item 10 of this Brochure.

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

JFS does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of a client's assets).

## **Item 7 – Types of Clients**

JFS provides services to individuals, high net worth individuals, trusts, estates, pension and profit sharing plans, charitable organizations and foundations, businesses, and municipal government entities.

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

The JFS Investment Committee is comprised of senior members of the firm including the Chief Investment Officer, both Co-Chief Executive Officers, and no less than two Wealth Advisors. The Committee meets monthly, or more frequently as necessary, to conduct and review fundamental analysis on securities recommended for client accounts. The analysis and methodology of review varies depending on the security under review.

For stocks and bonds, the analysis generally includes a review of:

- The issuer's management;
- The amount and volatility of past profits or losses;
- The issuer's assets and liabilities, as well as any material changes from historical norms;
- Prospects for the issuer's industry, as well as the issuer's competitive position within that industry;
- Credit ratings;
- Income potential; and
- Any other factors considered relevant.

For mutual funds and ETFs, the analysis generally includes a review of:

- The fund's management team;
- The fund's historical risk and return characteristics;
- The fund's exposure to sectors and individual issuers;
- The fund's fee structure;
- The fund's management style;
- The fund's investment philosophy;

- The fund's total assets under management;
- The fund's style consistency;
- The fund's risk adjusted performance relative to peers;
- The fund's regulatory oversight; and
- Any other factors considered relevant.

## Limited Investment Opportunity Allocation Policy

Limited investment opportunities are offered to clients based on an overall suitability assessment including, but not limited to, the following factors: level of sophistication, net worth, investable assets, risk tolerance, overall asset allocation, investment strategy, and unique needs and objectives. Once suitable clients are identified in this manner, investment opportunities are made available on a pro rata basis.

On a non-discretionary basis, JFS recommends that certain qualified clients consider allocating a portion of their investment assets to such private investments. The terms and conditions for participation in private investments, including management fees, conflicts of interest, and risk factors are detailed in the offering documents. JFS' clients are under absolutely no obligation to consider or invest in private investments.

Private investments generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints, and lack of transparency. These risk factors are detailed in each investment's offering documents, which are provided to each prospective investor for review and consideration. Unlike other liquid investments that a client typically maintains, private investments do not provide daily liquidity or pricing. Each prospective client investor would be required to complete a Subscription Agreement. Afterward, the client would have to establish that he or she is qualified for investment and acknowledge and accept the various risk factors that are associated with such an investment.

The Investment Committee generally meets no less than monthly to discuss existing and prospective investments. Investments are evaluated independently, as well as, in the context of clients' existing holdings and sector exposures. Modern Portfolio Theory (MPT) is the basis for making investment decisions that will determine suitable investments and strategies.

JFS primarily invests for relatively long time horizons, normally for a year or more. However, market developments could cause JFS to sell securities more quickly.

Depending on a client's investment objectives, JFS might engage in short selling or option transactions. All investing involves a risk of loss; however, the use of short selling and option writing poses additional risks that are discussed in detail with any clients who are considering the use of these investment vehicles.

All investing involves a risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk. Clients should not assume that future performance of any specific investment or investment strategy, including those recommended or undertaken by JFS, will be profitable or equal any specific performance levels.

## Cybersecurity

The computer systems, networks, and devices used by JFS and service providers to JFS and JFS' clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices;



infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by JFS and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

## **Item 9 – Disciplinary Information**

JFS Wealth Advisors, LLC and its employees have no reportable disciplinary history.

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

### **Financial Industry/Business Activities**

In addition to the services listed in Item 4, JFS also provides certain accounting-related services (ex. bookkeeping, bill paying, payroll, journal entries, etc.), although JFS is not an accounting firm.

JFS recommends itself to an advisory client who needs these services, in certain circumstances, provided that the recommendation is consistent with JFS' fiduciary duties to the client. If a client decides to hire JFS to provide these services, the fees for these services are entirely separate and distinct from advisory fees charged by JFS. No advisory client is obligated to use JFS to provide any additional services.

JFS' Co-Chief Executive Officer, Robert C. Jazwinski, serves on the Board of Trustees of Westminster College and serves as a member of its Investment, Governance, and Finance Committees. He also serves as a Trustee and Treasurer of the F.H. Buhl Trust and as a Director and President of the Community Hope Investment Partnership. He serves on the Board of Directors and as Treasurer of the Gateway Towers Condominium Association. None of these positions are compensated and all are entirely voluntary.

Additionally, JFS' Co-Chief Executive Officer, Ryan C. Tiesi, serves on Advisory Boards for FNB Capital Partners and Tecum Capital Partners. He is not compensated for his participation on these Boards. Certain clients of JFS have invested in limited partnership units of FNB Capital Partners and Tecum Capital Partners. Neither Ryan C. Tiesi nor JFS receive compensation for introducing clients to these opportunities. JFS charges investment management fees on its clients' investments in and sponsored by these organizations. Ryan C. Tiesi participates on the Advisory Boards because it allows him to monitor the activities of the organizations and the underlying investments. Although this could represent a potential conflict of interest, no client is obligated to invest in any firm with which JFS' officers are associated, and JFS has a duty at all times to act in its clients' best interest.

## Financial Industry Affiliations

### UPTIQ Treasury & Credit Solutions (UPTIQ) and Flourish Financial (Flourish)

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, UPTIQ) and Flourish Financial LLC (Flourish). These third-party financial institutions are banks and non-banks that offer credit and cash management solutions to our clients, as well as certain other unaffiliated third parties that provide administrative and settlement services to facilitate UPTIQ's cash management solutions. UPTIQ acts as an intermediary to facilitate our clients' access to these credit and cash management solutions. Flourish acts as an intermediary to facilitate our clients' access to cash management solutions.

We are a wholly owned subsidiary of Focus Financial Partners, LLC (Focus). Focus is a minority investor in UPTIQ, Inc. UPTIQ is compensated by sharing in the revenue earned by such third-party financial institutions for serving our clients. The revenue paid to UPTIQ also benefits UPTIQ Inc.'s investors, including Focus. When legally permissible, UPTIQ also shares a portion of this earned revenue with our affiliate, Focus Solutions Holdings, LLC (FSH). For non-residential mortgage loans made to our clients, UPTIQ will share with FSH up to 25% of all revenue it receives from the third-party financial institutions. For securities-backed lines of credit (SBLOCs) made to our clients, UPTIQ will share with FSH up to 75% of all revenue it receives from such third-party financial institutions. For cash management products and services provided to our clients, UPTIQ will share with FSH up to 33% of all revenue it receives from the third-party financial institutions and other intermediaries that provide administrative and settlement services in connection with this program. As noted above, Flourish facilitates cash management solutions for our clients. When legally permissible, Flourish pays FSH a revenue share of up to 0.10% of the total amount of cash held in Flourish cash accounts by our clients. This earned revenue is indirectly paid by our clients through an increased interest rate charged by the third-party financial institutions for credit solutions or reduced yield paid by the providers of cash management solutions. FSH distributes this revenue to us when we are licensed to receive such revenue (or when no such license is required) and the distribution is not otherwise legally prohibited. This revenue is also revenue for FSH's and our common parent company, Focus. Additionally, the volume generated by our clients' transactions allows Focus to negotiate better terms with UPTIQ and Flourish, which benefits Focus and us. Accordingly, we have a conflict of interest when recommending UPTIQ's and Flourish's services to clients because of the compensation to us and to our affiliates, FSH and Focus, and the transaction volume to UPTIQ and Flourish. We mitigate this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering UPTIQ's and Flourish's solutions to clients on a strictly non-discretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use UPTIQ's and Flourish's services will receive product-specific disclosure from the third-party financial institutions and other unaffiliated third-party intermediaries that provide services to our clients.

We have an additional conflict of interest when we recommend credit solutions to our clients because our interest in continuing to receive investment advisory fees from client accounts gives us a financial incentive to recommend that clients borrow money rather than liquidate some or all of the assets we manage.

## Credit Solutions

Clients retain the right to pledge assets in accounts generally, subject to any restrictions imposed by clients' custodians. While credit solution programs that we offer facilitate secured loans through third-party financial institutions, clients are free instead to work directly with institutions outside such programs. Because of the limited number of participating third-party financial institutions, clients may be limited in their ability to obtain as favorable loan terms as if the client were to work directly with other banks to negotiate loan terms or obtain other financial arrangements.

Clients should also understand that pledging assets in an account to secure a loan involves additional risk and restrictions. A third-party financial institution has the authority to liquidate all or part of the pledged securities at any time, without prior notice to clients and without their consent, to maintain required collateral levels. The third-party financial institution also has the right to call client loans and require repayment within a short period of time; if the client cannot repay the loan within the specified time period, the third-party financial institution will have the right to force the sale of pledged assets to repay those loans. Selling assets to maintain collateral levels or calling loans may result in asset sales and realized losses in a declining market, leading to the permanent loss of capital. These sales also may have adverse tax consequences. Interest payments and any other loan-related fees are borne by clients and are in addition to the advisory fees that clients pay us for managing assets, including assets that are pledged as collateral. The returns on pledged assets may be less than the account fees and interest paid by the account. Clients should consider carefully and skeptically any recommendation to pursue a more aggressive investment strategy in order to support the cost of borrowing, particularly the risks and costs of any such strategy. More generally, before borrowing funds, a client should carefully review the loan agreement, loan application, and other forms and determine that the loan is consistent with the client's long-term financial goals and presents risks consistent with the client's financial circumstances and risk tolerance.

We use UPTIQ to facilitate credit solutions for our clients.

### Cash Management Solutions

For cash management programs, certain third-party intermediaries provide administrative and settlement services to our clients. Engaging the third-party financial institutions and other intermediaries to provide cash management solutions does not alter the manner in which we treat cash for billing purposes. Clients should understand that in rare circumstances, depending on interest rates and other economic and market factors, the yields on cash management solutions could be lower than the aggregate fees and expenses charged by the third-party financial institutions, the intermediaries referenced above, and us. Consequently, in these rare circumstances, a client could experience a negative overall investment return with respect to those cash investments. Nonetheless, it might still be reasonable for a client to participate in a cash management program if the client prefers to hold cash at the third-party financial institutions rather than at other financial institutions (e.g., to take advantage of FDIC insurance).

We use UPTIQ and Flourish to facilitate cash management solutions for our clients.

### Focus Risk Solutions (FRS)

We help clients obtain certain insurance products from unaffiliated insurance companies by introducing clients to our affiliate, Focus Risk Solutions, LLC (FRS), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC (Focus). FRS acts as an intermediary to facilitate our clients' access to insurance products. FRS has agreements with certain third-party insurance brokers (the Brokers) under which the Brokers assist our clients with regulated insurance sales activity.

If FRS refers one of our clients to a Broker and there is a subsequent purchase of insurance through the Broker, FRS will receive a portion of the upfront and/or ongoing commissions paid to the Broker by the insurance carrier with which the policy was placed. The amount of revenue earned by FRS for the sale of these insurance products will vary over time in response to market conditions. The amount of insurance commission revenue earned by FRS is considered for purposes of determining the amount of additional compensation that certain of our financial professionals are entitled to receive. The amount of revenue earned by FRS for a particular insurance product will also differ from the amount of revenue earned by FRS for other types of insurance products. This revenue is also revenue for our and FRS's common parent company, Focus. Accordingly, we have a conflict of interest when recommending FRS's services to clients because of the compensation to certain of our financial professionals and to our affiliates, FRS and Focus. We address this conflict by: (1) fully and fairly disclosing the material

facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering FRS solutions to clients on a strictly non-discretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use FRS's services will receive product-specific disclosure from the Brokers and insurance carriers and other unaffiliated third-party intermediaries that provide services to our clients.

The insurance premium is ultimately dictated by the insurance carrier, although in some circumstances the Brokers or FRS may have the ability to influence an insurance carrier to lower the premium of the policy. The final rate may be higher or lower than the prevailing market rate, and may be higher than if the policy was purchased directly through the Broker without the assistance of FRS. We can offer no assurances that the rates offered to you by the insurance carrier are the lowest possible rates available in the marketplace.

### **JFS Risk Management**

JFS is affiliated with JFS Risk Management, LLC, a Pennsylvania licensed insurance agency. JFS Risk Management, LLC offers for sale, insurance-related products on a commission basis, including to investment advisory clients of JFS. The recommendation by JFS that a client purchase an insurance commission product from JFS' related insurance entity, JFS Risk Management, LLC, presents a conflict of interest. The receipt of commissions by JFS Risk Management, LLC provides an incentive to recommend insurance products based on commissions to be received rather than on a particular client's need. However, JFS does have a duty at all times to act in the client's best interest.

No client is under any obligation to purchase any insurance commission product from JFS' related insurance entity. Clients are reminded that they may purchase insurance products recommended by JFS through other, non-related insurance agencies. JFS' Chief Compliance Officer, August Santillo, remains available to address any questions that clients or prospective clients may have regarding this or any other conflict of interest.

### **Focus Financial Partners**

As noted above in response to Item 4, certain investment vehicles affiliated with CD&R collectively are indirect majority owners of Focus LLC, and certain investment vehicles affiliated with Stone Point are indirect owners of Focus LLC. Because JFS is an indirect, wholly owned subsidiary of Focus LLC, CD&R and Stone Point investment vehicles are indirect owners of JFS.

JFS Wealth Advisors, LLC and Robert C. Jazwinski each have a minority ownership interest in a savings and loan holding company, National Advisors Holdings, Inc. (NAH) that formed a federally chartered trust company, National Advisors Trust Company (NATC). NAH and NATC are regulated by the Office of Thrift Supervision. The trust company provides a low- cost alternative to traditional trust service providers, and JFS refers clients to NATC for trust, custody, and brokerage services.

## **Item 11 – Code of Ethics, Participation in Client Transactions, & Personal Trading**

JFS has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. JFS' Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and details JFS' practice of monitoring the personal securities transactions of JFS employees. Individuals associated with JFS buy and/or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of JFS that no person employed by JFS put his or her own interests before that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients. It is also the expressed policy of JFS that the allocation of client transactions is fair and equitable. (Refer to Item 8 for more information regarding JFS' Limited Investment Opportunity Allocation Policy.)

Additionally, JFS does not affect any principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an advisor, acting as the principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to an advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as the broker-dealer for both the advisory client and for another person on the other side of the transaction.

To supervise compliance with its Code of Ethics, JFS requires its employees to report covered securities transactions to the firm's Chief Compliance Officer on a quarterly basis. JFS also requires its employees to receive approval from the Chief Compliance Officer prior to investing in any private placements (limited offerings) or IPOs and prior to buying or selling any securities on JFS' restricted list.

JFS requires that all individuals act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. JFS' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and references JFS' restricted list. Any individual not complying with the above is subject to disciplinary measures.

JFS will provide a complete copy of its Code of Ethics to any client or prospective client upon request to the Chief Compliance Officer at JFS' principal address.

Refer to Item 10 for additional information regarding conflicts of interest.

## **Item 12 – Brokerage Practices**

### **Brokerage Recommendations**

JFS does not have the discretionary authority to determine the broker-dealer to be used or commission rates to be paid. Clients must direct JFS as to the broker-dealer they wish to use.

### **The Custodians and Broker-Dealers We Use**

JFS does not maintain physical custody of clients' assets that JFS manages or on which JFS advises although JFS is deemed to have legal custody of clients' assets if the client gives JFS authority to withdraw assets from his/her account. (Refer to Item 15 below.) Client assets must be maintained in an account at a qualified custodian, generally a broker-dealer or bank. JFS is independently owned and operated and is not affiliated with the broker-dealers (custodians) that JFS recommends to clients.

JFS currently suggests and uses the following independent broker-dealers (custodians) for custody and brokerage services when appropriate for the client and consistent with JFS' fiduciary duty to put client interests first: Charles Schwab & Co., Inc., Fidelity Investments, and National Advisors Trust Company. The specific broker-dealer recommended depends upon the client's unique needs, objectives, and preferences.

### **How JFS Selects Broker-Dealers/Custodians to Recommend**

JFS seeks to recommend a broker-dealer (custodian) who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. JFS considers a wide range of factors including, but not limited to, the following.

- Client objectives;



- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities from client accounts);
- Capabilities to facilitate transfers and payments to and from accounts (i.e., wire transfers, check requests, bill payment);
- Breadth of investment products made available (i.e., stocks, bonds, mutual funds, exchange traded funds (ETFs));
- Availability of investment research and tools that assist JFS in making investment decisions;
- Availability of pricing information and market data;
- Quality of services;
- Competitiveness of the price of those services (i.e., commission rates, margin interest rates, other fees) and willingness to negotiate them;
- Reputation, financial strength, and stability of the provider;
- Provider's prior service to JFS and JFS' other clients; and
- Availability of other products and services that benefit JFS as noted below.

The ultimate choice of broker-dealer is the client's. If a client selects a broker-dealer suggested and used by JFS, JFS will attempt to negotiate commissions and obtain volume discounts and has a duty of best execution. The duty of best execution means that JFS has an obligation to get the best overall value for the client when placing trades and must consider cost, quality, timeliness, etc. However, if a client does not select a broker-dealer suggested and used by JFS, it should be understood that JFS will not have authority to negotiate commissions among various broker-dealers or obtain volume discounts, and best execution may not be achieved. In addition, differences in commission charges could exist between the commissions charged to other clients.

## Products and Services Available to JFS and JFS' Clients

JFS receives from one or more of the broker-dealers/custodians JFS recommends to clients without cost (and/or at a discount) support services and/or products, certain of which assist JFS to better monitor and service client accounts maintained at such institutions. The support services that are obtained by JFS typically include one or more of the following: investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted and/or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by JFS in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received assist JFS in managing and administering client accounts. Others do not directly provide such assistance but rather assist JFS to manage and further develop its business enterprise and offset costs that JFS would otherwise be required to bear. In addition, the support services and/or products provided by a broker-dealer/custodian may be used to service all or a substantial number of the Firm's client accounts, including accounts not maintained at the broker-dealer/custodian providing the services and/or products.

JFS recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC as the qualified custodian to maintain custody of clients' assets and to effect trades for clients' accounts. Schwab Advisor Services (formerly Schwab Institutional) is Schwab's business serving independent advisory firms like JFS and provides JFS with access to its institutional brokerage services (i.e., trading, custody, reporting, and related services), many of which are typically not available to Schwab



retail investors. Schwab also makes available various support services. Some of those services help JFS manage or administer client accounts while others help JFS manage and grow its business.

Schwab's services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which JFS might not otherwise have access or that would require a significantly higher minimum initial investment by JFS' clients.

Schwab also makes available to JFS other products and services that benefit JFS but may not directly benefit JFS' clients or their accounts. These products and services assist JFS in managing and administering client accounts. These include investment research, both Schwab's own and that of third parties. JFS may use this research to service all or some substantial number of JFS' clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (i.e., duplicate trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders (block trades) for multiple client accounts, including access to a trading desk that exclusively services Schwab's institutional traders;
- Provide pricing and other market data;
- Facilitate payment of JFS' fees from clients' accounts; and
- Assist with back-office functions, recordkeeping, and client reporting;

Schwab offers other services intended to help JFS manage and further develop its business enterprise. These services include:

- Discounts and credits up to \$265,000 to be applied toward technology costs (i.e., information technology platform and software costs) in addition to other credits for reimbursement of ACAT, transaction, and asset-based fees for a limited time period;
- Educational conferences and events;
- Technology, compliance, legal, and business consulting;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, Schwab will arrange for third-party vendors to provide the services to JFS. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide JFS with other benefits such as occasional business entertainment of JFS' personnel.

JFS may receive free or discounted support services and products from other independent custodians JFS uses, such as Fidelity Investments and National Advisors Trust Company. These products and services help JFS better monitor and service client accounts maintained at that particular custodian. These services and products typically include one or more of the following: investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance related publications, and practice management related publications. They may also include free and/or discounted consulting services, conference registration fees, meetings, other educational and/or social events, and computer software and/or other products used by JFS for its investment advisory business operations. Some of the support services and products assist JFS in managing and administering client accounts. Others do not directly provide such assistance but assist JFS in managing and further developing its business enterprise. This may include discounted and shared expenses for existing and prospective client events.

In connection with the transition of client accounts to be custodied at Fidelity, JFS has entered into a support services agreement, under which Fidelity has agreed to pay up to \$100,000 of JFS expenses for services approved by Fidelity. The support services agreement is a conflict of interest, as it creates an incentive for us to recommend that clients custody their assets at Fidelity over custodians who have not agreed to reimburse our expenses.

JFS' clients do not pay more for investment transactions effected and/or assets maintained at Charles Schwab, Fidelity Investments, or National Advisors Trust Company as a result of these types of arrangements. JFS, consistent with its best execution obligation, has negotiated favorable transaction fee arrangements with all of the independent custodians used by JFS for the benefit of all of JFS' clients.

There is no corresponding commitment made by JFS to these custodians or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of any such arrangement. The benefits received by JFS or its personnel from each of these custodians do not depend on the amount of brokerage transactions directed to such custodians.

As part of its fiduciary duty to clients, JFS endeavors at all times to put the interests of clients first. Clients and future clients should be aware, however, that the receipt of economic benefits by JFS in and of itself creates a conflict of interest and may indirectly influence JFS' recommendation to clients to utilize one of these broker-dealers/custodians for custody and brokerage services.

### **Additional Compensation**

JFS receives benefits from the independent custodians JFS uses by participation in the custodians' institutional programs. (Please see the disclosure under Item 14 below.)

August Santillo, JFS' Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangements.

### **Block Trades**

To the extent that a position is being traded in multiple accounts at the same custodian, the trader will typically create a block trade in the rebalancing software for processing at the custodian when possible and advantageous to clients. In these instances, clients participating in block trades will receive an average share price, and transaction costs will be shared equally and on a pro rata basis. Timing of a trade request or submission to the trader is the primary reason that trades for a position that is being traded in multiple accounts at the same custodian would not be part of a block trade. Accounts that are not block traded may not receive the same pricing as those that are included in a block trade.

### **Sequencing of Trades**

As noted above, JFS creates block trades in the rebalancing software for processing at the custodian when possible. JFS also maintains a rotational calendar for custodial sequencing to confirm that JFS is not trading the same custodian first each time. In addition to the rotational calendar, reasonable measures are taken to minimize the time between uploads to each custodian.

### **Trade Error Policy**

JFS reimburses client accounts for losses resulting from JFS' trade errors but shall not credit accounts for errors resulting in market gains. The gains and losses are reconciled according to the policy of the applicable account custodian. Below are the trade error policies for the primary account custodians JFS uses for client accounts.

Charles Schwab does not use a trade error account; it makes the necessary corrections by buying or selling. When there is a profit from a trade error, Schwab posts a covering trade to the client's account so the client receives the profit. If the client does not want the profit (ex. for tax purposes), the client may advise Schwab to send the gain to charity, if the gain is greater than \$100. Schwab will maintain the loss or gain (if such gain is not retained in the client's account) if it is under \$100 to minimize and offset its administrative time and expense. When there is a loss greater than \$100 due to a trade error, JFS is responsible for the loss.

Fidelity uses a trade error account. Net losses are deducted from JFS' Fidelity fee account. Net gains due to a trade error are sent by Fidelity to a designated charity of advisor's choosing. Standing instructions may be submitted to designate a specific charity. Otherwise, Fidelity will select a default charity.

At National Advisors Trust Company (NATC), if a trade error results in a profit, the profit can be credited to the client's account or forfeited to a control account at NATC. Such profits are donated to charity. Losses are moved to a trade error account, and the loss must be covered by JFS.

## **Item 13 – Review of Accounts**

Underlying securities within JFS managed accounts are continually monitored. Accounts are reviewed as to asset allocation, individual holdings, suitability, and performance. Reviews of holdings used for client portfolios are performed by the Investment Committee on at least a quarterly basis and continually, as needed, based on changes in individual positions.

Client information is downloaded each business day, reflecting holdings and prices as of the close of business the previous business day or other most recently priced day. Calculations of asset allocation, individual position weights, total internal-rates-of-return since inception, and annualized internal-rates-of return are then made available, if not actually executed each day. Client portfolio data is maintained in-house in a customized, computer database. Transaction records and market pricing are downloaded from custodians each business day or as often as made available. Specific securities common to client portfolios are monitored on an ongoing basis.

The JFS Investment Committee is comprised of senior members of the firm including the Chief Investment Officer, both Co-Chief Executive Officers, and no less than two Wealth Advisors. The Committee meets monthly, or more frequently as necessary, to conduct and review fundamental analysis on securities recommended for client accounts. The analysis and methodology of review varies depending on the security under review. The Committee invites contribution from other associates of the Firm and enlists the services of the Chief Compliance Officer when appropriate.

## **Reports of Accounts**

In addition to the no less than quarterly statements and confirmations of transactions that Wealth Management and Investment Advisory Services clients receive from their designated custodian (ex. Charles Schwab & Co., Inc., Fidelity Investments, and National Advisors Trust Company), JFS makes periodic reports available to all clients showing their portfolio's financial profile and performance data. Clients are urged to schedule/attend a face-to-face, video, or audio meeting (Progress Review Meeting) to review details, discuss progress in achieving goals, and determine if goals or plans should be adjusted.

Reports typically include the client's original amount invested, current value, and time weighted rates-of-return since inception. Weightings by category and portfolio totals can be summarized as well.

## Item 14 – Client Referrals and Other Compensation

### Client Referrals/Solicitor Arrangements

JFS has arrangements in place with certain third parties, called solicitors, under which such solicitors refer clients to us in exchange for a percentage of the advisory fees we collect from such referred clients. Such compensation creates an incentive for the solicitors to refer clients to us, which is a conflict of interest for the solicitors. Rule 206(4)-1 of the Advisers Act addresses this conflict of interest by, among other things, requiring disclosure of whether the solicitor is a client or a non-client and a description of the material conflicts of interest and material terms of the compensation arrangement with the solicitor. Accordingly, we require solicitors to disclose to referred clients: whether the solicitor is a client or a non-client; that the solicitor will be compensated for the referral; the material conflicts of interest arising from the relationship and/or compensation arrangement; and the material terms of the compensation arrangement, including a description of the compensation to be provided for the referral. Additionally, we obtain a signed Disclosure Statement from referred clients acknowledging the conflict of interest and the terms of the solicitation arrangement.

Specifically, JFS has entered into a solicitation agreement with Lange Financial Group, LLC (Lange), an estate planning and accounting firm. Lange is independent of JFS. When Lange advisors believe that their clients would benefit from JFS' investment management or financial planning services, the clients are introduced to JFS. If the referred client becomes a client of JFS, Lange shares in a portion of any management fees that JFS receives. Lange's share of the fees is typically 35% until the client's seventh anniversary during which such referred client uses JFS' services, 30% from the seventh anniversary until the tenth anniversary, and 26.25% after the tenth anniversary. JFS does not charge clients referred by Lange any fees or costs higher than its standard schedule offered to its clients. JFS does not pass solicitor fees on to its clients. Certain clients may elect to receive additional, separate services from Lange. If a client engages Lange for these separate services, the specific fees and services provided by Lange shall be detailed in a separate agreement that the client signs directly with Lange. Specifics are disclosed to each client beforehand. Clients introduced in this manner receive the same services and priorities as all other JFS clients.

JFS has also entered into a solicitation agreement with Clark & Chamberlin, LLC (Clark & Chamberlin), an accounting firm. Clark & Chamberlin is independent of JFS. When Clark & Chamberlin believes that its clients would benefit from JFS' investment management or financial planning services, the clients are introduced to JFS. If the referred client becomes a client of JFS, Clark & Chamberlin shares in a portion of any management fees that JFS receives. Clark & Chamberlin's share of the fees is typically 15%. JFS does not charge clients referred by Clark & Chamberlin any fees or costs higher than its standard schedule offered to its clients. JFS does not pass solicitor fees on to its clients. Specifics are disclosed to each client beforehand. Clients introduced in this manner receive the same services and priorities as all other JFS clients.

As a result of past participation in a solicitor arrangement with a third party, independent accounting firm, Schroedel, Scullin, and Bestic (SSB), JFS received client referrals from SSB. Although the solicitor arrangement was terminated, JFS is obligated to pay SSB an ongoing fee for each successful client relationship established as a result of past referrals. This fee is typically 30% of the advisory fees that the client pays to JFS. However, the percentage fee may vary depending on the services being provided by JFS and SSB. JFS does not charge clients referred by SSB any fees or costs higher than its standard schedule offered to its clients. JFS does not pass solicitor fees on to its clients. Specifics were disclosed to each client beforehand. Clients introduced in this manner receive the same services and priorities as all other JFS clients.

As a result of past participation in the former TD Ameritrade AdvisorDirect program (the referral program), JFS received client referrals from TD Ameritrade (which has since been acquired by Charles Schwab). Previously, TD Ameritrade established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment

management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise JFS and has no responsibility for JFS' management of client portfolios or JFS' other advice or services. JFS is no longer participating in the referral program for purposes of receiving client referrals but is obligated to pay an ongoing fee for each successful client relationship established as a result of past referrals. This fee is usually a percentage not to exceed 25% of the advisory fees that the client pays to JFS (Solicitation Fee). JFS will also pay the Solicitation Fee on any advisory fees received by JFS from any of a referred client's family members who hired JFS on the recommendation of such referred client. JFS will not charge clients referred to JFS through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its other clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients.

As a result of past participation in Charles Schwab's Schwab Advisor Network (SAN) referral program, JFS received client referrals from Schwab. SAN is designed to help investors find an independent investment advisor. Schwab does not supervise JFS and has no responsibility for JFS' management of client portfolios or JFS' other advice or services. JFS is no longer participating in the SAN referral program for purposes of receiving client referrals but is obligated to pay Schwab an ongoing fee for each successful client relationship established as a result of past referrals. JFS pays Charles Schwab a "Participation Fee" on all referred clients' accounts that are maintained in custody at Charles Schwab and a "Non-Charles Schwab Custody Fee" on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by JFS is a percentage of the value of the assets in the client's account. JFS pays Charles Schwab the Participation Fee as long as the referred client's account remains in custody at Charles Schwab. The Participation Fee is billed to JFS quarterly and may be increased, decreased or waived by Charles Schwab from time to time. The Participation Fee is paid by JFS and not by the client. JFS has agreed not to charge clients referred through SAN fees or costs greater than the fees or costs JFS charges clients with similar portfolios who were not referred through SAN.

JFS generally pays Charles Schwab a Non-Charles Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from, Charles Schwab. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Charles Schwab. The Non-Charles Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Charles Schwab. The Non-Charles Schwab Custody Fee is higher than the Participation Fees JFS generally would pay in a single year. Thus, JFS has an incentive to recommend that client accounts be held in custody at Charles Schwab. The Participation and Non-Charles Schwab Custody Fees are based on assets in accounts of JFS' clients who were referred by Charles Schwab and those referred clients' family members living in the same household. Thus, JFS has incentives to encourage household members of clients referred through SAN to maintain custody of their accounts and execute transactions at Charles Schwab and to instruct Charles Schwab to debit JFS' fees directly from the accounts.

### **Additional Compensation**

JFS receives compensation from SEI for referring an institution to SEI for provision of financial services.

As noted in Item 12, JFS currently suggests and uses the following independent broker-dealers (custodians) for custody and brokerage services when appropriate for the client and consistent with JFS' fiduciary duty to put client interests first: Charles Schwab & Co., Inc., Fidelity Investments, and National Advisors Trust Company. The specific broker-dealer recommended depends upon the client's unique needs, objectives, and preferences. Each of these broker-dealers (custodians) provides a number of products and services to JFS. Some of these products and services benefit JFS' clients directly while others are intended to help JFS to manage and further develop its business enterprise.

JFS receives an economic benefit from Schwab in the form of credits and discounts as well as the support products and services Schwab makes available to JFS and other independent investment advisors that have their clients maintain accounts at Schwab. These credits,



discounts, products, and services, their benefits to JFS' clients, their benefits to JFS, and the related conflicts of interest are described in Item 12. The availability to JFS of Schwab's products and services is not based on JFS giving particular advice, such as buying particular securities for JFS' clients.

JFS receives an economic benefit from other independent custodians JFS uses, such as Fidelity Investments and National Advisors Trust Company, in the form of the support products and services those custodians make available to JFS and other independent investment advisors that have their clients maintain accounts with them. These products and services, their benefits to JFS' clients, their benefits to JFS, and the related conflicts of interest are described in Item 12. The availability to JFS of these custodians' products and services is not based on JFS giving particular advice, such as buying particular securities for JFS' clients.

JFS' parent company is Focus Financial Partners, LLC (Focus). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include JFS, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including JFS. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors, and other thirdparty service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including JFS. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause JFS to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including JFS. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities have provided conference sponsorship to Focus from January 1, 2023 to March 1, 2024:

Orion Advisor Technology, LLC  
Fidelity Brokerage Services LLC  
Fidelity Institutional Asset Management LLC  
TriState Capital Bank  
StoneCastle Network, LLC  
Charles Schwab & Co., Inc.

You can access updates to the list of conference sponsors on Focus' website through the following link: <https://focusfinancialpartners.com/conference-sponsors/>

Additionally, JFS' management company is eligible for additional compensation from our indirect parent company, Focus Financial Partners, LLC (or one of its affiliates), depending on JFS' annual revenues and/or earnings. This potential increased compensation provides an incentive for JFS to encourage you to maintain and even increase the size of your investment account with us.

August Santillo, JFS' Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangements.

As part of its fiduciary duties to clients, JFS strives at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by JFS



or its related persons in and of itself creates a potential conflict of interest and may indirectly influence JFS' choice of provider for custody and brokerage services.

## **Item 15 – Custody**

All investment accounts are held at a qualified custodian (ex. Charles Schwab, Fidelity Investments, and National Advisors Trust Co.). The custodian provides the client with no less than quarterly statements for each account. JFS urges clients to carefully review these statements and compare such official custodial records to the account statements that JFS provides the client. JFS' statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

JFS has custody of some client funds and securities because JFS deducts advisory fees from client accounts when directed and authorized by the client to do so and because certain clients have executed standing letters of authorization for distributions to third parties. (JFS has custody but is permitted to rely on SEC no-action relief from custody audit requirements). JFS has custody for client accounts for which JFS provides bill payment services. JFS also has custody for client accounts for which Robert C. Jazwinski and/or other partners or employees serve as trustee as requested and authorized by the client.

Effective March 12, 2010, JFS is subject to a surprise annual audit by a qualified accounting (CPA) firm, including related filings, for those client accounts where JFS is deemed to have custody. These include, but are not limited to, the account types listed above.

## **Item 16 – Investment Discretion**

JFS usually receives authority from the client at the beginning of an advisory relationship to select the identity and amount of securities to be bought or sold without prior consent (discretionary authority). In all cases, however, this discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, JFS observes the investment policies, limitations and restrictions of the clients for which it advises. Asset allocations and preferences are typically detailed in an investment policy statement, asset allocation form, or investment recommendation letter. JFS' discretionary authority is detailed in the client's advisory agreement or a separate Limited Power of Attorney form. Investment restrictions are typically listed in the client's Investment Policy Statement (IPS).

Changes to investment guidelines and restrictions must typically be provided to JFS in writing.

## **Item 17 – Voting Client Securities**

JFS does not vote proxies for its clients as a matter of Firm policy and practice. Clients expressly retain the authority for and responsibility to vote proxies for any and all securities maintained in client accounts. JFS may provide advice to clients regarding the clients' voting of proxies.

## Item 18 – Financial Information

Registered investment advisors are required in this Item to provide clients with certain financial information or disclosures about their financial condition. JFS 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.

**JFS' Chief Compliance Officer, August Santillo, remains available to address any questions regarding this Part 2A.**