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This brochure provides information about the qualifications and business practices of C-J ADVISORY, INC. If you have any questions about the contents of this brochure, please contact us at: 408-345-2890, or by email at: [clientservice@cjadvisory.com](mailto:clientservice@cjadvisory.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. Additional information about C-J ADVISORY, INC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2 – Summary of Material Changes**

This Item requires us to summarize any material changes to our Form ADV Part 2A Brochure, which is dated December 31, 2017.

In March 2019, our Chief Compliance Officer, Craig Rumler, resigned from the firm. Our Chief Compliance Officer is Paul Mallory.

You may request our full brochure emailing us at [clientservice@cjadvisory.com](mailto:clientservice@cjadvisory.com). You may also download a free copy via the Internet from the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 4 - Advisory Business**

In this brochure, references to “CJA,” “we,” “us,” “our,” or “*our firm*” refer to C-J Advisory, Inc. Our firm’s clients and prospective clients are referred to as “you,” “your,” or “*our clients*.”

Currently headquartered in San Jose, California, we were founded in 1980 and incorporated in 1996. We are wholly owned by Kevin M. Van Dyke, owner of Bloomfield Hills Financial, which is headquartered in Bloomfield Hills, Michigan.

CJA provides personalized financial planning and investment management to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations and small businesses. The financial goals, investment objectives, risk tolerances, and other relevant information is gathered through consultation with you. If desired, we will also provide incidental advice concerning cash flow management, tax planning, insurance review, education funding, retirement planning, and estate planning.

We offer discretionary and, if desired by the client, non-discretionary investment management services, financial planning services, and variable-annuity subaccount management. When engaging us to provide any of these advisory services, we will require you to enter into a written agreement with us setting forth the terms and conditions under which we will provide our services. You may impose restrictions on investing in certain securities or types of securities.

Kyle Thompson is the lead investment advisor representative.

We also offer our portfolio management services by means of a wrap fee program. In our wrap fee program, you are not charged separately for transaction (trading) costs imposed by the custodian of your account because we absorb those costs. Please see our wrap fee program brochure for further information.

As of March 30, 2019, we had discretionary assets under management of approximately \$194,698,000.

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

Although our investment management fees are negotiable, we will normally charge investment management fees in accordance with the following fee schedule:

\$25,000 - \$750,000	1.60%
\$750,001 - \$1,000,000	1.35%
\$1,000,001 - \$3,000,000	1.10%
\$3,000,001 - \$5,000,000	0.85%
\$5,000,001 +	0.65%

Current client relationships may exist where fees are higher or lower than the fee schedule above.

Investment management fees are billed monthly in advance. Generally, we require that investment management fees be debited (deducted) from one of your accounts that we manage. Your positive consent is required for us to do this; you provide this consent through our written advisory agreement.

Unless otherwise agreed, you will authorize us to deduct our periodic advisory fees from your designated account. Your authorization is limited to our withdrawing our advisory fees as and when due. We will provide your custodian with your written fee deduction authorization. Your account custodian will, on a quarterly basis, provide you with an account statement indicating the advisory fees paid to us from your account. You may terminate your authorization at any time, in writing, but you will remain responsible for promptly paying us any advisory fees that remain due and unpaid. If our direct fee deduction has been authorized, then our fees will be deducted from the cash balance in your account. If insufficient cash is available, we will typically liquidate enough securities in your account to cover the balance due. For taxable accounts, a liquidation of securities may result in taxable income to you.

You may also pay account fees, custodial fees, and other miscellaneous fees or charges from the custodian. We have no control over these fees and charges. If you are invested in mutual funds, you may indirectly pay management fees and other fees. If you are not in our wrap program, you will also pay brokerage commissions. Please refer to “Item 12 – Brokerage Practices.”

You may terminate an advisory agreement by providing written notice to us. Any prepaid investment management fees will be returned to you within 30 business days. To determine the amount of the refund owed to you, the portfolio value at the completion of the prior full billing month is used as the basis for the fee computation, adjusted for the number of days during the billing month prior to termination.

CJA reserves the right to stop work on any advisory relationship where fees are 45 or more business days overdue. In addition, CJA reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent

information about financial situations when necessary and appropriate, in CJA's judgment, to providing proper financial advice.

Although we provide financial planning services, we will only charge for them if you do not have any assets or accounts managed by us. In these cases, the negotiable hourly rate will be \$100 - \$300.

Kyle Thompson is a licensed life insurance agent. As such, he can offer life, health, disability, and long-term care insurance to our clients. He will receive a commission from the sale of these products. This can create a conflict of interest. This conflict is mitigated by our financial planning process. Insurance products will only be offered to you if it is in your best interest. You are under no obligation to purchase insurance products from Mr. Thompson and you can seek insurance products from another licensed agent.

Discretionary management of variable annuity subaccounts is charged at the same rates as indicated above.

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

We do not charge performance-based fees. Our advisory fees are not based on a share of the capital gains you earn or on the capital appreciation of assets in your account.

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

CJA generally provides investment advice to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and business entities.

We may impose a minimum account size of \$25,000, but we may waive this minimum at our discretion.

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

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis. The sources of information include electronic financial data streams, financial newsletters and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

The primary investment strategy used for client accounts is Strategic Asset Allocation. This strategy utilizes a core and satellite approach. This means that we use passively-managed index and exchange-traded funds as the core investments, and then add actively-managed funds where

there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets. The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

*Interest-rate Risk* - Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

*Market Risk* - The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's underlying circumstances. For example, political, economic and social conditions may trigger market events.

*Inflation Risk* - When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

*Currency Risk* - Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

*Reinvestment Risk* - This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

*Business Risk* - These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

*Liquidity Risk* - Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

*Financial Risk* - Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## Mutual Fund Securities

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

## Exchange-Traded Funds (“ETFs”)

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a specific market segment or index. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company’s advisory fee and other expenses, in addition to their own expenses. Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral. Further, the use of leverage (i.e., employ the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF’s underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

## Equity Securities

Investing in individual companies involves inherent risk. The major risks relate to the company’s capitalization, quality of the company’s management, quality and cost of the company’s services, the company’s ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company’s ability to create shareholder value (i.e., increase the value of the company’s stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

## Fixed Income Securities

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company’s ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of 10 years or greater, they will

likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds have liquidity and currency risk.

## **Item 9 - Disciplinary Information**

CJA and its employees have never been involved in legal or disciplinary events related to past or present investment clients.

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

Kevin M. Van Dyke, the sole owner of C-J Advisory, Inc. is a registered representative of First Allied Securities, Inc. and an investment adviser representative of First Allied Advisory Services, Inc. Although he does receive commissions in his capacity as a registered representative of First Allied Securities, Inc., none of these commissions result from sales of investment products to clients of C-J Advisory, Inc. In addition to C-J Advisory, Inc., he owns investment advisory firms in Texas, Colorado, and Massachusetts.

We do not select recommend other investment advisors, nor do we receive any compensation, directly or indirectly, for recommending other investment advisors.

Kyle Thompson is a licensed insurance producer and may receive commissions for the sale of insurance, including term-life, long-term care, and fixed insurance products. During our work with you, he may recommend one or more types of insurance products; however, you are under no obligation to purchase insurance of any kind.

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

We have adopted a Code of Ethics (the “Code”) describing the standards of business conduct we expect our supervised persons to follow. The Code describes certain personal securities transaction reporting requirements with which certain, if not all, our employees and supervised persons, must comply. Investment adviser representatives, employees, portfolio managers and/or other employees or supervised persons may own the same securities recommended to you. In the vast majority of cases, these securities will be shares of mutual funds, ETFs, stocks, or bonds that are actively traded on a national securities exchange and/or traded at such a high volume and will not affect transactions for our clients. Neither our firm nor any of our employees or supervised persons are permitted to benefit, directly or indirectly, from transactions made in your account.

We review the Code annually and update it when necessary. You may request a complete copy of our Code of Ethics by contacting us at 408-345-2890.

## **Item 12 - Brokerage Practices**

CJA recommends custodians based on the proven integrity, financial stability, rates of trade execution, standing in the marketplace, and other factors. CJA recommends discount brokerage firms and trust companies (qualified custodians).

CJA participates in the TD Ameritrade Institutional program and will recommend TD Ameritrade. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade"). TD Ameritrade is an independent (and unaffiliated) SEC-registered broker-dealer and a member of the FINRA and SIPC. TD Ameritrade offers independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program (described below).

CJA participates in the trading aggregation program. Clients participating in aggregated transactions will receive an average share price and there are no commissions or transaction costs borne by clients.

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

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

Accounts are reviewed no less than quarterly. Reviews can be done on demand or as agreed upon in advance. Account reviews cover asset allocation, portfolio performance relative to one or more benchmarks or indices, and tax analysis, including a statement of net worth. Financial goals are reviewed at least annually or when there is a life changing financial event.

All account reviews are performed by Kyle Thompson.

Monthly or quarterly statements are sent to you directly from the custodian. These statements disclose the assets held in your account. We strongly encourage you to review the account statements you receive from your custodian. Although we may provide net worth statements and other information containing account details, these are provided as part of our service to you and are not account statements.

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

Although we may receive a referral from one or more sources, we receive no economic benefit or compensation in any form such referrals. Additionally, we do not compensate any person or entity for client referrals, nor do we have any solicitor arrangements.

## **Item 15 - Custody**

We do not have or maintain custody of your funds or securities at any time. All your assets are maintained at a qualified custodian. The qualified custodian will send official account statements no less than quarterly. You are urged to review account statements sent to you by the qualified custodian.

We do not send account statements to you. Through the course of our work with you, we may provide summaries of accounts, net worth statements, financial plans, or other documentation showing account balances and other account information, these are not official account statements. They are provided as a service to you.

## **Item 16 - Investment Discretion**

Through and by means of our written advisory agreement, CJA accepts discretionary authority to manage securities accounts on behalf of clients. CJA has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

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

Unless you designate otherwise, CJA votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. Unless there is a conflict of interest, it is our policy to vote proxies in accordance with the recommendations of Glass, Lewis & Co., LLC. We will not vote any proxy that causes a material conflict of interest between us and the security issuer. These will be referred to the beneficial holder(s) of the account.

CJA reviews, no less frequently than annually, the adequacy of its proxy voting policies and procedures to make sure they have been implemented effectively, including whether these policies and procedures continue to be reasonably designed to ensure that proxies are voted in the best interest of its clients. Additionally, if you have requests regarding one or more specific proxy solicitations or would like us to vote in accordance with your instructions, you may contact us.

Information concerning the proxy guidelines of Glass, Lewis & Co., LLC is available at:

[http://www.glasslewis.com/wp-content/uploads/2016/11/Guidelines\\_US.pdf](http://www.glasslewis.com/wp-content/uploads/2016/11/Guidelines_US.pdf)

You may obtain a complete copy of our proxy voting policies and procedures and you may obtain information about how we have voted proxies by contacting us.

## **Item 18 - Financial Information**

C-J Advisory, Inc. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. Although we have discretionary authority, a balance sheet is not required to be provided because we do not serve as a custodian for client funds or securities and do not charge or solicit pre-payment of more than \$1,200 in fees (per client) six months or more in advance. Additionally, C-J Advisory, Inc. has never been the subject of a bankruptcy petition.