



Part 2A of Form ADV: *Firm Brochure*

JSF Financial LLC

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12/27/2018

This brochure provides information about the qualifications and business practices of JSF Financial LLC. If you have any questions about the contents of this brochure, please contact us at 323-866-0833. 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. Registration does not imply a certain level of skill or training.

Additional information about JSF Financial LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 114025.

Item 2 Material Changes

This Firm Brochure, dated December 27, 2018, provides you with a summary of JSF Financial LLC's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

Since the last update of our brochure on March 29, 2018, the following are the material changes to this brochure:

- Item 4, Services- We have added information about products which JSF recommends to qualified clients and about our wrap program.
- Item 5, Fees and Compensation- We have added additional information how our advisory accounts are billed. We have added additional information regarding mutual fund and ETF fees and expenses.
- Item 8, Methods of Analysis, Investment Strategies and Risk of Loss- We have added additional information regarding alternative investment analysis and various types of loss.
- Item 12, Brokerage Practices- We have added additional information regarding recommendation of Private Investment Funds to qualified clients.
- Item 14, Client Referrals and Other Compensation- We have added additional information regarding our relationship with our custodians.

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Item 4 Advisory Business

JSF Financial LLC ("JSF") is a SEC-registered investment adviser with its principal place of business located in California. JSF began conducting business in 1996.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company):

Jeffrey S. Fishman, Managing Member
Shari Fishman, Chief Compliance Officer

JSF offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT

JSF provides continuous advice to a client regarding the 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, we develop a client's personal investment allocation strategy and create and manage a portfolio based on that strategy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, liquidity needs, and unique circumstances. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients hire JSF on a discretionary basis. We provide clients who hire JSF for discretionary investment management to allow JSF to have limited discretion to make buy and sell decisions on their behalf based on specific objectives or strategies established between JSF and the client. Discretionary authority is generally granted by the investment advisory agreement that the client signs with JSF.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares

- United States governmental securities
- Options contracts on securities
- Alternative investments/Funds
- Interests in partnerships including but not limited to real estate, private equity, hedge funds and venture capital

Portfolio positions are selected based on key portfolio indicators of investment style, correlation, risk and reward that are developed based on the client's goals, objectives, strategies and restrictions, as stated in the investment management agreement, published manager information, market and economic environment research. When portfolios are reviewed, dynamic asset allocation is used to adjust the portfolios so that the various styles are closely aligned with current market conditions while maintaining compliance with the client's suitability.

From time to time, JSF will recommend alternative and/or private investments to clients, such as limited partnerships or limited liability companies, which invest in securities or other private investments ("Private Investment Funds"). Investing in Private Investment Funds involves various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints, lack of transparency, and risks associated with the underlying investments. A complete discussion of risks and other important information is set forth in each Private Investment Fund's offering documents, which will be provided to each client for review and consideration prior to investing. Unlike liquid investments, such as publicly traded securities, Private Investment Funds do not provide daily liquidity or pricing. Please refer to Item 8 below for further information on risks.

JSF will only recommend potential investment in a Private Investment Fund to clients that meet the appropriate qualification definition. In addition, prior to investment, clients wanting to invest in a Private Investment Fund will be required by the issuer of the Fund to complete a Subscription Agreement, pursuant to which the client shall confirm that he/she meets the required qualification status for investment in the Private Investment Fund and acknowledges and accepts the various risk factors that are associated with such an investment.

Should a client decide to invest in a Private Investment Fund, we can facilitate the implementation when requested, but we do not exercise investment discretion with respect to these types of investments and do not provide on-going management of the investment.

There are times when one or more employees invest in Private Investment Funds recommended to clients. This creates a potential conflict of interest. Please refer to Item 11 for further information, including how JSF addresses the conflict.

We reserve the right to offer advice on any investment product that we believe is suitable for each client's specific circumstances, needs, goals and objectives. Clients have the opportunity to place reasonable restrictions on the types of investments they wish to purchase. Clients retain individual ownership of all securities. Clients must notify JSF promptly of any material change in financial circumstances or investment objectives which might affect the manner in which accounts should be invested.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Wrap Fee Program

JSF also sponsors a Wrap Fee Program, the JSF Wrap Program. A wrap fee program is one under which investment advisory and brokerage execution services are provided for a single "wrapped" fee that is not based on the transactions in a client's account. For clients who participate in the JSF Wrap Program, a description of the program, as well as the associated fee schedule, can be found in the Part 2A, Appendix 1. JSF is no longer accepting new clients into our wrap program.

INVESTMENT SUPERVISORY SERVICES MODEL PORTFOLIO MANAGEMENT

Our firm provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to offer a strategic asset allocation solution which meets a particular investment goal.

Model portfolios are designed to offer investment options that fit the desired risk profile and objectives of the client. Growth oriented model portfolios are intended to allocate capital along the risk tolerance spectrum from ultra-conservative to aggressive. The desired risk level is achieved by controlling the allocation to the various major asset classes - cash and cash equivalents, fixed income, equities, alternatives and other asset classes. The actual allocation varies in each model portfolio. There are three additional model portfolios for income-oriented investing; one tailored for taxable accounts, one tailored for non-taxable accounts and one for enhanced income. The primary objective of the income portfolios is to generate income while maintaining a certain risk level necessary for modest growth.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as risk tolerance and tax considerations.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities. Clients must notify JSF promptly of any material change in financial circumstances or investment objectives which might affect the manner in which accounts should be invested.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding the following securities:

- Mutual Fund shares

- Exchange Traded Funds

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
2. be reasonably available to consult with the client; and
3. maintain client suitability information in each client's file.

.MANAGER SELECTION PROGRAMS

For certain strategies, JSF will outsource a portion of the investment selection to independent professional asset managers who are not affiliated with JSF to act as Sub Advisors through our Third-Party Manager Account Program (hereinafter, "Program").

Our firm provides the client with an asset allocation strategy developed through personal discussions in which goals and objectives based on the client's particular circumstances are established. This asset allocation strategy is drafted into the client's recommended portfolio.

Based on the client's individual circumstances and needs, as exhibited in the client's recommended portfolio, we will then perform management searches of various unaffiliated registered investment advisers to identify which investment adviser's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment adviser. Clients should refer to the selected registered investment adviser's Firm Brochure or other disclosure document for a full description of the services offered. Certain managers require clients to sign an agreement with the recommended adviser. We are available to meet with clients on a regular basis, or as determined by the client, to review the account.

Once we determine the most suitable investment adviser(s) for the client, we provide the selected adviser(s) with the client's risk tolerance and investment objectives. The adviser(s) then creates and manages the client's portfolio based on the client's individual needs as exhibited in the recommended portfolio. For such arrangements, our fee shall be in addition to the fees charged by the adviser. Fees differ depending upon the individual agreements we have with each adviser.

We monitor the performance of the selected registered investment adviser(s). If we determine that a selected registered investment adviser(s) is not providing sufficient management services to the client or is not managing the client's portfolio in a manner consistent with the client's allocation, we will have the authority to hire and fire the adviser and reallocate client assets to other advisers as we deem appropriate. Clients must notify JSF promptly of any material change in financial circumstances or investment objectives which might affect the manner in which accounts should be invested.

Lockwood Managed Accounts Program

JSF also has an agreement with Lockwood Advisors, Inc. This program is no longer offered to new clients. Similar to the direct Third-Party Manager Account program described above, this program allows for assets to be managed by independent third parties on a discretionary basis. The Lockwood program offers traditional separately managed accounts offering more than 50 managers covering a variety of investment styles/options. JSF is not directly responsible for the specific investment decisions within a client's account inside the Lockwood Managed Accounts Program. Rather, JSF will assist the client with selecting from the list of managers within the Lockwood Program, who will then make the specific investment decisions for the account. When participating in the Program, clients pay a wrap fee, which, as previously described, is a fee that includes advisory, brokerage and custodial Services. JSF will retain a portion of this wrap fee for services provided. Since the cost of participating in this program can be more or less than the cost of participating in similar programs or the cost of paying for the services separately, clients should consider among other things, the amount of the Program fee, administrative costs as well as the services to be provided. Clients should refer to Lockwood Advisors, Inc. Firm Brochure or other disclosure document for a full description of the services offered.

If we determine that a particular selected manager in this Program is not providing sufficient management services to the client or is not managing the client's portfolio in a manner consistent with the client's allocation, we will have the authority to hire and fire the adviser and reallocate client assets to other advisers as we deem appropriate. Clients must notify JSF promptly of any material change in financial circumstances or investment objectives which might affect the manner in which accounts should be invested.

FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

PERSONAL: We review family records, budgeting, personal liability, estate information and financial goals.

TAX & CASH FLOW: We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.

INVESTMENTS: We analyze investment alternatives and their effect on the client's portfolio.

INSURANCE: We review existing policies to recommend proper coverage for life, health, disability, long-term care, liability, home and automobile.

RETIREMENT: We analyze current strategies and investment plans to help the client achieve his or

her retirement goals.

MORTGAGE FINANCING: We analyze the client's real estate financing needs and help them find the most appropriate and cost-effective program.

DEATH & DISABILITY: We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.

ESTATE: We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid, mortgage refinancing and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, complete various supporting documentation which include a budget or balance sheet questionnaire and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that include tax and budgetary planning, estate planning, insurance planning, mortgage planning and business planning.

Typically, the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

Financial plans are based on the client's financial situation at the time we present the plan and on the financial information the client provides to our firm. Client must promptly notify JSF if his or her financial situation, goals, objectives, or needs change.

ANCILLARY SERVICES

JSF provides educational seminars for our clients. These seminars include, but are not limited to, presentations on current events, economic trends and cycles, market activity, investment fundamentals, financial planning strategies, college or retirement planning or non-investment related topics. No fees are charged to attend these seminars.

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AMOUNT OF MANAGED ASSETS

As of December 31, 2017, we were actively managing \$526,579,426 of clients' assets on a discretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES INDIVIDUAL AND MODEL PORTFOLIO MANAGEMENT FEES MANAGER SELECTION PROGRAM

Our current annualized fee for Investment Supervisory Services generally begins at 1.00% of the value of assets under management.

Based on the size of the client's account, the make-up of the client's portfolio, overall service requirements as well as the complexity of the client's financial situation, negotiable fee schedules include the following arrangements:

- 1- A set asset based fee of a negotiated percentage
- 2- A pro-rated/tiered fee in respect of specific assets
- 3-

<u>Assets Under Management</u>	<u>Annual Fee</u>
On assets up to \$3,000,000	1.00%
On assets in excess of \$3,000,000 but less than \$5,000,000	.90%
On assets equal to and in excess of \$5,000,000	.75%

A minimum of \$500,000 of assets under management is generally required for this service. This account size is negotiable under certain circumstances. JSF can group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

The initial fee is generally based on the initial deposit into the client's account, including cash and cash equivalents, and will be prorated to the end of the calendar quarter. Fees on deposits of cash or securities equal to or greater than \$50,000 made during the quarter will be prorated to the end of the calendar quarter. Thereafter, the fee will be payable quarterly in advance at the beginning of the quarter and is based on the market value of the account at the end of the quarter and includes cash and cash equivalents unless specifically excluded at the client's request. For accounts with margin, the fee will be calculated using the full market value of securities. The fee will equal the rate multiplied by the market value of the account at the end of the quarter, which is then divided by 365 days (or 366 in any leap year) and multiplied by the number of days in the quarter. We deduct the fees directly from a client's account, unless the client requests otherwise.

If an investment advisory agreement is terminated, the client will receive a pro rata refund representing the period of time from the date of termination until the end of the quarter. No refunds will be made due to a partial withdrawal of funds from the account by the client.

Third Party Manager Account Fees: Clients participating in the Third-Party Manager Selection programs, including the Lockwood Advisors Managed Account Program, are charged various program fees in addition to the advisory fee charged by our firm. Such fees include the investment advisory fees of the independent sub advisers as well as transaction costs. The total fees charged to you will vary from manager to manager. Under this program, the total negotiated fee is divided between JSF and the selected sub advisor. JSF and the sub advisor may each debit allocated fees directly from the client account. Alternatively, the sub advisor may debit the fees directly from the

client account and forward to JSF its negotiated portion of such total fees. The fee will be payable quarterly in advance at the beginning of the quarter and is based on the market value of the account at the end of the previous quarter.

In evaluating such an arrangement, the client should consider that, depending upon the level of the fee charged by the independent manager and broker-dealer, the amount of portfolio activity in the client's account, and other factors, the fees can exceed the aggregate cost of such services if they were to be purchased from a different source. We will review with clients any separate program fees that are charged to clients. Clients should refer to the fee agreement and disclosure documents of the selected third-party sub advisor for information regarding the fees charged by the sub advisor.

Limited Negotiability of Advisory Fees: Although JSF has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, are offered to family members and friends of associated persons of our firm.

FINANCIAL PLANNING FEES

JSF's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client. JSF has no minimum net worth or account balance for financial planning services.

Our Financial Planning fees are generally calculated and charged on a fixed fee basis, typically ranging from \$500 to \$75,000, depending on the specific arrangement reached with the client. The fee is an annual rate determined by the amount of estimated work and is negotiable. In order to continue past the first year, there is an annual retainer fee which ranges from \$500 to \$60,000, based upon the complexity of the plan as well as the ongoing work and maintenance that is agreed upon.

The client must initially pay 50% of the fee upon completion of our initial fact-finding session with the client or alternatively can pay on an installment basis such as monthly or quarterly, if requested by the client. These requirements can be waived at the sole discretion of the advisor. However, we will never require prepayment of fees that will exceed \$1,200 for work that will not be completed within six months. JSF considers the fees for financial planning to be earned as progress is realized toward the creation of a plan or completion of a service. The remaining fees are payable as proportional amounts of work are completed.

Alternatively, our Financial Planning fees can be calculated and charged on an hourly basis at the following non-negotiable hourly rates:

Mr. Jeffrey Fishman	\$995/hour
Mr. Mordechai Fishman	\$795/hour
Mr. Olivier Cornet	\$450/hour
Mr. Zev Fried	\$450/hour

Mr. Brian Mercado \$250/hour

Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship. Clients are billed on an ongoing basis as services are rendered.

All financial planning fees are separate and distinct from commissions charged by a broker dealer or asset management fees charged by an investment advisor to implement such recommendations.

GENERAL INFORMATION

Termination of the Advisory Relationship: The client can terminate the Agreement within five business days of entering the Agreement without penalty. After the five-day period, a Client Agreement can be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period. Terminated accounts will be charged expenses incurred by JSF in the transfer or final disposition of the account. After the Agreement has been terminated, client becomes responsible for monitoring their own assets and JSF has no further obligation to act or provide advice with respect to those assets.

If a client terminates his or her Financial Planning relationship with JSF and requests a refund of outstanding fees, client will incur a pro rata charge for services rendered prior to the termination of the Agreement.

Mutual Fund and ETF Fees: JSF may include mutual funds, ETFs, and other managed products in clients' portfolios. All fees paid to JSF for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee ("12b-1 fee")¹. It is possible a client will also pay an initial or deferred sales charge. Clients bear the expense of any contingent or deferred sales loads incurred upon selling the product. The expense ratio is the annual fee that all mutual fund and ETFs charge their shareholders. It expresses the percentage of assets deducted each fiscal year for fund expenses, including 12b-1 fees, management fees, administrative fees, operating costs and all other asset base costs incurred by the fund. Some fund families offer different classes of the same fund and one share class can have a lower expense ratio than another share class. These expenses come from client assets invested in the mutual fund, which impacts the client's account performance. Mutual fund expense ratios are in addition to JSF fees. Certain employees of JSF are also registered representatives of an unaffiliated registered broker-dealer (see Item 10 below for details), and as such usually receive 12b-1 fees from mutual funds that pay 12b-1 fees on a class of shares that is bought into a client's account. This creates a conflict of interest, as it provides an incentive to purchase a class of shares that pays 12b-1 fees. To address this conflict, JSF will strive to purchase (when available) institutional or advisory class shares for clients, which do not pay 12b-1 fees. In addition, for any client that holds mutual funds that pay 12b-1 fees in their account, JSF will transfer

¹ Refer to the SEC's Investor Bulletin at <https://www.investor.gov/additional-resources/news-alerts/alerts-bulletins/investor-bulletin-mutual-fund-classes>, which provides information on the different share classes of mutual funds.

the client's holding into institutional or advisory class shares, when available. However, there have been times in the past, and can be in the future when JSF does not have access to institutional class shares. This mainly happens when the client's custodian does not offer institutional or advisory class shares for some or all of the mutual funds bought for clients, or the 12b-1 fees are paid to the custodian or broker dealer and not JSF employees that are registered representatives. In those cases, JSF will purchase or transfer into (when applicable) the mutual fund class that has the lowest overall fee and expense ratio. In such cases, if it is a class that pays 12b-1 fees and the JSF advisor assigned to the client is also a registered representative, the JSF advisor will receive the 12b-1 fee.

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

We will review with clients any separate program fees that are charged to clients. Please see Part 2A Appendix 1 of Form ADV for more information on the JSF Wrap Program.

Wrap Fee Programs: In a wrap fee arrangement, including the Lockwood Advisors Managed Account Program, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions are executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the advisor, the amount of portfolio activity in the client's account, and other factors, the wrap fee can exceed the aggregate cost of such services if they were to be provided separately. As mentioned in the "Mutual Fund and ETF Fees" section above, certain employees of JSF receive 12b-1 fees from mutual funds that pays 12b-1 fees on a certain class of shares bought into a client's account. Please see above for further information, including the conflict surrounding this activity and how JSF addresses such conflict.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any brokerage commissions, transaction charges imposed by a broker dealer, clearing and custodial fees, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Due to the timing of execution of securities transactions, it is possible that two clients invested in the identical security will pay different transaction fees. Please refer to the "Brokerage Practices" (Item 12) and "Client Referrals and Other Compensation" (Item 14) sections of this Form ADV for additional information.

Certain employees providing investment advice on behalf of JSF are also licensed independent insurance agents. These employees will earn commission-based compensation for selling insurance products, including insurance products they sell to a JSF client. Insurance commissions earned by these employees are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to a client for the purpose of generating commissions rather than solely based on the client's needs. However, a client is under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm. In addition, JSF is a fiduciary and as such will only provide recommendations believed to be in the best interest of clients.

Certain associated persons of JSF are registered securities representatives of Mid Atlantic Capital Corporation, ("Mid Atlantic") a registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA"). JSF associates recommends securities or variable insurance products offered by Mid Atlantic. Commissions, 12b-1 fees or other sales-based compensation are normally received for such purchases. Thus, a conflict exists between the interest of clients and the individuals recommending the products. However, clients are under no obligation to purchase recommended products, or to purchase products either from any associated person or through Mid Atlantic. Registered representatives of Mid Atlantic are compensated on the normal commission schedule.

If it is determined that a client portfolio shall contain corporate debt or other types of over the counter securities, the client can pay a mark-up or mark-down or a "spread" to the broker or dealer on the other side of the transaction that is built into the purchase price of the security.

Grandfathering of Minimum Account and Advisory Fee Requirements: Pre-existing advisory clients are subject to JSF's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements and fee schedule will differ among clients.

ERISA Accounts: JSF is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, JSF Financial LLC can only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset JSF Financial LLC's advisory fees.

Advisory Fees in General: Clients should note that it is possible that similar advisory services and/or products are available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require payment of fees in excess of \$1200 more than six months in advance of services rendered.

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

JSF does not charge performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets in a client's account.

However, certain Private Investment Funds that JSF recommends to clients do charge performance/incentive-based fees, which are outlined in the respective product's offering documents and should be reviewed by clients prior to investing. These performance fees can only be charged to fund investors that meet the definition of "qualified client" outlined in Rule 205-3 under the Investment Advisers Act of 1940. JSF does not receive any portion of these performance/incentive fees.

Item 7 Types of Clients

JSF provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Trusts
- Charitable Organizations
- Pension and profit-sharing plans (other than plan participants)
- Corporations, partnerships or other businesses not listed above

As previously disclosed in Item 5, Fees and Compensation, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of equities, fixed income, alternatives and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client does not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equities, fixed income, alternatives and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it is be a good time to buy) or overpriced (indicating it is time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or

ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Third-Party Money Manager Analysis. We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she will not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager deviates from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we can be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. These characteristics help shed light on the expected behavior of the security, and help the analyst determine potentially favorable trades. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Alternative Investment Analysis. As outlined in Item 4 above, JSF from time to time provides access to or recommends Private Investment Funds to certain qualified clients. These recommendations are generally made to qualified clients that have indicated an interest in investing in alternative investments and have an overall investment objective for long-term appreciation. JSF will review the investment opportunity and relevant documentation and then determine whether any of our clients' risk tolerance and liquidity needs match up with the potential opportunity.

Risks for all forms of Analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data is incorrect, there is always a risk that our analysis can be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security can decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Trading. We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Margin transactions. We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash and allows us to purchase stock without selling other holdings.

Open Orders. We place open orders to buy or sell securities that remain in effect until they are either canceled or executed. As market orders are filled instantaneously, open orders occur when we place price restrictions on their buy or sell transactions either for duration determined (Day, GTC) or until executed.

Option Writing. We can use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives the holder the right to buy an asset at a certain price within a specific period of time.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time.

We use options in managing certain portfolios. Actions we might take using options are comprised of (but are not limited to):

- Selling a call option on a security we already own ("covered call") as a method to generate additional income and/or an effective way to sell the security
- Selling a put option, secured by cash, as a way to express a bullish opinion on a security without actually buying it
- Buying a call option as a way to express a bullish opinion on a security without actually buying it
- Buying a put option as a way to express a bearish opinion on a security.

In general, buying an option (put or call) limits the potential downside of the position to the price paid

to buy that option. Similarly, selling an option (put or call) limits the potential upside of the position to the price received when selling that option.

In certain situations, we also use option spreads, which are a combination of two or more options. Trading in certain options will require a client to open a margin account, which carries risks.

RISK OF LOSS

Securities investments are not guaranteed, and you can lose money on your investments. We ask that you work with us to help us understand your tolerance for risk. Investing in securities carries the risk of loss of principle, which an investor must be prepared to bear. Investment recommendations and advice are not legal or accounting advice. Client should coordinate and discuss the impact of financial advice with their attorney and/or accountant. Client should inform JSF promptly with respect to any changes to client's financial situation and/or investment goals and objectives. Failure to notify JSF of any such changes could result in investment recommendations which do not meet the needs of the client.

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 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 particular 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 Private Investment Funds are not. Illiquid securities are private securities or assets for which there is no public market. As a result, these securities are often subject to sale restrictions due to securities laws or contractual obligations. In addition, these investments can take several years to mature. During the investment holding period, there may be no cash distributions to the client.

Options Risk. Options involve certain costs and risk such as liquidity, interest rate, market, credit, and the risk that a position could not be closed when most favorable. Selling covered call options can place a limit on upside gains, while selling put options can result in the purchase of a security at a price higher than the current market price.

Margin Risk. Some clients maintain margin accounts. Accordingly, we can use margin transactions to implement investment advice given to these clients. Clients are responsible for any brokerage or margin charges in addition to advisory fees. Risks of using margin include "margin calls" (also called "fed calls" or "maintenance calls"). Margin calls occur when account values decrease below minimum maintenance margin levels established by the broker-dealer that holds the securities in the client's account, requiring the investor to deposit additional money or securities into their margin account. While the use of margin borrowing can increase returns, it can also magnify losses. JSF generally manages accounts on margin only at the client's request.

Alternative Investment Risk. Private Investment Funds represent speculative investments and involve a high degree of risk. An investor could lose all or a substantial portion of his/her investment. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment in a Private Investment Fund. Any investment in Private Investment Funds should be discretionary capital set aside strictly for speculative purposes. An investment in a Private Investment Fund is not suitable or desirable for all clients. Only qualified eligible client may invest in Private Investment Funds. An investment in a Private Investment Fund is usually illiquid and there can be significant restrictions on transferring interests in a Private Investment Fund.

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 results in bankruptcy and/or a declining market value.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Broker Dealer Licenses

Associated persons of JSF are registered securities representatives of Mid Atlantic Capital Corporation, ("Mid Atlantic") a registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA"). JSF associates recommend securities or variable insurance products offered by Mid Atlantic. Commissions, 12b-1 fees or other sales-based compensation are normally received for such purchases. Thus, a conflict exists between the interest of clients and the individuals recommending the products. However, clients are under no obligation to purchase recommended products, or to purchase products either from any associated person or through Mid

Atlantic. Registered representatives of Mid Atlantic are compensated on the normal commission schedule.

Affiliated Investment Adviser

Jeffrey Fishman, the Managing Member of our firm, is a principal in ALJ Capital Management LLC, an affiliated exempt reporting adviser. ALJ Capital Management is an investment adviser to several private funds ("ALJ Funds"). Associated persons of JSF, including Mr. Fishman, have recommended the advisory services of ALJ Capital Management or ALJ Funds to qualified clients. JSF does not receive any referral fees upon referral of a client by a JSF associated person to ALJ Capital Management and clients are not charged any additional advisory fees by JSF for recommending ALJ Capital Management services or ALJ Funds. However, Jeffrey Fishman, through his affiliation with ALJ Capital Management, will receive management fees should a client have chosen to invest in a private investment fund that is managed by ALJ Capital Management. Therefore, conflicts of interests exist in making such recommendations to JSF clients.

Clients receive a separate disclosure document that detailed all conflicts of interests between JSF and ALJ Capital Management at the time of the recommendation or introduction. Clients who choose to engage ALJ Capital Management or participate in one of their private investment funds bear the separate fees associated with its services and private investment funds. All fees and conflicts of interests are fully disclosed in ALJ Capital Management's Disclosure Brochure and corresponding offering memorandum(s).

Please note that JSF no longer recommends the advisory services of ALJ Capital Management or the ALJ Funds to qualified clients as the Funds are in the process of winding down.

Unaffiliated Private Fund Sponsors

Occasionally, JSF associates introduce a JSF qualified client to one or more sponsors of private investment funds or venture capital funds. It is possible that a private investment fund recommended to the JSF client could be invested in a private fund sponsored by ALJ Capital Partners, LLC (see disclosure below) and/or managed by ALJ Capital Management. If such conflict exists, the JSF associated person will disclose this fact at the time of the introduction.

JSF does not directly receive any compensation for such introductions by any private investment fund, although Jeffrey Fishman, through his affiliation with ALJ Capital Management, will receive management and performance fees should that private investment fund be invested in a fund managed by ALJ Capital Management.

Affiliated Private Fund Sponsors

Jeffrey Fishman is member of ALJ Capital Partners, LLC, which serves as the general partner of the ALJ Funds, described above. JSF associated persons periodically referred to its qualified clients an opportunity to invest in private investment partnerships or investment limited liability companies including the Funds for which ALJ Capital Partners is a general partner. Each offeree received a copy of the offering documents, which discloses the relationship between JSF and the investment partnership or company. JSF does not receive any referral fees upon referral of the client by JSF, although Jeffrey Fishman, through his affiliation with ALJ Capital Partners, receives performance fees because of clients invested in a fund of which ALJ Capital Partners is the general partner. Clients

who invest in the Fund are not charged any additional advisory fees other than the advisory fee allocated to the limited partners of the Fund.

Please note that JSF no longer recommends the advisory services of ALJ Capital Management or the ALJ Funds to qualified clients as the Funds are in the process of winding down.

Insurance Licenses

Jeffrey Fishman is the Founder and President of Fishman Capital Corporation, a company engaged in the business of selling fixed annuities, life, and disability insurance. Clients are under no obligation to act upon the recommendations of Mr. Fishman and, if they do so, they are under no obligation to implement any such recommendations through Fishman Capital. If a client decides to buy insurance through Fishman Capital, the client will pay the normal fees and expenses associated with the insurance products. Mr. Fishman will receive compensation in connection with those transactions. Fishman Capital does not assess an investment advisory fee for advice regarding insurance, but does have a conflict of interest when providing insurance-related advice, since Mr. Fishman has a financial incentive to recommend insurance products over other forms of investment vehicles.

As disclosed in Item 5, Fees and Compensation, certain associated persons of JSF are licensed as independent insurance agents. Clients can choose to engage these persons, in their individual capacities to effect insurance transactions on a commission basis. The recommendations made by a JSF representative that a client purchase an insurance product presents a conflict of interest as the receipt of commissions provide an incentive to recommend various insurance products based on the commissions. No JSF client is under any obligation to purchase any commission products from any JSF representative. Clients can purchase insurance products through any other licensed insurance agent.

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

Clients should be aware that the receipt of additional compensation by JSF and its management persons or employees creates a conflict of interest that can impair the objectivity of our firm and these individuals when making advisory recommendations. JSF endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that

we ensure that any conflicts of interests in such activities are properly addressed;

- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

JSF and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

JSF's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information cannot be used in a personal or professional capacity.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm are permitted to buy or sell for their personal accounts, securities identical to or different from those recommended to our clients. In addition, any related person(s) is permitted to have an interest or position in a certain security(ies) which can also be recommended to a client, including Private Investment Funds. While this creates a conflict of interest, our Code contains certain requirements designed to address the conflicts that arise with regard to employee personal trading.

It is the expressed policy of our firm that our employees with trading access for client accounts cannot purchase or sell a security, option on a security, or certain designated Exchange Traded Funds ("ETFs") that JSF Financial trades for its clients on the same trading day that the security/option has been sold or purchased in client accounts. Employees with trading access must obtain prior approval for any purchases and sales of closed end funds, individual stocks, options on individual stocks, designated Exchange Traded Funds ("ETFs") and limited private offerings (including Private Investment Funds).

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are

separately registered as securities representatives of a broker-dealer, investment adviser representatives of another registered investment adviser, and/or licensed as an insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request by calling us at 323-866-0833.

Item 12 Brokerage Practices

JSF determines the broker through whom securities transactions are to be effected and the custodian used to custody client funds. As a general policy, JSF does not permit clients to direct that we use a specified broker for their transactions. Generally, JSF managed accounts are custodied at either National Financial Services ("NFS") or Fidelity Institutional Wealth Services, a division of Fidelity Clearing and Custody Solutions. ("Fidelity"), registered broker dealer, Member SIPC. As discussed in Item 10 above, JSF is associated with Mid Atlantic Capital Corporation, a registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA").

When placing trades for clients, JSF has a fiduciary duty to seek the best execution. In accordance with that duty, JSF has determined and continues to believe that the client's custodian or their affiliated broker provides the best overall value for the client and remain competitive in relation to executions and the cost of transaction. For those accounts custodied at NFS, all trades are placed through Mid Atlantic. Mid Atlantic uses the services of NFS for custody and clearing. For those accounts custodied at Fidelity, trades are placed directly through Fidelity brokerage services. Except as provided for in any applicable wrap fee program or third-party manager agreement, brokerage commissions and/or transaction fees charged by NFS or Fidelity are exclusive of and in addition to JSF's fees.

JSF considers several factors in using the services of the above listed broker dealer and. In seeking best execution, JSF considers many factors which include, but are not limited to, ease of use, reputation, execution capability, commission rates, creditworthiness and financial stability, clearance and settlement capability and other services which will help JSF in providing investment management services to clients. JSF also takes into consideration the availability of the products and services received or offered by the custodian. Accordingly, although we will seek competitive rates to the benefit of all clients, we will not necessarily obtain custodians the lowest possible commission rates for specific client account transactions. See Item 14, Client Referrals and Other Compensation for more information.

Order Aggregation and Allocation

JSF will aggregate trades where possible and when advantageous to clients. Aggregating trades allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Generally, clients will receive the average share price of all orders executed to fill the aggregated order. Individual transaction fees and commissions will not be affected. The client will incur the same transaction fee or commission charge regardless if the order was aggregated or executed individually. We will attempt to aggregate orders when it is determined it is prudent to place orders for the same security, at the same time, in one or more client accounts.

If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

JSF, from time to time, recommends investments in Private Investment Funds to certain clients. Mainly, such investments are available only to a limited number of sophisticated investors who meet the definitions of “accredited investor” under Regulation D of the Securities Act of 1933, as amended (the “Securities Act”) and “qualified client” under the Investment Advisers Act of 1940. Additionally, Private Investment Funds are considered “limited offerings”, since they only accept a limited amount of funds for investment.

Generally, JSF only recommends these types of investments to clients that have indicated an interest to invest in such. Depending on the Private Investment Fund, there can be times when the amount available for investment is small. When determining which clients should receive a recommendation to invest in a Private Investment Fund, JSF will consider several factors, including but not limited to a client’s sophistication, risk tolerances, qualifications, and investment objectives. JSF’s goal is to allocate in a fair and balanced manner; however, given these differing factors, the allocation of investment opportunities in Private Investment Funds is mainly subjective and not all qualifying clients will be provided an investment opportunity. Additionally, there are times when a JSF employee invests in certain Private Investment Funds that are recommended to clients. When this occurs, a conflict exists and to mitigate the conflict employees are required to receive prior written approval by the CCO.

It is important that qualifying clients receiving a recommendation to invest in a Private Investment Fund read the offering documents prior to investing to fully understand the risks and conflicts pertaining to the investment.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES INDIVIDUAL AND MODEL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, Client account reviews are conducted at least annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews are triggered by material changes in variables such as the client's individual circumstances, market conditions, political or economic environment. Clients are encouraged to notify JSF Financial of any changes in personal circumstances. Reviewers consist of investment advisors and supervised persons.

REPORTS: In addition to the monthly or quarterly statements and confirmations of transactions that Portfolio Management Services clients receive from their custodian, JSF will generally provide reviews at least annually summarizing account performance, balances and holdings.

SELECTION and MONITORING of THIRD-PARTY MONEY MANAGERS

REVIEWS: These client accounts should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by that independent registered investment adviser.

JSF will provide reviews as contracted for at the inception of the advisory relationship. Reviewers include investment advisors and supervised persons.

REPORTS: These clients should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reports provided by that independent registered investment adviser.

In addition to the monthly or quarterly statements and confirmations of transactions that third-party manager clients receive from the manager and/or custodian, JSF will generally provide reviews at least annually summarizing account performance, balances and holdings.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

Item 14 Client Referrals and Other Compensation

It is JSF's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

Periodically, representatives from mutual fund companies which represent funds with whom we place trades for our clients will sponsor client educational seminars and /or meals for our firm personnel. In addition, these individuals, as a result of holding securities licenses as registered representatives of a broker-dealer (previously disclosed in Item 10), participate in broker-dealer sponsored events.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving these incentives creates a conflict of interest and affects the judgment of these individuals when making recommendations. We address this conflict by reviewing recommendations made to our clients to determine that all recommendations are consistent with the best interests of our clients and make all appropriate disclosure about these conflicts of interest to our clients.

Other Benefits from our Custodians

Mid Atlantic, NFS and Fidelity make available to us certain products and services that benefit JSF but do not directly benefit our clients' accounts. These types of services help us in managing and administering client accounts, thereby serving the best interest of our clients, but also benefitting us since they are provided at no cost to JSF. These products and services include, but are not limited to:

(i) computer software with related system support and other technology that provide access to client account data (i.e. trade confirmations and account statements); (ii) facilitation of trade executions; (iii) providing research, pricing information, and other market data; (iv) facilitate in the payment of our fees from clients' accounts; and (v) assist with back office functions, record keeping, and client reporting. Many of these services are be used to service all or a substantial number of our accounts. Mid Atlantic, NFS and Fidelity provide other benefits from time to time, such as client appreciation and educational events, conferences on practice management, regulatory compliance, information technology, and business success. Mid Atlantic, NFS and Fidelity will usually discount or waive fees it would otherwise charge for these services, or in some cases pay all or a part of the fees of a third party providing these services to JSF. In addition, Fidelity at its sole discretion, reimburses JSF for our costs related to clients transferring their accounts to Fidelity from a different custodian.

As part of our fiduciary duty to clients, JSF endeavors at all times to put the interests of our clients first and we place trades for our clients' accounts subject to our duty to seek best execution. Clients should be aware, however, that the receipt of economic benefits by JSF or our related persons in and of itself creates a conflict of interest as it provides an incentive, which can indirectly influence JSF's recommendation of Mid Atlantic, NFS and Fidelity for custody and brokerage services.

We examined this conflict of interest and believe that these relationships are in the best interests of JSF's clients. and satisfies our duty to seek best execution. Notably, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while JSF will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. JSF is not affiliated with either Mid Atlantic, NFS or Fidelity.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there is an error in their statement.

Standing Letters of Authorization

Certain clients have signed, and may in the future sign, a written Standing Letter of Authorization (SLOA) that gives the Firm the authority to transfer funds to a third-party as directed by the client in the SLOA. This deems the Firm with constructive custody since such document gives us authority to

instruct the custodian to transfer assets out of a client's account to a third party. Firms with deemed custody must take the following steps:

1. Ensure clients' managed assets are maintained by a qualified custodian;
2. Have a reasonable belief, after due inquiry, that the qualified custodian will deliver an account statement directly to the client at least quarterly;
3. Confirm that account statements from the custodian contain all transactions that took place in the client's account during the period covered and reflect the deduction of advisory fees; and
4. Obtain a surprise audit by an independent accountant on the clients' accounts for which the advisory firm is deemed to have custody.

However, JSF Financial is exempt from the surprise audit requirement for custody due to SLOAs, so long as the Firm: (i) confirms that the name and address of the third party is included in the SLOA, (ii) documents that the third-party receiving the transfer is not related to the Firm, and (iii) ensures that certain requirements are being performed by the qualified custodian, including but not limited to providing certain client notification.

Indirect Custody

A hedge fund manager acting as the general partner to a limited partnership or as the managing member to a limited liability company is deemed to have custody and therefore must comply with the custody rule pursuant to Rule 206(4)-2 under the Advisers Act. Jeffrey Fishman has a controlling interest in ALJ Capital Management as well as ALJ Capital Partners, the general partner to the private funds managed by ALJ Capital Management. By having a controlling interest in the general partner, Jeffrey Fishman has access to client funds in the ALJ accounts. Since Jeffrey Fishman is also a supervised person of JSF, JSF is deemed to have custody of those client assets which are invested in the ALJ private funds.

Due to the fact that JSF is deemed to have custody through its affiliation with ALJ Capital Management, ALJ Capital will adhere to the applicable requirements of the custody rule with respect to its private funds. All fund securities are to be held by a qualified custodian. Additionally, ALJ will obtain audited financial statements for the ALJ Funds prepared according to GAAP principles and will distribute those audited financial statements to all investors within 120 days of the fiscal year end. Documentation of such will be maintained by ALJ Capital Management and JSF.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm and

may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm provides investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We can provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

JSF has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

JSF has not been the subject of a bankruptcy petition at any time during the past ten years.