

## **OJM GROUP, LLC**

*a Registered Investment Adviser*

Firm Brochure for the  
*OJM Group Intelligent Portfolios Program*  
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This brochure provides information about the qualifications and business practices of OJM Group, LLC (hereinafter “OJM”). If you have any questions about the contents of this brochure, please contact us at (513) 791-7525. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about OJM Group, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

OJM Group, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

This Item discusses only the material changes that have occurred to this disclosure brochure since OJM's last annual update dated March 27, 2019. Following is a summary of material changes since that last annual update filing:

*There have been no material changes since our last annual update.*

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## Item 4. Advisory Business

OJM has been in business as a registered investment adviser since October 27, 2007. The principal owners of OJM are Jason M. O'Dell, David B. Mandell and Carole C. Foos.

OJM provides advisory services to individuals and their related entities through a website based program titled the OJM Group Intelligent Portfolios (the "*Program*"). As part of the *Program* OJM provides financial planning tools, risk metric tools and scenario planning tools which clients can access online through OJM's website. Through the use of these tools a client will select certain advisory styles managed by OJM. Advisory assistance is available to clients by request and delivered online by chat, by telephone or by email. A client of the *Program* is required to enter into one or more written agreements with OJM setting forth the terms and conditions under which OJM renders its services (collectively the "*Agreement*").

In addition to the *Program*, OJM provides financial planning, consulting, and investment management services to individuals and their related entities, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities through a different delivery and service model. OJM maintains and delivers to these clients a different brochure tailored specifically to the provision of investment advisory services to such clients.

As December 31, 2019, the *Program* has \$1,342,037 in discretionary assets under management.

This disclosure brochure describes the *Program* and OJM's delivery of the *Program* to clients. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of OJM's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on OJM's behalf and is subject to OJM's supervision or control.

### The OJM Group Intelligent Portfolios Program

The *Program* is designed for individuals who are interested in a diversified model portfolio using low-cost Exchange Traded Funds ("*ETF*") investments. Twelve different model portfolios are made available. The primary channel of interaction with OJM is through the internet. Clients are offered planning tools, risk metric tools and scenario planning tools which they can access online from the website. Advisory assistance is available to clients by request and can be delivered online by chat, by telephone or by email. Clients in the *Program* will enter their profile information online, including details such as amount of funding, investment objectives, risk tolerance, investment time horizon, age, employment status and likelihood of withdrawals from the account (the "*Client Profile*"). Through the use of a third party software application developed and managed by *Schwab*, OJM provides an online advisory platform including the twelve model portfolios for the client's investment of assets. The software will recommend an investment allocation amongst the model portfolios consistent with the designated investment objective and risk profile in the *Client Profile*. The *Program* utilizes twelve model portfolios, ranging from relatively conservative to relatively aggressive.

Investment strategy recommendations in the *Program* are made by OJM without considering potential tax consequences to the client. The client is responsible for any tax liabilities resulting from transactions (including any liabilities arising from the addition or withdrawal of assets from the client's account).

For any *Program* accounts with a balance greater than \$50,000 the *Program* will automatically engage in tax-loss harvesting (the sale of positions to create capital losses) unless otherwise specifically instructed by the client. Tax loss harvesting is unavailable to accounts with a balance of \$50,000 or less.

Clients in the *Program* must authorize OJM to exercise discretionary trading authority over the assets dedicated to the client's recommended *Program*, which includes the initial allocation and ongoing rebalancing. The discretionary authority allows OJM to buy, sell or otherwise trade assets in the client's account without prior approval of each transaction. Clients are permitted to place reasonable restrictions on OJM's management of the client assets in the *Program*.

Reports summarizing the client's current asset allocation, transactions and current holdings can be accessed at any time through the client website at <https://institutionalintelligent.schwab.com/> or [www.ojmgroup.com](http://www.ojmgroup.com) (the "Websites"). Clients are encouraged to visit the websites on a regular basis to review their account details.

Please note: It is always the client's responsibility to promptly notify OJM if there is any change in their financial situation or investment objective. This notification of change allows OJM an opportunity to review or evaluate our previous recommendations or services.

## **Other Services**

In addition to the advisory services described above, clients of the *Program* may receive additional services delivered through the Websites and/or through *Supervised Persons*. The scope of these services includes the following: website navigation support; linking of accounts for aggregated viewing of portfolios; explanation of advisory process; explanation of the model portfolios; explanation of results of portfolio analysis; account opening support; and account transfer support.

## **Item 5. Fees and Compensation**

### **Investment Management Fee**

OJM provides the investment management services under the *Program* for an annual fee based upon a percentage of the market value of the assets being managed by OJM. OJM's annual fee is exclusive of, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. OJM does not, however, receive any portion of these commissions, fees, and costs. OJM's annual fee is prorated and charged quarterly, in arrears, based upon the market value of the assets being managed by OJM on the last day of the previous quarter. OJM provides the *Program* services for an annual asset based fee of 0.65%.

OJM, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount

of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

### **Fees Charged by Schwab**

As further discussed in response to Item 12 (below), OJM requires clients of the *Program* to utilize the brokerage and clearing services of Charles Schwab & Co., Inc. ("*Schwab*"), an unaffiliated SEC-registered broker-dealer and FINRA member. OJM may only implement its investment management recommendations after the client has arranged for and furnished OJM with all information and authorization regarding accounts with *Schwab*.

Clients may incur certain charges imposed by *Schwab* such as custodial fees, brokerage commissions and/or transaction fees, wire transfer and electronic fund fees, and other fees on brokerage accounts and securities transactions. In addition to OJM's fees and the fees charged by *Schwab*, clients will also incur charges directly by a mutual fund or ETF held in their account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials and transfer taxes).

### **Fees for Management During Partial Quarters of Service**

For the initial period of investment management services, the fees shall be calculated on a *pro rata* basis.

The *Agreement* between OJM and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. OJM's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Additions may be in cash or securities provided that OJM reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. In light of the investment parameters of the *Program* it is highly likely that OJM will liquidate any transferred securities it accepts. Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will be adjusted or prorated based on the number of days remaining in the quarter.

### **Commissions or Sales Charges for Recommendations of Securities**

As detailed in this brochure, all clients' assets managed as part of the *Program* are held at the unaffiliated qualified broker-dealer custodian *Schwab*. In addition, all trading for client *Program* accounts is done through *Schwab*. Therefore, the status of any *Supervised Person* as a registered representative of any unaffiliated broker-dealer (other than *Schwab*) will in no way affect the execution of securities trades related to the *Program*. However, outside of the *Program* clients can engage certain persons associated with OJM (but not OJM) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with OJM. Under this arrangement, clients may

implement securities transactions (not related to the *Program*) through certain of OJM's *Supervised Persons* in their respective individual capacities as registered representatives of LifeMark Securities (an *Independent Broker Dealer* and collectively "*IBDs*") SEC registered broker-dealer and member of FINRA. *IBDs* may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by *IBDs* to such *Supervised Persons*. Prior to effecting any transactions clients are required to enter into a new account agreement with *IBDs*. The brokerage commissions charged by *IBDs* may be higher or lower than those charged by other broker-dealers. In addition, certain of OJM's *Supervised Persons* may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

A conflict of interest exists to the extent that OJM recommends the purchase of securities where OJM's *Supervised Persons* receive commissions or other additional compensation as a result of OJM's recommendations. OJM has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients.

For accounts covered by ERISA (and such others that OJM, in its sole discretion deems appropriate), OJM provides its investment advisory services on a fee-offset basis. In this scenario, OJM may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by OJM's *Supervised Persons* in their individual capacities as registered representatives of *IBDs*.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

OJM does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7. Types of Clients**

The *Program* is made available to individuals and their related entities. In addition, OJM requires an account minimum of \$10,000.00 for participation in the *Program*. In its discretion, OJM reserves the right to waive this minimum assets requirement based upon a variety of factors, which may include such things as future earning capacity, anticipated future assets and related accounts.

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

### Methods of Analysis – Creation and Maintenance of the Model Portfolios

Using diversified portfolios built utilizing the *Schwab* platform and third party low-cost ETFs, OJM has created 12 risk-based model portfolios, drawing from more than 450 ETFs across major fund families. These ETFs are reviewed periodically during OJM Investment Committee meetings. Changes to model allocations/funds will be at OJM's discretion based on various research utilized by OJM.

OJM's management team has implemented the following procedures when providing the *Program* to clients:

1. *Client Profile* — the client enters into the OJM Group Program (at: <https://institutionalintelligent.schwab.com>) their profile information online, including details such as amount of funding, investment objectives, risk tolerance, investment time horizon, age, employment status and likelihood of withdrawals from the account creating the client's investment objective and risk profile – the *Client Profile*;
2. *Designation of Investment Allocation* — the *Program* recommends an investment allocation utilizing the model portfolios, consistent with the designated investment objective and risk profile in the *Client Profile*;
3. *Consultation* — a *Supervised Person* of OJM who is knowledgeable about the account opening process, the *Schwab* Platform, the *Client Profile* and the client's account are reasonably available to consult via the web or telephone with the client regarding such things as account opening, account transfer, finalization of the *Client Profile* and the client's investment allocation within the *Program*;
4. *Notice of Transactions* — from *Schwab* the client receives notice of all transactions in their account;
5. *Quarterly Statement* — the client is provided with a quarterly statement from both OJM and *Schwab* containing a description of all activity in the account;
6. *Ability to Impose Restrictions* — the client may determine to accept the recommended investment allocation or otherwise request a different investment allocation. In addition, the client is permitted to place reasonable restrictions on OJM's management of client assets in the *Program*;
7. *No Pooling* — the client's beneficial interest in a security does not represent an undivided interest in all the securities held by *Schwab*, but rather represents a direct and beneficial interest in the securities which comprise the client's account;



8. *Separate Account* — a separate account is maintained for the client with *Schwab*; and
9. *Ownership* — each client retains indicia of ownership of the account (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

Important Note: While you will receive statements from both OJM and *Schwab*, OJM highly recommends that you review the statements from *Schwab* carefully since *Schwab* serves as the qualified broker-dealer custodian of your account assets.

## **Risks of Loss**

### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

### *Market Risks*

The profitability of a significant portion of OJM's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that OJM will be able to predict those price movements accurately.

### *Mutual Funds and Exchange Traded Funds (ETFs)*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Management Through Similarly Managed Accounts*

The strategy to manage model portfolios may involve an above-average portfolio turnover that could negatively impact upon the net after-tax gain experienced by an individual client. Securities in the model portfolios are usually exchanged and/or transferred without regard to a client's individual tax ramifications.

### *Other Risks*

The investments held by clients in the *Program* may also be subject to some or all of the following types of risk.

*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.

*Foreign, Emerging Markets Risk:* Investments in foreign and emerging markets have considerable risks. Risks associated with investing in foreign and emerging markets include fluctuations in the exchange rates of foreign currencies that may affect the U.S. dollar value of the investment, the possibility of substantial price volatility as a result of political and economic instability in the foreign country, less public information about issuers of securities, different securities regulation, different accounting, auditing and financial reporting standards and less liquidity than in the U.S. markets.

*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 may 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 investors are interested in buying or selling 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 loss, 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.

*Political Risk:* Overseas investments are subject to fluctuations in value from political unrest or governmental instability of the investment's originating country.

*Cybersecurity Risk:* Cybersecurity risk is the risk related to unauthorized access to the systems and networks of OJM and its service providers. The computer systems, networks and devices used by OJM and service providers to OJM and OJM's clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by OJM and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or other compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issues of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers and other financial institutions; and other parties. In addition, substantial costs may be incurred by those entities in order to prevent any cybersecurity breaches in the future.

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## **Item 9. Disciplinary Information**

OJM is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. OJM does not have any required disclosures to this Item.

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

OJM is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. OJM has described such relationships and arrangements below.

### **Registered Representatives of Broker Dealer**

As discussed above in Item 5, certain of OJM's *Supervised Persons* are registered representatives of *IBDs*.

## **Registration as Insurance Agency**

OJM 18 is a duly licensed insurance agency. Additionally, *Supervised Persons*, in their individual capacities, are licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed basis, the purchase of certain insurance products. A conflict of interest exists to the extent that OJM or its *Supervised Persons* recommend the purchase of insurance products where OJM or its *Supervised Persons* receive insurance commissions or other additional compensation.

## **Related Certified Public Accountant**

One of OJM's *Supervised Persons* is a certified public accountant and may provide tax planning information and review to determine whether clients could be saving on taxes. OJM and its *Supervised Persons*, though, do not provide accounting and/or tax advice. Clients are encouraged to utilize their personal accountants and/or tax attorneys if the need for such services should arise.

## **Unrelated Business**

Certain of OJM's principal executive officers own and operate Guardian Publishing, a publisher of financial and wealth planning books and articles. These principal executive officers may receive compensation for the sale of these publications. In addition, individuals that market the book may receive fees for such services. OJM does not anticipate that this relationship will pose any potential for conflicts of interest with OJM's clients; however, certain of the materials published by Guardian Publishing may direct clients to OJM for more information regarding the content of books or magazines.

## **Referrals to Related Attorneys**

Certain of OJM's *Supervised Persons*, are licensed practicing attorneys. OJM does not provide legal advice or preparation of legal documents. Clients are encouraged to utilize their personal legal counsel when the need for such legal services should arise. Clients are welcome, but never obligated or solicited to seek the unaffiliated legal services of OJM's *Supervised Persons*, but services are available under a separate agreement with the attorney or law firm.

## Item 11. Code of Ethics

OJM and persons associated with OJM (“*Associated Persons*”) are permitted to buy or sell securities that it also recommends to clients consistent with OJM’s policies and procedures.

OJM has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“*Code of Ethics*”). In accordance with Section 204A of the Investment Advisers Act of 1940 (the “*Advisers Act*”), the Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by OJM or any of its *Associated Persons*. The Code of Ethics also requires that certain of OJM’s personnel (called “*Access Persons*”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

*Access Persons* may buy or sell securities, including mutual funds and ETFs, that are also recommended to clients. However, trading is monitored so that *Access Persons* are not in a position to materially benefit from the sale or purchase of those securities. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if OJM did not have adequate policies in place to detect such activities and other potentially abusive practices. To assist in this monitoring, *Access Persons* must provide OJM’s Chief Compliance Officer (“*CCO*”) with a written report of their current securities holdings within ten (10) days after becoming an *Access Person*. Additionally, each *Access Person* must provide the CCO with a written report of all transactions in reportable securities during each calendar quarter, as well as a written report of all current reportable securities holdings each twelve (12) month period thereafter.

Clients and prospective clients may contact OJM to request a copy of its *Code of Ethics*.

## Item 12. Brokerage Practices

As discussed above, in Item 5, OJM requires that clients of the *Program* utilize the brokerage and clearing services of *Schwab*.

Factors which OJM considers in recommending *Schwab*, or any other broker-dealer custodian to clients, include their respective financial strength, reputation, execution, pricing, research and service. The commissions and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other broker-dealer custodians.

The commissions paid by OJM’s clients comply with OJM’s duty to obtain “best execution.” Clients may pay commissions that are higher than other qualified broker-dealer custodians might charge to effect the same transaction where OJM determines that the commissions are 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 custodian’s

services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. OJM seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

OJM periodically and systematically reviews its policies and procedures regarding its recommendation of broker-dealer custodians in light of its duty to obtain best execution. For the *Program*, OJM does not accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer).

Transactions for each client generally will be effected independently, unless OJM decides to purchase or sell the same securities for several clients at approximately the same time. OJM may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among OJM’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among OJM’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that OJM determines to aggregate client orders for the purchase or sale of securities, including securities in which OJM’s *Supervised Persons* may invest, OJM shall generally do so in accordance with applicable rules promulgated under the *Advisers Act* and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. OJM shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that OJM determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, OJM may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Commissions or Sales Charges for Recommendations of Securities**

While generally not applicable to the *Program*, as discussed above, certain *Supervised Persons* in their respective individual capacities, are registered representatives of *IBDs*. These *Supervised Persons* are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless *IBDs* provide written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted to

conducting securities transactions through *IBDs* unless they first secure written consent from *IBDs* to execute securities transactions through a different broker-dealer. Absent such written consent or separation from *IBDs*, these *Supervised Persons* are prohibited from executing securities transactions through any broker-dealer other than *IBDs* under *IBDs*' internal supervisory policies. OJM is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

### **Software and Support Provided by Schwab**

OJM receives from *Schwab*, without cost to OJM, computer software and related systems support, which allow OJM to better monitor and manage the client *Program* accounts, as well as other OJM client accounts. OJM may receive the software and related support without cost because OJM renders investment management services to *Program* clients, as well as other clients, that maintain assets at *Schwab*. The software and related systems support may benefit OJM, but not its clients directly. In fulfilling its duties to its clients, OJM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that OJM's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence OJM's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, OJM may receive the following benefits from *Schwab* through its Schwab Institutional Division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. There is no direct link between OJM's receipt of services and benefits from *Schwab* and the investment advice it gives to its clients, although OJM receives economic benefits that are typically not available to *Schwab* retail investors.

## **Item 13. Review of Accounts**

OJM monitors client's *Program* accounts as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. OJM periodically rebalances client *Program* accounts back to target allocations as part of its process to strive to maintain risk and reward levels consistent with the *Client Profile*. All clients are encouraged to discuss their needs, goals, and objectives with OJM and to keep OJM informed of any changes thereto. OJM shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Clients are provided with transaction confirmation notices and regular summary account statements directly from *Schwab*. In addition, clients will also receive an annual report from OJM that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance. Clients should compare the account statements they receive from *Schwab* with those they receive from OJM.

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

The Firm does not currently provide compensation to any third-party solicitors for client referrals.

## **Item 15. Custody**

OJM's Agreement and/or the separate agreement with *Schwab* may authorize *Schwab* to debit the client's account for the amount of OJM's fee, as determined by OJM, and to directly remit that management fee to OJM in accordance with applicable custody rules.

*Schwab* will send a statement to each client of the *Program*, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to OJM. In addition, as discussed in Item 13, OJM also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by *Schwab* and compare them to those received from OJM.

## **Item 16. Investment Discretion**

The *Program* is provided on a discretionary basis. OJM is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. OJM is given this authority through a power-of-attorney included in the agreement between OJM and the client. OJM takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

Clients of the *Program* are permitted to place reasonable restrictions on OJM's management of client assets in the *Program*.

## **Item 17. Voting Client Securities**

OJM does not vote client securities on behalf of its clients.

## **Item 18. Financial Information**

OJM does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, OJM is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. OJM has no disclosures pursuant to this Item.