



## DISCLOSURE BROCHURE FOR MANAGED BY TRIUMPH CAPITAL

October 7, 2014

This brochure provides information about the qualifications and business practices of J.P. Turner & Company Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 888.578.8763. 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.

J.P. Turner & Company Capital Management, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about J.P. Turner & Company Capital Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)



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### J.P. TURNER & COMPANY CAPITAL MANAGEMENT, LLC

Headquarters: One Buckhead Plaza ♦ 3060 Peachtree Road NW ♦ 11th Floor ♦ Atlanta, GA 30305 ♦ 404.479.8300 ♦ [www.jpturnercm.com](http://www.jpturnercm.com)

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## Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes. As this is our first disclosure brochure describing the advisory services provided to clients who avail themselves of the model Managed by Triumph Capital through the Security Benefit Platform, we have no material changes to report.

## Advisory Business

J.P. Turner & Company Capital Management, LLC (JPTCM) is a Limited Liability Company organized under the laws of Georgia. Braves Acquisition LLC is a subsidiary of RCS Capital Holdings which is, in turn, wholly owned by RCS Capital Corporation. JPTCM is an SEC registered investment advisory firm. Braves Acquisition LLC is the principal owner of JPTCM. JPTCM also provides advisory and financial planning services through investment advisory representatives doing business under the following name(s) Triumph Capital Management, LLC.

JPTCM offers various types of advisory services and programs, including wrap fee programs, mutual fund asset allocation programs, advisory programs offered by third party investment advisor firms, and financial planning. This Brochure provides a description of the advisory services offered under the Managed by Triumph Capital through the Security Benefit Platform program. J.P. Turner & Company Capital Management LLC additionally utilizes a main Brochure for our firm that describes all of our advisory program as well as a Wrap Fee Brochure that describes our Wrap Fee programs. You may obtain a copy of any of our brochures by contacting your Investment Advisor Representative, visiting our website [www.jpturnercm.com](http://www.jpturnercm.com) or by e-mailing us at [capitalmanagement@jpturner.com](mailto:capitalmanagement@jpturner.com) to request a current copy of any of our disclosure brochures.

## Managed By Triumph Capital

Managed by Triumph Capital utilizes a model to manage client accounts that are opened and held at Security Benefit. The mutual funds that are available on the Security benefit platform will be the only options available in the allocation mix in this model.

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The Managed by Triumph Capital strategy seeks to provide absolute returns during any market cycle or condition by employing an equally weighted strategic rotation model, between commodities, REITs, bonds, international equities, domestic equities and cash. Utilizing the funds available on the Security Benefit platform, "Managed by Triumph Capital" will select and weight heavily in two asset classes from the categories listed above that we believe are experiencing the most strength, while attempting to avoid those classes which we believe are in downward trends or don't show as much promise to the upside. The two asset classes are then equally weighted 50/50 on or near the last trading day of each month. Cash or a Security Benefit cash account money market is the only asset class that can be weighted 100%.

On a monthly basis the model is reviewed and the investments inside of the model are rotated. The model may not rotate at all should the manager and his team determine that the current allocation is appropriate. The model strives to mitigate market volatility by utilizing a "can go-to-cash" risk management procedure should the team feel the overall markets poses too much risk.

### **Assets Under Management**

As of August 13, 2014, JPTCM managed approximately \$390 million in client assets on a discretionary basis. Approximately \$ 4 million in client assets were managed on a non-discretionary basis where our clients made the investment decisions based upon our recommendations.

### **Fees and Compensation**

#### ***Managed By Triumph Capital***

Advisory Fees for the Managed by Triumph program at Security benefit is 1%. The fee is charged in advance on a quarterly basis. Our fee is calculated based upon the market value of the assets in your account using and average daily balance.

Broker-dealers and other financial institutions that hold client accounts are referred to as custodians ("custodian/ broker-dealer"). Your custodian/broker-dealer for this program is Security Benefit. Security Benefit determines the values of the assets in your portfolio.

Fees for the initial period are based on the value of your cash and securities on the date the custodian/broker-dealer receives them and are prorated based upon the number of calendar days in the calendar quarter that our agreement is in effect.

Should either one of us terminate the advisory agreement we have entered into before the end of a billing period, any unearned fees that were deducted from your account will be returned to you by us. The amount refunded to you is calculated by dividing the most recent advisory fee you paid by the total number of days in the quarter. This daily fee is then multiplied by the number of calendar days in the quarter that our agreement was in effect. This amount, which equals the amount we earned for the partial quarter, is subtracted from the total fee you paid in advance to determine your refund.

You must authorize us in writing to have the custodian pay us directly by charging your account. Your custodian provides you with statements that show the amount paid directly to us. You should verify the calculation of our fees. Your custodian does not verify the accuracy of fee calculations.

In addition to our fee, you may be required to pay other charges such as:

- custodial fees,
- transaction fees,
- SEC fees,
- internal fees and expenses charged by mutual funds, and
- other fees and taxes on brokerage accounts and securities transactions.

You may refer to the section entitled "Brokerage Practices" for additional information about securities trading in your account.

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

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments. We do not charge performance-based fees on any of our client accounts.

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## Types of Clients

We provide advisory services to clients who are individuals, teachers and others including their retirement accounts who have accounts with Security Benefit. There are no minimum participation levels or minimum account fees for the Security Benefit Managed Account Program.

## Methods of Analysis, Investment Strategies and Risk of Loss

We select specific investments for your portfolios through the use of fundamental, cyclical, and technical analysis, as well as charting.

Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

Cyclical analysis is a form of fundamental analysis that involves the process of making investment decisions based on the different stages of an industry at a given point in time.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

Charting involves identifying patterns that can suggest future activity in price movements. A chart pattern is a distinct formation on a stock chart that creates a trading signal or a sign of future price movements. Chartists use these patterns to identify current trends and trend reversals to trigger buy and sell signals. Some of the chart types are Line Charts, Bar Charts, Candlestick, Point and Figure, etc.

Our investment strategies may include long-term and short-term purchases and sales, trading (securities sold within 30 days). You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

All investments involve risks that can result in:

- loss of principal,
- a reduction in earnings (including interest, dividends and other distributions), and
- the loss of future earnings.

Additionally, these risks may include:

- market risk,
- interest rate risk,
- issuer risk, and
- general economic risk.

Although we manage your portfolio in a manner consistent with your risk tolerances, we cannot guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

Frequent trading can affect portfolio performance, particularly through increased brokerage and other transaction costs (if applicable) and taxes. Infrequent trading can affect portfolio performance, particularly through ongoing fees and other costs (if applicable) that may cost more than trading commissions.

## Disciplinary Information

In October 2003, the National Association of Securities Dealers ("NASD") accepted a Letter of Acceptance, Waiver and Consent ("AWC") submitted by Mr. Mello wherein the NASD found that J.P. Turner and Company, L.L.C., acting through William L. Mello, failed to establish and maintain a supervisory system reasonably designed to achieve compliance with applicable securities laws and regulations, and

NASD rules, relating to the sale of hot issues in violation of NASD Conduct Rules 3010(b) and 2110. As a result of this finding, Mr. Mello was censured and required to pay a \$7,500 fine.

In September of 2012 the SEC accepted an offer of Settlement submitted by William L. Mello and J.P. Turner & Company, LLC. Wherein the SEC found that Mr. Mello, as President, failed reasonably to supervise 3 Registered Representatives within the meaning of Section 15(b)(4)(E) of the Exchange Act and within the meaning of Section 203(f) of the Advisers Act with a view to prevent and detect the Registered Representatives' violation of Section 17(a) of the Securities Act, Section 10(b)(6) of the Exchange Act, and Rule 10b-5 thereunder in that these individuals excessively traded the accounts of 7 customers. As a result of this finding, Mr. Mello was fined \$45,000 and suspended from association in a supervisory capacity with a broker, dealer, or investment advisor for a period of five months. J.P. Turner & Company, LLC paid a disgorgement of \$200,000, interest of \$16,051, and a civil penalty of \$200,000 to the Securities and Exchange Commission. J.P. Turner & Company was required to retain an independent consultant to review its written supervisory policies and procedures.

### Other Financial Industry Activities and Affiliations

JPTCM is a member of the RCS family of companies and we are affiliated with the following companies: J.P. Turner & Company, an affiliated broker/dealer and insurance agency; J.P. Turner Investments LLC, a sponsor, general partner, managing member of pooled investment vehicles; Cetera Investment Management LLC a registered investment advisor; Cetera Investment Advisers LLC a registered investment advisor and pension consultant; Cetera Financial Specialists LLC a broker/dealer and insurance agency; Cetera Advisor Networks LLC a broker/dealer, registered investment adviser and insurance agency; Cetera Investment Services LLC a broker/dealer, insurance agency and pension consultant; First Allied Securities, Inc. a broker/dealer and registered investment adviser; Realty Capital Securities, LLC a broker/dealer; First Allied Asset Management, Inc. a registered investment adviser; Legend Equities Corporation a broker/dealer and insurance agency; BDCA Adviser, LLC a registered investment adviser; Legend Advisory Corp a registered investment adviser, Cetera Advisors LLC a broker/dealer, registered investment adviser, insurance Agency and pensions consultant; First Allied

Advisory Services, Inc. a registered investment adviser. J.P. Turner is a state licensed insurance agency and a registered broker/dealer, member FINRA/SIPC. In this capacity, J.P. Turner executes trades (as agent) for a commission in investment products on behalf of clients, who may or may not have an advisory fee agreement with JPTCM.

As explained under "Fees and Conditions" above, our IARs are licensed as a registered representatives with J.P. Turner. They are also licensed as insurance agents with various insurance companies, including J.P. Turner. These arrangements present a conflict of interest because they create an incentive to make recommendations for the purchase or sale securities and / or insurance policies based upon the amount of compensation your IAR can receive rather than based upon your needs. Selection of specific programs, products, or investments may also result in an increase in the total fees and commissions received by the related entities. As previously noted, we will explain the specific costs associated with any recommended investments with you. You have the option to purchase investment and insurance products through other brokers or agents who are not affiliated with us.

Our IARs may also recommend various asset management firms through their affiliation with JPT. If you establish an investment advisory relationship with one of these firms, our IARs may share in the advisory fees you pay to these asset management firms.

JPTCM advises a series of private funds collectively referred to herein as the Turner Investment Funds. A related company, J.P. Turner Investments LLC, acts as the Manager. Certain clients of JPTCM who are accredited and qualified investors, may be solicited to invest in these companies by IAR's who are dually registered as registered representatives of J.P. Turner & Company, LLC, a registered broker dealer. The dually registered individual is paid a commission as a registered representative of J.P. Turner & Company, LLC and as such this is a conflict of interest. Please read the offering document for complete details and expenses. In order to mitigate any potential conflicts of interests, these relationships are fully disclosed and the representative may earn a commission only, as compensation for such sales. The representative is prohibited from earning any advisory fees related to the purchase or management of these funds.

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

We have adopted a Code of Ethics ("Code") to address the securities-related conduct of our IARs and employees. The Code includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our IARs and employees be conducted in a manner
- consistent with the Code and avoid any actual or potential conflict of interest, or any abuse of an IAR's or employee's position of trust and responsibility;

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- that IARs may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request. J.P. Turner and JPTCM may buy or sell for themselves securities that are also recommended to clients. In addition, our IARs and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). Our securities transactions and the personal securities transactions of IARs and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by you or
- considered for purchase or sale for you.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in your best interest,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an advisory representative or employee receiving a better price than a client.

Advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

### Brokerage Practices

All transactions for the Managed by Triumph Capital program are executed through the Security Benefit platform. This program uses mutual funds exclusively.

You must direct us in writing to use Security Benefit to execute the transactions for your account on this platform. If you do so, you are responsible for negotiating the terms and arrangements for the account with Security Benefit. We may not be able to negotiate commissions, obtain volume discounts, or best execution. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients who direct us to use Security Benefit and other clients who do not direct us to use a particular broker or dealer.

Security Benefit provides us with access to its trading and custody services, which includes:

- brokerage,
- custody, and
- access to mutual funds on their platform.

Security Benefit may make available to us other products and services that provide us with an economic benefit but may not benefit you directly. Some of these products and services assist us in managing and administering our client accounts, such as software and other technology that:

- provide access to account data such as:
  - duplicate trade confirmations,
  - bundled duplicate account statements, and
  - access to an electronic communication network for client order entry and account information;
- facilitate trade execution, including:
  - provide pricing information and other market data;



- facilitate payment of our fees from client accounts; and
- assist with back-office functions, record keeping and client reporting.

We do not bunch trades on the Security Benefit platform. All securities on this platform are mutual funds. Mutual fund trades are executed at the NAV at the close of the day regardless of what time during the day the trade is entered.

### Review of Accounts

Reviews are performed annually or more often upon your request. We initially review your information to determine whether a particular advisory program or investment strategy is suitable for you. We also review and update your financial status, goals and objectives on an annual basis to document continued suitability.

More frequent reviews may be triggered by material changes in your individual circumstances, changes or shifts in the economy, changes in the management of mutual funds, or market shifts and corrections. Your advisory representative is responsible for reviewing your account.

Certain clients may receive quarterly reports showing the investment performance in their account.

### Client Referrals and Other Compensation

We receive certain economic benefits as a result of our business relationship with Security Benefit. Those benefits are described in detail in the preceding section entitled "Brokerage Practices."

JPTCM has entered into written compensation agreements with certain unaffiliated investment adviser representatives and professionals such as registered representatives, CPAs, attorneys, etc. We pay these persons a percentage of the fee paid to us by clients that are determined to have become clients as a result of such individual's direct or indirect efforts. These payments are a portion of the fee charged by us and do not result in an increase in the amount of the fee paid by clients. JPTCM and its IARs may also be paid by other Investment Advisers for the referral of clients. Any solicitation or referral arrangements will comply with applicable laws that govern:

- the nature of the service,
- fees to be paid,
- disclosures to clients and
- any necessary client consents.

JPTCM advises a series of private funds collectively referred to herein as the Turner Investment Funds. A related company, J.P. Turner Investments LLC, acts as the Manager. Certain clients of JPTCM who are accredited and qualified investors, may be solicited to invest in these companies by IAR's who are dually registered as registered representatives of J.P. Turner & Company, LLC a registered broker dealer. The dually registered individual is paid a commission as a registered representative of J.P. Turner & Company, LLC and as such this is a conflict of interest. Please read the offering document for complete details and expenses. In order to mitigate any potential conflicts of interests, these relationships are fully disclosed and the representative may earn a commission only, as compensation for such sales. The representative is prohibited from earning any advisory fees related to the purchase or management of these funds.

### Custody

Accounts in the Managed by Triumph Capital program are custodied with Security Benefit. Clients should receive at least quarterly statements from Security Benefit. We urge you to carefully review these statements and compare them to the account statements that we may provide you, if applicable. You should verify that the transactions in your account are consistent with your investment goals and the objectives for your account. We also encourage you to contact your advisory representative or our Chief Compliance Officer should you have any questions or concerns regarding your account.

JPTCM does not maintain physical possession or custody of assets or securities. Custody of funds and securities are maintained by a Qualified Custodian as defined in Rule 206(4)-2(d)(6). However, JPTCM can cause management and advisory fees to be deducted directly from client accounts, pursuant to the written advisory or investment management agreement with the client. Therefore, JPTCM is deemed to have custody of client assets.

### Investment Discretion

We offer our advisory services on a discretionary and non-discretionary basis. Discretionary means that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts. Non-discretionary means that we need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts.

Discretion granted to JPTCM does not allow us choose the broker-dealer through which transactions will be executed. Additionally, we do not have the ability to withdraw funds from your account (other than to withdraw our advisory fees which, may only be done with your prior written authorization.) This discretion is used in a manner consistent with the stated investment objectives for your account, if you have given us written authorization to do so. We only exercise discretion in accounts where we have been authorized by you. This authorization is typically included in the investment advisory agreement you enter into with us.

### Voting Client Securities

We do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. We will, however, forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

### Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding.