



**RJ20, Inc.**

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Form ADV Part 2A

Advisory Brochure

March 2024

This brochure provides information about the qualifications and business practices of RJ20, Inc. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer at (877) 438-7520 or by electronic mail (email) at [ask@rj20.com](mailto:ask@rj20.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about RJ20, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search of this site for firms or their associated personnel can be accomplished by name or a unique firm identifier, known as an IARD number. The IARD number for RJ20, Inc. is 149575.

While the firm and its associates may be registered with the SEC or notice-filed in other jurisdictions, that registration does not imply an endorsement by any regulatory authority, nor imply a certain level of skill or training on the part of the firm or its associated personnel.

**Item 1 – Cover Page**

## **Item 2 - Material Changes**

The following change has been made to this ADV Part 2 Disclosure Brochure since our last ADV Annual Amendment was filed in March 2023:

- There were no material changes made to this brochure.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), or may contact our firm at (877) 438-7520 or by email at [ask@rj20.com](mailto:ask@rj20.com) to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

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## **Item 4 - Advisory Business**

### **Information about RJ20, Inc. and its Services**

RJ20, Inc. (the "firm") is a North Carolina company formed in 2009. Sean T. Ruehl is the firm's President and Chief Compliance Officer. Mr. Lyle Finley is majority shareholder and passive owner with no operational authority or access to operational functionalities. RJ20, Inc. is not a subsidiary of, nor does it control, another securities industry entity.

The firm was originally approved as an investment adviser in 2009 by the State of North Carolina; later as an SEC applicant in 2012.<sup>1</sup> Our firm and its associates may also notice-file/register or meet certain exemptions to registration in other jurisdictions in which we conduct investment advisory business.

The firm does not provide asset management services, sponsor or manage wrap fee investment programs, or have discretion or custody over any assets. RJ20 only provides non-discretionary advice to plan participants where it's up to the participant to act on the advice or not.

### ***Corporate Services***

RJ20, Inc. is an ERISA<sup>2</sup> fiduciary to corporate retirement plans under ERISA § 3(21)(A)(ii). Its fiduciary responsibilities are limited to assisting individual participants with the investment of their account balances among investment options made available to them under the plan through non-discretionary advice. The firm also works with non-ERISA corporate retirement plans as well. RJ20, Inc. does not advise plan sponsors on the plan's investment policy, or the selection or monitoring of investment funds. RJ20, Inc. provides plan participants their own customized 401(k) report outlining (i) a personal assessment of participant's current retirement savings and investments, (ii) an indication if participant is on track to meet their retirement goals, (iii) suggestions on how to improve the probability of achieving participant's retirement objectives, and (iv) simple steps participant can take to implement their new strategy. Participants may ask questions electronically and these communications will be serviced by a CERTIFIED FINANCIAL PLANNER™ Professional.<sup>3</sup> RJ20, Inc. will also make available an online financial planning website for participants - this is known as the Basic Package.

### ***"Wellness Services"***

RJ20 negotiated with Mark Singer CFP®, Certified Financial Educator (CFEd™), noted author, and President of Safe Harbor Retirement Planning, Inc., to provide a customized financial wellness program, unique and apart from Mark's standard wellness services, so RJ20 clients could benefit from a customized wellness solution, at a steeply discounted price off Mark's standard pricing, to better aid RJ20's participants in improving their probabilities to a more secure financial retirement. RJ20 discloses this wellness service is not its own, but is providing it as a convenient accommodation, as a single source provider for retirement plan participants.

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<sup>1</sup>RJ20, Inc. is registered as an Internet Only firm pursuant to SEC Rule 203A-2(e), and operates pursuant to its exemptions, exceptions and restrictions.

<sup>2</sup>The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that sets minimum standards for pension plans in private industry. Additional information may be found at <http://www.dol.gov>.

<sup>3</sup>Current requirements for those industry professionals attaining the CERTIFIED FINANCIAL PLANNER™ Professional designation may be found at the end of this brochure.

Clients who engage RJ20 for services, are not required to buy these wellness options. Instead, they are available as a convenience, should the client wish to add them to the RJ20 Basic Package. The wellness service is a year-long program with several 4-6 week electronic training programs where participants complete financial assignments geared to improve their finances. They will then receive monthly communications from the wellness provider on relevant topics to keep them engaged and interested in their financial well-being.

### **College Planning Service**

RJ20 provides access to an online website called My Tuition Score, which allows plan participants that have children intending to go to college, to login and do college planning. As college expenses are one of the largest risks to retirement assets where parents pay too much of their life's savings to pay for college, RJ20 wanted to have a valuable resource available to assess the likelihood of overpaying for college. Participants can receive a report (like a credit report) with a score showing the level of preparedness to efficiently pay what they should for college, and not more. The website will help them select schools that are more financial-aid generous and will help them save thousands per year or more by identifying schools expected to offer more financial aid for their unique situation.

### Client Tailored Services and Client Imposed Restrictions

The client is asked to provide their information and this data assists the firm in building a financial picture for the particular user. Data provided by the client is important to their plan, however, in performing its services the firm shall not be required to verify any information received from the client and RJ20, Inc. is expressly authorized to rely thereon.

The plan will be delivered for viewing over the Internet. The client will be able to save multiple versions of their information and print a copy of each version using portable document format (.pdf). This will enable any client with a printer to print the plan. RJ20, Inc. will always work with a client in helping them find a solution to incorporate our technology and services in a way that blends in well with their business model and needs.

The client retains discretion over all implementation decisions and is free to accept or reject any recommendation from RJ20, Inc.

### General Information

RJ20, Inc. will use its best judgment in rendering its services to its clients. The firm cannot warrant or guarantee any particular level of account performance, or that account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, the firm will not be liable to the client, heirs, or assigns for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by the firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from the firm's adherence to the client or their legal agent's direction; or any act or failure to act by a service provider maintaining an account.

Notwithstanding the preceding, nothing within the client services agreement is intended to diminish in any way the firm's fiduciary obligation to act in the client's best interest or shall in any way limit or waive any client rights have under federal or state securities laws or the rules promulgated pursuant to those laws.

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

### **Fee Schedules**

#### ***Corporate Services***

Fees may be paid as a flat annual charge per “active” participant; not per “eligible” participant. However, if clients wish to elect “eligible” participants to be included in the service, RJ20 will accommodate and include them. Additionally, RJ20’s fee may be calculated off of the plan’s assets when clients wish to have their expenses allocated as such. As stated earlier in Section 4, this is not a managed portfolio program, discretionary management, assets under management, or wrap program. This is only done when the client wishes to pay their expenses from an automatic percentage fee draw from assets. RJ20’s fee for the year is calculated at .04%, but that amount is negotiable.

As every plan situation is different, therefore it is impossible for the firm to quote a “one size fits all” price for the per participant charge. It is our goal that our fee would never be an onerous burden on plan assets.

### **Payment of Fees**

#### ***Corporate Services***

Our fee can be paid by any combination of the following options as long as everything is fully disclosed to all parties and plan participants: (i) the plan sponsor may choose to pay RJ20, Inc. directly out of their own fee; or (ii) the plan entity itself may pay our firm where it sees fit from forfeitures, administrative account, or participant plan balances; or (iii) a plan consultant/TPA/record keeper may pay our firm for its services.

### **Potential Additional Fees**

Any transactional (i.e., brokerage) or custodial fees assessed by the selected custodian or clearing firm, and/or individual retirement account or qualified retirement plan account termination fees are separate and distinct of fees assessed by RJ20, Inc., and they are borne by the account holder per the fee schedule of the selected service provider. RJ20, Inc. does not receive any of these types of fees.

### **Prepayment of Fees**

To allow plan participants and individual clients immediate access to our services, RJ20, Inc. provides the full scope and breadth of our report functionality and customer service accessibility up front, therefore we are paid at the time our services are turned on. Thus, our fee is never deemed billed more than six months in advance. These services are: review plan funds and perform proprietary analysis for computer modeling advice, format plan data downloaded from recordkeeper to input into computer modeling, pay for printing/folding/stuffing envelopes and mailing reports. Client acknowledges the nature of these services and agrees to these terms in that their payment of fees is not pre-paid.

The client may terminate this contract without penalty, for full refund, within five business days of signing this advisory contract. Should our fee ever be paid in advance of our services being rendered, fees may be refunded based upon a prorated amount of work completed at the point of termination.

#### Outside Compensation for the Sale of Securities to Clients

We do not sell any products to corporate plan participants or individual plan clients. Neither RJ20, Inc. nor its associates accept any compensation for the sale of securities or other investment products to its advisory clients, including asset-based sales charges or services fees from the sale of mutual funds.

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

Our fees will not be based upon a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as “performance-based fees.” RJ20, Inc. advisory fees will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not; this type of arrangement, and the conflict of interest it may pose, does not conform to our firm’s practices.

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

RJ20, Inc. generally provides investment advice to the following types of clients:

- Banks and Thrift Institutions
- Investment Companies
- Pension and Profit Sharing Plans
- Trusts, Estates, or Charitable Organizations
- Corporations or Business Entities

The firm does not limit its services to clients based on levels of investable assets, experience, etc.; in fact the firm encourages those with limited assets or income to participate so that RJ20, Inc. may assist them in preparing an appropriate plan for their future.

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

##### Method of Analysis

We may employ what we believe to be an appropriate blend of various forms of analyses. For example, we utilize a fundamental analysis to evaluate economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. Technical, cyclical and charting analyses are used to study the historical patterns and trends of securities, markets, or economies as a whole in an effort to determine potential future behaviors, the estimation of price movement, and an evaluation of a transaction before entry into the market in terms of risk and profit potential.

In addition to our own research, the firm’s recommendations may also be drawn from research sources that include financial publications, investment analysis and reporting software, materials from outside sources, annual reports, prospectuses and other regulatory filings, and company press releases.

We make asset allocation and investment policy decisions based on these and other factors as we assist our clients in seeking an appropriate return on their investment as determined by their level of risk exposure tolerances.

### Investment Strategies

RJ20, Inc. may employ a broad range of strategies that may include long term trading, short term trading, short sales, margin transactions, options writing (including covered options, uncovered options, or spreading strategies), all of which are designed to capture market rates of both return and risk. In general, the following strategies may be recommended to an investor:

Active Asset Management – A portfolio manager engaging in an active asset management strategy believes it is possible to create a profit from identifying or leveraging mispriced securities, or producing similar returns with less risk, or producing returns greater than a stated benchmark, such as a well-known index. For example, a “large cap stock” fund manager might attempt to outperform the

Standard & Poor's 500 Index by purchasing underpriced stocks or derivative instruments representing these positions.

Core + Satellite – This strategy blends passive (or index) and active investing, where passive investments are used as the basis or “core” of a portfolio and actively-managed investments are added as “satellite” positions. With this strategy, the portfolio core holdings are indexed to potentially more efficient asset classes, while outlying selections are generally limited to active managers that are attempting to outperform a particular category, or a selection of particular positions to increase core diversification, or to improve portfolio performance.

For example, the core of a portfolio may be built with low-cost index funds or exchange traded funds (ETFs) or exchange traded notes (ETNs); satellite holdings would include active investment managers with unique strategies that are believed capable of adding value beyond a stated benchmark over a full market cycle. The core may represent the majority of the total portfolio, using primarily index funds or index-based ETFs/ETNs. The remainder of the portfolio may then employ mutual funds or ETFs/ETNs that take a shorter duration to assist in the over-or-under allocation to specific sectors, regions, assets classes, etc.

Modern Portfolio Theory – This award winning theory is based on the belief that proper diversification and risk management will provide an investor client with a more stable and consistent return over time. The practice of Modern Portfolio Theory does not employ market timing or stock selection methods of investing but rather a long term buy-and-hold strategy with periodic rebalancing of the account to maintain desired risk levels.

### Risk of Loss

We believe our strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, we cannot guarantee that an investment objective or planning goal will be achieved. An investor must be able to bear the risk of loss that is associated with their account, which may include the loss of some or all principal invested. Risks regarding markets include interest rates, company and management risk, among others, such as:



**Market Risk** – When the stock market as a whole or an industry as a whole falls, it can cause the prices of individual stocks to fall indiscriminately. This is also called systematic risk.

**Company Risk** – When investing in securities, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry.

**Management Risk** – An investment with a firm varies with the success and failure of its investment strategies, research, analysis and determination of its portfolio. If an investment strategy were not to produce expected returns, the value of the investment would decrease.

**Firm Research** – When the firm’s research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, the firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves.

The firm makes every effort to determine the accuracy of the information received but it cannot predict the outcome of events or actions taken or not taken, or the validity of all information it has researched or provided, which may or may not affect the advice on or investment management of an account.

With respect to strategy risks that may be recommended, you should consider:

**Active Management Strategies** – A portfolio that employs active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or “turnover.” This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active management. Moreover, employing more aggressive options (derivatives) strategies, or the use of shorting or margin accounts may exacerbate losses, and must be seriously considered before implementation.

**Core + Satellite Strategies** – Strategies involving Core + Satellite investing may have the potential to be affected by “active risk” or “tracking error risk,” which might be defined as a deviation from the stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a “sample” or “optimized” index fund or ETF/ETN that may not as closely align the stated benchmark. In these instances, the firm may choose to reduce the weighting of a satellite holding, utilize very active satellites, or use a “replicate index” position as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

**Passive Markets Theory** – A portfolio that employs a passive, efficient markets approach (representative of Modern Portfolio Theory) has the potential risk that at times the broader allocation may generate lower-than-expected returns than those from a specific, more narrowly focused asset, and that the return on each type of asset is a deviation from the average return for the asset class. We believe this variance from the “expected return” is generally low under normal market conditions when a portfolio is made up of diverse, low or non-correlated assets.

*Socially Conscious Investing* – If you require your portfolio to be invested according to socially conscious principles, you should note that returns on investments of this type may be limited and because of this limitation you may not be able to be as well diversified among various asset classes. The number of publicly traded companies that meet socially conscious investment parameters is also limited, and due to this limitation, there is a probability of similarity or overlap of holdings, especially among socially conscious mutual funds or ETFs/ETNs. Therefore, there could be a more pronounced positive or negative impact on a socially conscious portfolio, which could be more volatile than a fully diversified portfolio.

#### Security-Specific Material Risks

*Equity (Stock) Market Risk* – Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of the company who issued the stock. If an investor held common stock, or common stock equivalents, of any given company, they would generally be exposed to greater risk than if they held preferred stock and/or debt obligations of the company.

*ETF/ETN and Mutual Fund Risk* – Exchange traded funds (ETFs), exchange traded notes (ETNs), or mutual funds may carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. The risk of owning an ETF/ETN or mutual fund also generally reflects the risks of their underlying securities.

*Fixed Income Risks* – Various forms of fixed income instruments, such as bonds, money market funds, and certificates of deposit, may be affected by various forms of risk, including:

- *Interest Rate Risk* - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.
- *Liquidity Risk* - The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading on any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.
- *Credit Risk* - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF/ETN share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.
- *Reinvestment Risk* – With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.
- *Duration Risk* - Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

Index Investing – ETFs/ETNs and indexed funds have the potential to be affected by “tracking error risk,” as earlier described in the passage involving Core + Satellite strategies. In these instances, we may choose to reduce the weighting of a holding or use a “replicate index” position as part of the core holding to minimize the effects of the tracking error in relation to the overall portfolio.

QDI Ratios – While many ETFs/ETNs and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be part of an ETF/ETN or mutual fund portfolio), may be considered “non-qualified” under certain tax code provisions. We consider a holding’s QDI when tax-efficiency is an important aspect of the client’s portfolio.

#### **Item 9 - Disciplinary Information**

Neither the RJ20, Inc. nor any member of its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our firm’s advisory business or the integrity of our firm.

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

Our policies require our firm and its associates to conduct business activities in a manner that avoid or appropriately mitigate conflicts of interest between the firm, its associates, and our clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest that might reasonably compromise our impartiality or independence. Neither our firm nor a member of its management is, or has a material relationship with any of the following types of entities:

- broker/dealer, municipal securities dealer, or government securities dealer or broker
- futures commission merchant, commodity pool operator, or commodity trading adviser
- bank, credit union or thrift, or their separately identifiable departments or divisions
- accountant or accounting firm
- another investment advisor, including financial planning firm, municipal advisor or third-party investment manager
- lawyer or law firm
- real estate broker or dealer
- trust company
- sponsor or syndicator of limited partnerships
- issuer of a security, to include an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund).

Some associates of our firm may also be licensed insurance agents, offering annuities, life and health insurance through various unaffiliated insurance companies to clients that have not engaged the firm for its online investment advisory services.

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

### **Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. RJ20, Inc. periodically reviews and amends its Code of Ethics to ensure that it remains current and requires firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. The firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

### **Privacy Policy Statement**

We respect the privacy of all our clients and prospective clients, both past and present. We recognize that you have entrusted us with non-public personal information and it is important to us that all employees and clients of our firm know our policy concerning what we do with that information.

We collect personal information about our clients from the following sources:

- Information our clients provide to us to complete their financial plan or investment recommendation;
- Information our clients provide to us in agreements, account applications, and other documents completed in connection with the opening and maintenance of their accounts;
- Information our clients provide to us verbally; and
- Information we may receive from service providers, such as custodians, about client transactions.

We do not disclose non-public personal information about our clients to anyone, except in the following circumstances:

- When required to provide services our clients have requested;
- When our clients have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).

Within our firm, we restrict access to client information to staff that need to know that information. All personnel and our service providers understand that everything handled in our offices are confidential and they are instructed to not discuss client information with someone else that may request information about an account unless they are specifically authorized in writing by the client to do so. This includes, for example, providing information about a spouse's IRA account, or to adult children about parents' accounts, etc.

To ensure security and confidentiality, we maintain physical, electronic, and procedural safeguards to protect the privacy of client information.

We will provide you with our privacy policy at any time, in advance, if our policy is expected to change.

#### Participation or Interest in Client Transactions

Neither the firm nor any related person are authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

Employees are prohibited from taking or providing a loan from a client unless it is an approved financial institution.

#### Firm and Employee Trading

Our firm and its “related persons” (associates, their immediate family members, etc.) may buy or sell securities the same as, similar to, or different from, those we recommend to clients for their accounts.

A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. Clients often have different objectives and risk tolerances. At no time, however, will our firm or any related party receive preferential treatment over our clients.

In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates’ transactions in specific securities transactions. Any exceptions or trading pre-clearance must be approved by our Chief Compliance Officer in advance of the transaction in an account, and we maintain the required personal securities transaction records.

### **Item 12 - Brokerage Practices**

#### Recommended Service Providers

Our firm does not maintain custody of any of your assets (see Item 15). Your assets must be maintained in an account at a “qualified custodian,” generally a broker/dealer or bank (we term “service providers”) that is frequently assessed for its capabilities to serve as custodian. We are not a custodian nor do we have an affiliate that is a custodian.

The firm does not accept non-cash compensation (termed “soft dollars” in certain jurisdictions), such as products or services from other service providers to support its operations; we do not receive referrals from a broker-dealer or third-party in exchange for using that broker-dealer or third-party.

#### Best Execution

In light of the nature of our services, we do not believe we are obligated to conduct “best execution” review of a client transaction under current industry guidelines.

### Directed Brokerage

We do not require or engage in directed brokerage involving client accounts. Our clients are free to use any particular service provider to execute their transactions and they are responsible for negotiating any terms or arrangements for their account. We will not be obligated to conduct due diligence of the client's selected service provider, seek better execution services or prices from any provider, or aggregate client transactions for trade execution. An investor may also potentially pay more for transactions through those other providers they have selected.

### Aggregating Securities Transactions for Client Accounts

Our firm is not engaged for continuous investment supervisory or investment management services and therefore does not aggregate trades on behalf of client accounts. Since transactions may be completed independently at a service provider of their choice, they may potentially pay more for transaction than those accounts where trades have been aggregated.

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

#### Recommended Reviews

The firm's advice is rendered through its online delivery solution and is designed to be operated by the user (client) themselves. Clients have unlimited access and frequency to employ systems' functionality and are able to review their plan.

Non-periodic reviews may also be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, relocation, or an inheritance), and clients should consider revisiting previous entered data to update their plan.

#### Reports and Frequency

Clients who have opened and maintained their own investment account will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where their investments are held. RJ20, Inc. urges clients to carefully review these statements for accuracy and clarity.

RJ20, Inc.'s advice is rendered through its online technology and is set up to be run by the user. A report is generated for the client each time they employ the firm's service, and they have unlimited use of the system for one year with ongoing access to review their planning. This access also provides the client unlimited ability to generate new reports to gauge their own progress.

All firm performance reports are developed in accordance with appropriate jurisdictional guidance. Clients are urged to carefully review and compare account statements that they have received directly from their service provider with any report received from our firm.

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

RJ20, Inc. does not directly or indirectly compensate anyone for referring clients to us.

RJ20, Inc. does not receive an economic benefit, directly or indirectly, from any third party for advice rendered to RJ20, Inc. clients. All compensation paid to our firm is paid directly by our clients through our service fees.

#### **Item 15 - Custody**

Client funds and securities will be maintained by unaffiliated, qualified custodians; banks, broker-dealers, mutual fund company or transfer agents; not with or by RJ20, Inc. or any associated person of the firm. In keeping with the policy of not having custody of client funds or securities, RJ20, Inc.:

- Restricts the firm and its associates from acting as trustee of a non-family member account or having full power of attorney over a client account.
- Is prohibited from having authority to withdraw securities or cash assets from a client account.
- Does not accept or forward client securities (i.e., stock certificates) erroneously delivered to the firm.
- Will not collect advance fees of \$1,200 or more for services that are to be performed six months or more into the future.
- Will not authorize any associate to have knowledge of a client's account information (i.e., online
- 401(k), brokerage or bank accounts), even for the convenience or accommodation of the client or their legal agent.

The firm does not provide client transaction confirmations or summary account statements, as these are sent directly from the client's selected service provider maintaining their account. Any reports the client may create from RJ20, Inc.'s online service should be compared to those account statements received from their own service provider.

#### **Item 16 - Investment Discretion**

The firm does not offer investment management or transactional services and, therefore, it does not engage in discretionary or non-discretionary investment activity. Additionally, clients are free to accept or reject the recommendations made by RJ20, Inc.'s online solution at their own discretion.

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

The client may receive proxies or other similar solicitations sent directly to them from their selected custodian or transfer agent. RJ20, Inc. will not accept nor forward correspondence relating to the voting of client securities, class action litigation, or other corporate actions. Clients should ensure their selected service provider forwards these materials to their or their legal agent's address of record.

Our firm does not vote client proxies nor offers guidance on how to vote proxies. Clients maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to the client's investment assets.

RJ20, Inc. will have no power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets.

#### **Item 18 - Financial Information**

RJ20, Inc. does not require nor solicit prepayment of more than \$1,200 in fees per client for services to be performed six months or more in advance. Neither the firm nor a member of its management serves as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust. Therefore, due to the nature of its services, an audited balance sheet is not required nor included in this disclosure. The firm and its management do not have a financial condition likely to impair its ability to meet contractual commitments to our clients. However, on 2/25/20, Sean Ruehl filed for Chapter 7 Bankruptcy protection. It's important to note this was not a personal money management issue. Sean had a sizable business debt to Wells Fargo Advisors from 2010 which he was working on paying off. He also had a sizable IRS balance owed stemming from this business issue. The IRS has allowed Sean to be in an uncollected status while he was getting back on his feet and working to pay down the Wells Fargo balance. However, in December 2019, the IRS notified Sean he would have to pay all his disposable income to the IRS to work off his tax balance. This left Sean with no option to pay off Wells Fargo and was forced into filing Chapter 7.

It's important to note the CFP Board of Standards was aware of this history as Sean had reported the issue when it occurred and he was found in compliance with CFP standards as having done all within his power to do. He has been working on this issue since 2010, and the IRS' recent position left Sean with no more time to work this out.

It's also important to note that this in no way affects the clients of RJ20 as RJ20's computer model provides the advice to clients, and RJ20 sells no other products or services that Sean could make any money from. So RJ20 has never had any conflicts of interest and this event does not provide any now for clients of RJ20.



**Information about the CERTIFIED FINANCIAL PLANNER™ Professional**

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.