



**Part 2A Appendix 1 of Form ADV:
*JSF Wrap Fee Program Brochure***

JSF Financial LLC

6300 Wilshire Blvd.
Suite 700
Los Angeles, CA 90048

Telephone: (323) 866-0833
Facsimile: (323) 866-0838
Web Address: www.jsffinancial.com

03/28/2013

This wrap fee program brochure provides information about the qualifications and business practices of JSF Financial LLC, a registered investment adviser. 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 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. The CRD number for JSF Financial LLC is 114025.

ITEM 2. MATERIAL CHANGES

This Firm Brochure, dated 3/28/2013, provides you with a summary of JSF Financial LLC's Wrap Fee 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, 2012, the following are the material changes to this brochure:

Item 9, Additional Information, Other Financial Industry Activities and Affiliations-We have added further disclosure regarding an affiliated company, Fishman Capital Corporation.

ITEM 3. TABLE OF CONTENTS

ITEM 1.	COVERPAGE	1
ITEM 2.	MATERIAL CHANGES	2
ITEM 3.	TABLE OF CONTENTS	3
ITEM 4.	SERVICES, FEES AND COMPENSATION	4
ITEM 5.	ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS	8
ITEM 6.	PORTFOLIO MANAGER SELECTION AND EVALUATION	8
ITEM 7.	CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS	13
ITEM 8.	CLIENT CONTACT WITH PORTFOLIO MANAGERS	13
ITEM 9.	ADDITIONAL INFORMATION	13

ITEM 4. SERVICES, FEES AND COMPENSATION

Investment Advisory Services

JSF Financial LLC ("JSF") is the sponsor and investment advisor of the JSF Separately Managed Account Program ("SMA Program"). The SMA Program is a "wrap fee" program which provides the client with advisory and brokerage execution services plus account reporting and custodial services, for one all inclusive fee. JSF serves as the SMA Program's sponsor as well as SMA Program's investment advisor. JSF collects the necessary financial and personal data, including investment goals, from the client, to assist the client in determining the suitability of the account.

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. JSF provides continuous and regular investment advice, supervisory and management services with respect to the account, based on the client's goals and objectives.

A client's financial circumstances, investment objectives and any special instructions or limits that client wishes JSF to follow in advising client will be described in the "Statement of Investment Guidelines" to be approved by the client and attached to their investment advisory agreement. At least annually, JSF shall communicate with client to determine if there have been any changes to the Investment Guidelines, and if there are any changes, such changes shall be written into an amendment and approved by the client. A client must notify JSF promptly of any material change in the information provided or any other material change in client's financial circumstances or investment objectives that might affect the manner in which the Account should be invested.

Clients may hire JSF on a discretionary or non-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. Clients who hire JSF for non-discretionary investment management allow JSF to make buy and sell transactions subsequent to direct dialogue with the client for each transaction.

JSF agrees to use that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use. JSF is not authorized to make withdrawals of cash or securities from the client's account. The account, wherever placed, remains the client's property at all times. The client may make additional deposits into or withdraw funds from the account.

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
- Mutual fund shares
- United States governmental securities
- Options contracts on securities

Clients have the opportunity to place reasonable restrictions on the types of investments they wish to purchase.

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.

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 Statement of Investment Guidelines, 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 Statement of Investment Guidelines. Non wrap accounts are often invested using third party managers and mutual funds.

Brokerage and Custodial Services

JSF will not have physical custody of the assets in the Account. Custody of the Account will be maintained with the qualified custodian. JSF will arrange for the custody of assets for client, and will generally absorb related custodial fees, unless otherwise directed or agreed upon by the client.

The Custodian will send to the client, at least quarterly, a statement showing all transactions during the period covered by the account statement, and the funds, securities and other property at the end of the period.

Fees

The annualized fee for Investment Supervisory Services is charged as a percentage of assets under management, according to the following default schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
On the first \$500,000 in assets	1.50%
On assets over \$500,000	1.25%

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

1-	<u>Assets Under Management</u>	<u>Annual Fee</u>
	On assets up to \$3,000,000	1.25%
	On assets in excess of \$3,000,000 but less than \$5,000,000	1.20%
	On assets in excess of \$5,000,000	.90%

2- A set asset based fee of a negotiated percentage

3-A pro-rated/tiered fee in respect of specific assets

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

The initial fee will be based on the initial deposit into the client's account and 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 previous 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. JSF employs the services of a broker/dealer and platform managers to calculate invoice amounts as well as execute selected billing transactions.

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, may be offered to family members and friends of associated persons of our firm.

Other Fees

In addition to the fees mentioned above, there may be other costs assessed, which are not included in the Program Fee, such as national securities exchange fees; charges for transactions with respect to assets not executed through the custodian, costs associated with exchanging currencies; wire transfer fees; or other fees required by law. Any such additional fees, commissions, expenses or charges shall be borne by Client.

The client should consider that, depending upon the level of the Program Fee charged, the amount of portfolio activity in the client's account, the value of services that are provided under the program, and other factors, the Program Fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

JSF may include mutual funds, ETFs, and other managed products in clients' portfolios. Clients may be charged for the services by the providers/managers of these products in addition to the management fee paid to JSF. The fees and expenses charged by the product providers are separate and distinct from the management fee charged by JSF. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee ("12b-1 fee"). A client could invest in a mutual fund directly, without the services of JSF. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by JSF to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

If it is determined that a client portfolio shall contain corporate debt or other types of over the counter securities, the client may 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.

In some cases there may be fees charged which are a result of brokered trading activity by associated personnel of JSF that is outside of the constructs of the wrap program and are thus not included in the advisory fee. These trades are generally at the request of the client and the fees may vary in size depending on the nature of the client's requests.

Upon termination of accounts held at the Custodian, the Custodian delivers securities and funds held in the account as instructed by Client, unless Client requests that the account be liquidated. After the Agreement has been terminated, transactions are processed at the prevailing brokerage rates. Client becomes responsible for monitoring their own assets and JSF has no further obligation to act or provide advice with respect to those assets.

General Disclosures

The program fees plus applicable provider fees may be more or less than the cost of purchasing the same services separately or from a different source. The factors to be considered by clients in determining the reasonableness of the fees charged include but

may not be limited to the following:

- Transaction costs and/or other miscellaneous fees and taxes and/or charges as well as commissions or markups and markdowns or “spreads” on the purchase and/or sale of securities.
- The cost of producing a quarterly performance report covering the managed assets, the portfolios and the cost of obtaining tax lot statements with accruals, and both realized and unrealized gains and losses.
- The value of the consulting service provided by JSF in designing and then monitoring the client’s managed assets and helping the client periodically determine the mix of accounts for the managed assets as well as the suitability of the portfolio securities and any third-party advisors.
- The cost of investment advice provided by JSF through the SMA Program.

The associated person of JSF recommending the SMA Program to the client receives compensation as a result of the client’s participation in their respective program. The amount of this compensation may be more than what the associated person of JSF would receive if the client participated in other JSF programs or paid separately for investment advice, brokerage, and other services. The associated person of JSF may therefore have a financial incentive to recommend the SMA Program over other programs and services. A client is under no obligation to participate in the SMA Program.

ITEM 5. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

The minimum account size for JSF Investment Advisory services is generally \$500,000, subject to discretion. This account size may be negotiable under certain circumstances. JSF may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

JSF offers this program to individuals. However, most individual or business entities may be accepted as a client provided they meet the minimum investment requirements and the investment strategy of the SMA Program meets their needs. The individuals who open SMA Program accounts may have accounts as trusts, part of a pension or profit sharing plan for the business or may have a corporate or business account participate in the program.

ITEM 6. PORTFOLIO MANAGER SELECTION AND EVALUATION

The JSF SMA Program does not utilize outside portfolio managers to manage program accounts. All program accounts are managed solely by supervised JSF personnel. Our investment mandate is to understand the needs, priorities and goals of each client and to develop customized investment guidelines and asset allocations.

For a detailed description of services provided under the SMA Program, please refer to *Item 4- Service, Fees and Compensation*.

Performance-Based Fees and Side-By-Side Management

JSF does not charge performance-based fees.

Methods of Analysis, Investment Strategies and Risk of Loss

1. Methods of Analysis

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

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 may be a good time to buy) or overpriced (indicating it may be 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.

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

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, 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.

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.

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.

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 may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

2. 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 may 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 may 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, Good Till Canceled) or until executed.

Option writing. We may 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 us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

3. Risk Of Loss

Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk. 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 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 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 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.

Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide 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 may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

ITEM 7. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

As discussed in Item 6, SMA Accounts are managed solely by JSF supervised persons. Thus, JSF does not provide client information regarding SMA accounts to outside portfolio managers.

ITEM 8. CLIENT CONTACT WITH PORTFOLIO MANAGERS

As discussed in Item 6, SMA Accounts are managed solely by JSF supervised persons. Thus, JSF clients who participate in the SMA Program will not have contact with outside portfolio managers in relation to their SMA accounts.

ITEM 9. ADDITIONAL INFORMATION

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.

Other Financial Industry Activities and Affiliations

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 might recommend securities or variable insurance products offered by Mid Atlantic. Commissions are normally received for such purchases. Thus, a conflict exists between the interest of clients and JSF. 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.

Mr. Jeff Fishman, the Managing Member of our firm, is an advisory representative of Mid Atlantic Financial Management, Inc., a registered investment adviser. There are no referral arrangements between our firm and Mid Atlantic Financial Management, Inc. No JSF client is obligated to use the advisory services of Mid Atlantic Financial Management, Inc., as no Mid Atlantic Financial Management, Inc. advisory client is obligated to use our advisory services. Clients choosing to implement JSF's recommendations through Mid Atlantic Financial Management's advisory services

should refer to Mid Atlantic Financial Management, Inc.'s Firm Brochure or other disclosure document for details regarding that firm's services and fees.

Mr. Jeff Fishman, the Managing Member of our firm, is a principal in ALJ Capital Management LLC, a registered investment adviser. ALJ Capital Management is an adviser to several private funds. JSF may offer its qualified clients an opportunity to invest in private investment partnerships or investment limited liability companies including the Funds managed by ALJ Capital Management. Each offeree receives a copy of the offering documents, which disclose the relationship between JSF and the investment partnership or company. JSF does not receive any referral fees upon referral of the client by JSF. 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.

Occasionally, JSF may introduce a qualified client to one or more sponsors of private investment funds or venture capital funds. It is possible that a private investment fund which is invested in the ALJ Funds discussed above, might be a private investment fund which JSF chooses to introduce our clients to. JSF is not directly compensated for this referral by the 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.

Jeff 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 may 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 may 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 may 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 may 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.

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 may not 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 may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that our employees with trading access may only purchase or sell a security that JSF trades in for its clients after trading of that security has been completed in client accounts for that trading day. Employees with trading access must obtain prior approval for any purchases and sales of closed end funds, individual stocks and options on individual stocks.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As disclosed in the preceding section of this Brochure 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. 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.

Review of Accounts

While the underlying securities within SMA Program accounts are continually monitored, these accounts are generally reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Reviewers include various investment advisors and supervised persons including:

- Jeffrey Fishman, Managing Member of JSF and Investment Advisor Representative
- Mordechai Fishman, Investment Advisor Representative
- Olivier Cornet, Investment Advisor Representative
- Zev Fried, Investment Advisor Representative
- Yigal Newman, Chief Investment Officer
- Boris Gertsen, Director of Trading

- Boris Geyzer, Portfolio Analyst
- Hugo Yeh, Junior Portfolio Analyst

Reports: In addition to the monthly or quarterly statements and confirmations of transactions that SMA Program clients receive from the broker-dealer, JSF will generally provide reports at least annually summarizing account performance, balances and holdings.

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.

It is JSF's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

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.