

FIRM BROCHURE  
Part 2A of Form ADV



**JAMES I. BLACK & COMPANY**

**JAMES I. BLACK & COMPANY**

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This brochure provides information about the qualifications and business practices of JAMES I. BLACK & COMPANY. If you have any questions about the contents of this brochure, please contact us at (863) 686-4163. 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 as an investment advisor does not imply a certain level of skill or training.

Additional information about JAMES I. BLACK & COMPANY also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for JAMES I. BLACK & COMPANY is 1249.

## **Item 2: Material Changes**

This is the initial version of **JAMES I. BLACK & COMPANY**'s ("JIBC") firm brochure. Accordingly, there are no material changes from any previous version of this brochure.

### Item 3: Table of Contents

<b>Item 2: Material Changes</b>	<b>i</b>
<b>Item 3: Table of Contents</b>	<b>ii</b>
<b>Item 4: Advisory Business</b>	<b>1</b>
About James I. Black & Co. (“JIBC”) . . . . .	1
Advisory Services JIBC Offers . . . . .	1
<i>Wealth Management Services</i> . . . . .	1
<i>Portfolio Management Services</i> . . . . .	2
<i>Financial Planning Services</i> . . . . .	3
Wrap Fee Programs . . . . .	3
Client Assets Under Management . . . . .	3
<b>Item 5: Fees and Compensation</b>	<b>3</b>
Fees Charged JIBC . . . . .	3
Wealth Management Services Fees . . . . .	4
Portfolio Management Services Fees . . . . .	4
Financial Planning Services Fees . . . . .	5
Additional Fees and Expenses . . . . .	5
<b>Item 6: Performance-Based Fees and Side-by-Side Management</b>	<b>6</b>
<b>Item 7: Types of Clients</b>	<b>6</b>
<b>Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss</b>	<b>6</b>
General Investment Risk . . . . .	7
Loss of Value . . . . .	7
Interest Rate Risk . . . . .	7
Credit Risk . . . . .	7
Foreign Exchange Risk . . . . .	7
<b>Item 9: Disciplinary Information</b>	<b>7</b>
Criminal or Civil Actions . . . . .	8
Administrative Enforcement Proceedings . . . . .	8
Self-Regulatory Organization Enforcement Proceedings . . . . .	8
<b>Item 10: Other Financial Industry Activities and Affiliations</b>	<b>8</b>
Registration as a Broker-Dealer or Registered Representative of a Broker-Dealer . . . . .	8
Futures or Commodities Registration . . . . .	9
Material Relationships with Related Persons . . . . .	9
Clearing Arrangements . . . . .	9
Introducing Arrangements . . . . .	9
Affiliated and Related Companies . . . . .	9
Business Relationships with Other Advisers which Entail Conflicts of Interest . . . . .	10

<b>Item 11: Code of Ethics, Participation, or Interest in Client Transactions and Personal Trading</b>	<b>11</b>
Description of Our Code of Ethics . . . . .	11
Personal Trading Practices . . . . .	11
<b>Item 12: Brokerage Practices</b>	<b>11</b>
Selection of Broker-Dealer Firms by JIBC. . . . .	11
Your Custody and Brokerage Costs . . . . .	12
Soft Dollar Benefits Currently Received . . . . .	12
Directed Brokerage . . . . .	12
Order Aggregation . . . . .	13
<b>Item 13: Review of Accounts</b>	<b>13</b>
Client Account Review Frequency . . . . .	13
Reports Provided to Clients . . . . .	14
<b>Item 14: Client Referrals and Other Compensation</b>	<b>14</b>
Compensation Arrangements with Non-Clients for Providing Services to Clients . . . .	14
Client Referral Compensation . . . . .	14
<b>Item 15: Custody</b>	<b>14</b>
<b>Item 16: Investment Discretion</b>	<b>15</b>
<b>Item 17: Voting Client Securities</b>	<b>15</b>
<b>Item 18: Financial Information</b>	<b>16</b>
Balance Sheet . . . . .	16
Arrangement with Issuer of Securities . . . . .	16
Financial Conditions Reasonably Likely to Impair JIBC’s Ability to Meet Its Contractual Obligations and Bankruptcy . . . . .	16

## **Item 4: Advisory Business**

### **About James I. Black & Co. (“JIBC”)**

James I. Black & Company (also referred to as “us”, “we”, “JIBC” throughout this brochure) is a full service Broker Dealer and Registered Investment Advisor corporation that was formed under the laws of the State of Florida in 1995 and registered as a Broker Dealer and founded in 1964. James I. Black, Jr. founded James I. Black & Company in September 1964. Armed with 55 years experience in the financial service business, his vision was to provide a full-service financial service with an emphasis on personal service and integrity. James I. Black & Company has been an independent financial services firm for 55 years and continues to provide the personal services in financial planning, investment advice and brokerage services.

We provide investment advisory services to you through an appropriately licensed (when required) and qualified JIBC investment adviser representative (referred to as your investment adviser representative throughout this brochure). Your investment adviser representative is typically JIBC employee. In providing investment advisory services, your investment adviser representative is limited to providing the services and charging investment advisory fees in accordance with the descriptions detailed in this brochure. Your investment adviser may also be a broker, registered representative, of JIBC and provide brokerage services independently or in conjunction with investment advisory services.

### **Advisory Services JIBC Offers**

JIBC currently offers the following investment advisory services, personalized to each individual client:

- Wealth Management Services
- Portfolio Management Services
- Financial Planning Services

Each investment advisory service is listed below and describes how JIBC tailors its advisory services to your individual needs. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of JIBC.

#### ***Wealth Management Services***

JIBC provides wealth management services to clients. In the initial stage of a new relationship, clients are interviewed to determine and prioritize the client's personal and financial goals, needs and objectives and to gather pertinent data and documents necessary to analyze and evaluate the client's overall financial situation. In the next stage, planning recommendations are developed and presented. Upon approval by the client, the plan is implemented, and ongoing monitoring is established. Further details about our financial planning process are provided in the Financial Planning Services section below.

## ***Portfolio Management Services***

Asset management refers to the management of money, including investments. Assets are usually held in what is called a portfolio. Determining the types and quantities of securities to hold in a portfolio is referred to as portfolio management.

JIBC offers discretionary portfolio management services to its clients. Discretionary portfolio management means JIBC will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives and risk tolerance.

JIBC's investment advice is tailored to meet our clients' needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

There are a few ways we might create your investment portfolio depending on what we decide would work best for you. We may customize a portfolio for you based on the goals and risk we determined during the information gathering process. Or, we might use a predetermined strategy rather than choosing individual securities. Alternatively, it may be that one of the model portfolios developed by JIBC would be the best fit for your needs.

JIBC mainly uses equity securities, exchange traded funds, mutual funds, corporate securities, municipal securities and U.S. government securities in its portfolio management programs.

However we construct your investment portfolio, we will monitor your portfolio's performance on an ongoing basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

As outlined above, discretionary portfolio management services means that once the portfolio has been agreed upon, the ongoing supervision and management of the portfolio will be our responsibility. This authority is granted to us by you in a written agreement. This allows our firm to decide on specific securities, the quantity of the securities and placing buy or sell orders for your account without obtaining your approval for each transaction. This type of authorization is done using either the investment advisory agreement you sign with our firm, a limited power of attorney agreement, or trading authorization forms. You may limit this authority if you wish by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing.

If you wish to terminate this service, you can do so by writing a letter to us at least [30] days before the designated termination date. There will be a charge to you for any service performed by us in the partial billing period in which you gave termination notice. This fee will be calculated pro rata, which means only in proportion to the number of days in the billing period for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a pro-rated refund of those fees.

We recommend that you review the statement(s) you receive from the qualified custodian. If you see something that is incorrect, please call our main office number, located on the cover page of this brochure.

## ***Financial Planning Services***

JIBC offers broad based financial planning services, which may include, but are not limited to the following: tax planning, charitable gifting strategies, estate and retirement planning and preparation for life transitions including family wealth planning. JIBC intends to achieve a client's long-term financial goals by implementing a financial planning process that may include the following steps:

1. Assessment of a client's present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements etc.
2. Identification of a client's financial and personal goals and objectives. Goals or objectives may include financing a child's college education or retirement planning. The identified goals or objectives are specific, realistic and measurable. All goals include time horizons.
3. Resolution of finance related problems. Obstacles to achieving financial independence are identified so that resolution may occur. Examples of problem areas can include too little or too much insurance coverage, inadequate cash flow or a high tax burden.
4. Implementation of the financial plan. The financial plan is finalized and agreed upon. The recommendations and solutions are executed by the client to reach the desired goals and objectives unless the client hires JIBC to implement the financial plan through its Wealth Management Service.
5. Evaluation of the financial plan is conducted periodically as part of the Wealth Management Service. Updates to the financial plan can be made as needed at an additional fee if not part of the Wealth Management Service.

Financial plans are based on your financial situation and the financial information you provide to our firm. If your financial situation, goals, objectives, or needs change, you must notify us promptly.

## **Wrap Fee Programs**

JIBC does not participate in or sponsor wrap fee programs.

## **Client Assets Under Management**

The amount of clients assets managed by JIBC totaled:

\$450,000,000 as of December 31, 2019.

\$450,000,000 is managed on a non-discretionary basis; and

\$0 is managed on a discretionary basis.

## **Item 5: Fees and Compensation**

### **Fees Charged JIBC**

JIBC charges fees based on percentage of assets under management, hourly charges, fixed fees or other fees for its advisory services. At the sole discretion of JIBC, these fees are negotiable.

## Wealth Management Services Fees

Wealth management clients are first charged a financial planning service fee in accordance with the broad based financial plan fee schedule and payment arrangements listed in the Financial Planning Services Fees section below. Our portfolio management services fees and payment arrangement are disclosed below.

### Portfolio Management Services Fees

If you engage JIBC for portfolio/asset management services, we will provide this service on a fee basis. Our fee may be negotiable, depending on individual clients circumstances. Our fee will vary depending on the particular investment adviser representative managing your account and may be higher or lower than what other clients pay for similar services. We will charge an annual fee based upon a percentage of the market value of the assets being managed. Our fee for portfolio/asset management services is set forth in the following blended fee schedule:

Assets Under Management	Annual Fee
First \$1,000,000	1.00% per year
Next \$1,000,000	.75% per year
Next \$3,000,000	.50% per year
Over \$5,000,000	.40% per year

For example, a client with a managed account worth \$3,000,000, will incur the following annual asset management fee:

First \$1,000,000 x 1.0%	\$10,000
Next \$1,000,000 x 0.75%	\$7,500
Next \$1,000,000 x 0.50%:	\$5,000
Total annual fee:	\$22,500

JIBC will either bill you directly for payment of our fees or the fees will be deducted from your account. Fees are billed quarterly, in arrears and are based on the value of your portfolio at the end of the preceding quarter. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client asset account to facilitate billing. The qualified custodian will provide you with an account statement at least quarterly. This statement will detail all account activity, including the advisory fees deducted from your account(s).

Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses, which will be incurred by the client. However, we will not receive any portion of the commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.



For the initial period of investment management services, the first period's fees will be calculated on a pro-rata basis. The Advisory Agreement between JIBC and the client will continue in effect until either party terminates the Agreement in accordance with the terms of the Agreement. JIBC's annual fee will be pro-rated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

### **Financial Planning Services Fees**

JIBC may provide its clients with financial planning and consulting services. JIBC will charge a fixed fee and/or hourly fee for consulting services. Our consulting fees are negotiable. We utilize the following financial planning fee schedules:

- **Fixed Fees:** For broad based financial plans, JIBC will charge a fixed fee that ranges from \$2,500.00 to \$5,000.00, for broad based planning services. In limited circumstances, the total cost could potentially exceed \$5,000.00. In such cases, we will notify the client and may request that the client pay an additional fee.
- **Hourly Fees:** JIBC charges an hourly fee range from \$300 to \$500 per hour with a minimum engagement of 5 hours for clients who request specific services (such as a modular plan or hourly consulting services) and do not desire a broad based written financial plan.

Prior to engaging JIBC to provide consulting services, the client will generally be required to enter into a written agreement with us. The agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the portion of the fee that is due from the client. Generally, JIBC requires one-half of the consulting fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon the completion of the agreed upon services. Either party may terminate the agreement upon 30 days by written notice to the other. In the event the client terminates JIBC's consulting services, the balance of JIBC's unearned fees (if any) shall be refunded to the client.

### **Additional Fees and Expenses**

The fees JIBC charges may be negotiable based on the amount of assets under management, complexity of client goals and objectives, and level of services rendered. As described above, the fees are charged as described and are not based on a share of capital gains of the funds of an advisory client. All fees paid to JIBC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of JIBC. In that case, the client would not receive the services provided by JIBC, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by JIBC to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

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

JIBC does not charge performance-based fees.

## **Item 7: Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plan participants, guardianships, trusts and estates.

JIBC requires a minimum of \$50,000 to open and maintain an advisory account. At our sole discretion, we may waive this requirement. This requirement can be met by combining two or more accounts owned by you or related family members.

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

The following are different methods of analysis that we may use when providing you with investment advice:

- Charting – charting is a technique that attempts to forecast future market moves by studying historical data on charts.
- Fundamental Analysis – fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.
- Technical Analysis – technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall.
- Cyclical Analysis – cyclical analysis is a technique that looks at cycles, specifically analyzing the way prices follow certain patterns and trends.

We may use one or more of the following investment strategies when advising you on investments:

- Long Term Purchases – securities held for over a year.
- Short Term Purchases – securities held for less than a year.

The investment advice provided along with the strategies suggested by JIBC will vary depending on each client's specific financial situation and goals. Investing in securities involves risk of loss that clients should be prepared to bear. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

## **General Investment Risk**

All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments you intend to invest in.

## **Loss of Value**

There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies.

## **Interest Rate Risk**

Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

## **Credit Risk**

Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

## **Foreign Exchange Risk**

Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

## **Item 9: Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business and/or our management team. JIBC has not been subject to any disciplinary events.

## **Criminal or Civil Actions**

JIBC and its management team have no reportable criminal or civil legal or disciplinary events to disclose.

## **Administrative Enforcement Proceedings**

JIBC and its management team have no reportable administrative enforcement proceedings to disclose.

## **Self-Regulatory Organization Enforcement Proceedings**

JIBC and its management team have no reportable self-regulatory organization enforcement proceedings to disclose.

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

### **Registration as a Broker-Dealer or Registered Representative of a Broker-Dealer**

**JAMES I. BLACK & COMPANY, INC** doing business as **JAMES I. BLACK & COMPANY** CRD# 1249 and SEC# 8-12077. The principal office is located at 311 SOUTH FLORIDA AVENUE LAKELAND, FL 33801. JIBC is regulated by FINRA Florida Office. JIBC is currently registered with the Securities and Exchange Commission, FINRA and the following states:

- |   |          |          |            |
|---|----------|----------|------------|
| • | Florida  | Approved | 04/27/1983 |
| • | Nevada   | Approved | 09/03/2008 |
| • | New York | Approved | 03/14/1985 |
| • | Texas    | Approved | 02/24/2009 |

This firm currently conducts 7 types of businesses. Types of Business

- Exchange member engaged in exchange commission business other than floor activities; Broker or dealer retailing corporate equity securities over-the-counter;
- Broker or dealer selling corporate debt securities Mutual fund retailer;
- U.S. government securities broker Municipal securities broker; and
- Put and call broker or dealer or option writer.

Gerald Black is the president of James I. Black & Company. He is a FINRA registered representative as well as a CFTC-registered Associated Person of James I. Black & Company. He is an National Futures Association ("NFA") Associate Member and a CFTC-listed Principal of the company.

J. Morgan Christian is a FINRA registered representative of James I. Black & Company. Mr. Morgan joined James I. Black & Company in 1988 is employed as an account executive

Natasha Steadman is a FINRA registered representative of James I. Black & Company. Ms. Steadman is the Chief Compliance Officer of the firm.

## **Futures or Commodities Registration**

JIBC became registered as a CFTC registered introducing broker on August 31, 1984 and a member of the NFA member on May 15, 1985.

## **Material Relationships with Related Persons**

JIBC is required to disclose any relationship(s) or arrangement(s) with any (1) broker-dealer, municipal securities dealer, or government securities dealer or broker; (2) investment company or other pooled investment vehicle (including mutual fund, closed-end investment company, unit investment trust, private investment company, "hedge fund" and/or offshore fund); (3) other investment advisor or investment planner; (4) futures commission merchant, commodity pool operator or commodity trading advisor; (5) banking or thrift institution; (6) accountant or accounting firm; (7) lawyer or law firm; (8) insurance company of agency; (9) pension consultant (10) real estate broker or dealer; and/or (11) sponsor or syndicator of limited partnerships that is/are material to a client's or prospective client's evaluation of our advisory business.

### **Clearing Arrangements**

JIBC does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s). JIBC does hold and maintain funds for JIBC client's and provides clearing services for non-public traded securities.

### **Introducing Arrangements**

JIBC refers or introduces customers to the following brokers and dealers:

**R.J. O'BRIEN SECURITIES, LLC ("RJO")**, 222 South Riverside Plaza Suite 900, Chicago, IL 60606 is referred customers on a fully disclosed basis.

JIBC has accounts, funds, or securities maintained by a third party, **INTERACTIVE BROKERS LLC ("IB")**, One Pickwick Plaza-2nd Fl, Greenwich, CT 06830. JIBC has fully disclosed all clients to IB. The securities and money will be held and sent directly to **IB**.

### **Affiliated and Related Companies**

JIBC and its trading principals are also affiliated with ITB CAPITAL MANAGEMENT, LLC ("ITBCM"), a CFTC-registered commodity pool operator as of August 30, 2005 and ITB CAPITAL ADVISORS, LLC, ("ITBCA") a CFTC registered Commodity Trading Advisor as of August 21, 2006. ITBCM is an NFA member firm which serves as the commodity pool operator and general partner of three privately offered commodity pools (collectively, the "ITBCM Commodity Pools"). ITBCA is an NFA member firm which serves as the commodity trading advisor to managed account holders.

JIBC has related companies that are

- (1) "hedge funds" Commodity Pools; and
- (2) a commodity pool operator, and commodity trading advisor. These affiliated companies are:

ITB CAPITAL MANAGEMENT LLC, serves as the CFTC registered Commodity Pool Operator for the following commodity pools:

ITB CAPITAL INCOME FUND I, LTD. a Delaware limited partnership operating as commodity pool.

ITB PREMIUM FUND I, LTD., a Delaware limited partnership operating as commodity pool.

ITB PREMIUM FUND II, LTD. a Delaware limited partnership operating as commodity pool.

Your investment adviser may be also licensed as a registered representative (broker) with JIBC to sell securities. Your investment adviser representative, acting as a broker of JIBC, may receive commissions for selling general securities such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to investment advisory clients. Your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based account at JIBC in addition to an investment advisory account. In the event that you elect to purchase these products through JIBC broker-dealer, your investment adviser, in the capacity as registered representative, and our JIBC will receive the normal and customary commission compensation in connection with the specific product purchased. JIBC does not require your investment adviser representative to encourage you to implement investment advice through JIBC. You are free to implement investment advice through any broker/dealer or product sponsor you may select. However, please understand that, due to certain regulatory constraints, your investment adviser representative, in the capacity as a dually registered representative, must place all purchases and sales of securities products in commission-based brokerage accounts through our broker-dealer.

In certain transactions, at the same time that JIBC acts as investment adviser to a client, JIBC could act as a broker for you and for another party on the other side of the transaction ("Agency Cross-Transactions"), which would be a conflict of interest. However, JIBC does not engage in Agency Cross-Transactions. Your investment adviser representative may be licensed as a life insurance agent with another agency and may sell insurance and annuity products to you. In the event that you buy life insurance or an annuity through your investment adviser representative in his or her separate capacity as an insurance agent, your investment adviser representative will receive separate and typical compensation for the insurance or annuity sale. You are not obligated to utilize your investment adviser representative in his or her separate capacity as an insurance agent for life insurance or annuity transactions. JIB is an investment adviser registered with the SEC. Third-Party Money Managers & Sub-Advisors JIBC has developed several programs, previously described in Item 5 of this Disclosure Brochure, designed to allow your investment adviser representative to recommend and select unaffiliated investment advisers for clients. The selected unaffiliated investment advisers will act as either an outside money manager, sub-adviser of sub-manager. Whenever another investment adviser is selected to manage all or a portion of your assets, the outside investment adviser will be paid a portion of the fees you are charged and JIBC and your investment adviser representative will also receive a portion of the fees you are charged. Please refer to Item 5 for full details regarding the programs, fees, conflicts of interest and materials arrangements when select other investment advisers.

### **Business Relationships with Other Advisers which Entail Conflicts of Interest**

JIBC does not recommend or select other investment advisors for clients.

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

### **Description of Our Code of Ethics**

JIBC has adopted a Code of Ethics (the “Code”) to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. All persons associated with our firm are expected to adhere strictly to the adopted Code of Ethics’ and to complete annually education courses. The Code includes JIBC’s policies and procedures developed to protect client’s interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics;
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee’s position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of JIBC’s Code of Ethics is available upon request to the Chief Compliance Officer JIBC’s principal office address.

### **Personal Trading Practices**

At times, JIBC and/or its Advisory Representatives may take positions in the same securities as clients, which may pose a conflict of interest with clients. JIBC and its Advisory Representatives will generally be “last in” and “last out” for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading.

Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

## **Item 12: Brokerage Practices**

### **Selection of Broker-Dealer Firms by JIBC**

Client assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use our firm’s brokerage facilities, Interactive Brokers LLC, (“IB”), One Pickwick Plaza-2nd Fl, Greenwich, CT 06830 or R.J. O’Brien Securities, LLC (“RJO”), 222 South Riverside Plaza, Suite 1200, Chicago, IL 60606, FINRA-registered broker-dealers and members SIPC, as the qualified custodians. We recommend our Firm’s brokerage facilities because of our execution capability and competitive commission rates, and to facilitate the efficient trading and management of client’s accounts which comes from being resident at same brokerage firm. As a broker-dealer, we may receive a portion of the transactions fees on execution through IB or RJO.

We are independently owned and operated and not affiliated with RJO or IB. RJO and IB will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use our firm, RJO, and IB as custodian/broker, you will decide whether to do so and open your account with RJO or IB by entering into an account agreement directly with them. We do not open the account for you. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor.

While, JIBC exclusively recommends that clients engage JIBC to introduce transactions in their accounts, clients are not required to maintain their accounts at any particular securities broker; except, however, the broker or brokers that clients do choose must be approved by JIBC.

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for your account)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients

Even though your account is maintained at another broker dealer, we can still use other brokers to execute trades for your account, as described in the next paragraph.

### **Your Custody and Brokerage Costs**

RJO and IB generally do not charge you separately for custody services but are compensated by charging you commissions or other fees on trades that they execute or that settle into your RJO or IB account.

### **Soft Dollar Benefits Currently Received**

As of the date of this brochure, JIBC does not receive any soft dollar benefits.

### **Directed Brokerage**

The client may direct brokerage to a specified broker/dealer other than the firm recommended by JIBC. It is up to the client to negotiate the commission rate, as JIBC will not. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than the rate available through the broker/dealer used by JIBC. In client directed brokerage arrangements, the client may not be able to



participate in aggregated (“blocked”) trades, which may help reduce the cost of execution. Where the client does not otherwise designate a broker/dealer, JIBC recommends a broker/dealer with competitive commission rates.

As described above, while, JIBC exclusively recommends that clients engage JIBC to introduce transactions in their accounts, clients are not required to maintain their accounts at any particular broker; except, however, the broker or brokers that clients do choose must be approved by JIBC believes the commissions expected to be charged by the broker to be reasonable and their execution services to be competitive. Notwithstanding the foregoing, clients are advised that the use of any one broker-dealer exclusively may result in JIBC being unable to achieve the most favorable execution at the best price available and accordingly may cost clients more money than other arrangements.

### **Order Aggregation**

While individual client advice is provided to each account, client trades may be executed as a block trade. JIBC encourages its existing and new clients to use RJO. Only accounts in the custody of RJO would have the opportunity to participate in aggregated securities transactions. All trades using RJO will be aggregated. The executing broker will be informed that the trades are done for the clients that are fully introduced to RJO. No fully disclosed account within the block trade will be favored over any other fully disclosed account and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. RJO will be notified of the amount of each trade for each account. JIBC and/or its Advisory Representatives may participate in block trades with clients, and may also participate on a pro rata basis for partial fills, but only after the determination has been made that clients will receive fair and equitable treatment.

From time to time, JIBC may aggregate the purchase or sale of securities for more than one client account. JIBC will allocate fills resulting from aggregate orders in accordance with its internal policy regarding the same. Generally, such policy requires JIBC to allocate aggregate order fills among and between participating client accounts on a pro rata basis (i.e., to the extent each client account participated in the aggregate order).

## **Item 13: Review of Accounts**

### **Client Account Review Frequency**

JIBC monitors the individual investments within JIBC’s portfolio management program on a continuous basis. Portfolio performance is reviewed, at a minimum, on a quarterly basis. JIBC offers portfolio management clients an in- person portfolio review meeting on an annual basis depending on JIBC’s specific arrangement with each client. Clients may request a verbal or written report.

The account reviews are performed by the client’s Advisory Representative, the Chief Compliance Officer and other designated compliance staff monitor the portfolios and financial plans for investment objectives and other supervisory review.

The financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on an annual basis to update the financial plan.

## Reports Provided to Clients

Clients will have direct and continuous access to their accounts and the statements and related documents associated therewith via the broker-dealer with which their accounts are held.

Brokerage statements are generated quarterly unless there is activity in the account; in which case they are generated monthly and sent directly to the client by our brokerage account, RJO, or IB. These statements list the account positions, activity in the account over the month and other related information. Clients are also sent confirmations following each transaction unless such notification is waived by the client. **Clients are encouraged to review all communications and statements received from RJO, IB and/or JIBC immediately upon receipt.**

## Item 14: Client Referrals and Other Compensation

### Compensation Arrangements with Non-Clients for Providing Services to Clients

At present, JIBC and its management do not receive compensation from non-clients for providing services to clients. Notwithstanding the foregoing, JIBC its management may in the future receive compensation and certain other economic benefits from non-clients as a result of providing advisory services to clients. As a general matter, such compensation may take the form of direct referral fees such as cash payments, but may also include the provision of services or products to JIBC non-clients.

### Client Referral Compensation

JIBC does not receive client referrals nor pay compensation for such.

## Item 15: Custody

JIBC as the investment advisor has custody of client funds and securities, by holding certain clients private securities<sup>1</sup> and because of the fee deduction authority granted by the client in the investment advisory agreement and in certain situations where we accept standing letters of authorization from clients to transfer assets to third parties. We maintain safeguards in accordance with regulatory requirements regarding custody of client assets. JIBC will only have custody of its clients' assets insofar as JIBC may directly debit its fees from client accounts pursuant to its advisory agreement. The annual fee paid by the client for custodian services are as follows:

Up to \$1,000,000	25 Basis Points
\$1,000,000 to \$1,999,999	20 Basis Points
\$ 2,000,000 to \$ 4,999,999	15 Basis Points
Over \$5,000,000	10 Basis Points

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<sup>1</sup>JIBC maintains custody of Publix Supermarket employee benefit private securities.

JIBC may utilize independent, third-party custodians to safeguard and keep records of investments. Currently, JIBC's primary custodians are RJO and IB. JIBC will only have custody of its clients's assets insofar as JIBC may directly debit its fees from client accounts pursuant to its advisory agreement. JIBC will simultaneously send to both the client's broker and the Client an invoice for the fees to be directly debited.

**Clients will have continuous access to their account statements issued by the broker and are encouraged to carefully review such statements to confirm fees have been debited directly.**

#### **Item 16: Investment Discretion**

JIBC offers Portfolio Management Services to its advisory clients on both a discretionary and non-discretionary basis. JIBC will manage client accounts on a discretionary basis if the client has granted discretionary authority in the client advisory agreement. Discretionary authority extends to the type and amount of securities to be bought and sold and do not require advance client approval.

In a non-discretionary account, an Associated Person of JIBC recommends the purchase or sale of securities for review and approval by their clients. JIBC will only purchase or sell securities, which have been approved by clients in advance.

You may limit this authority if you wish by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

#### **Item 17: Voting Client Securities**

Unless otherwise notified in writing, the client will vote all proxies and take all other actions relating to the securities held in his account, including exercises of rights and acceptances, tender offers and the like. JIBC will not be required to take any action or render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the client's account may be invested from time to time.

Notwithstanding the foregoing, JIBC has adopted a proxy voting policy that will apply in voting client securities as requested in writing by the client from time-to-time. This policy is summarized below.

JIBC shall vote in the best interest of its client, without regard to its own interests. JIBC may contract with an independent proxy voting service ("independent service") and other independent service providers to provide various services. These services include development of a predetermined proxy voting policy for both domestic and international securities, vote recommendations, and voting of proxies for client accounts.

JIBC has adopted a variety of methods to ensure that proxy votes are not affected by conflicts of interest. In cases where JIBC votes securities in accordance with the predetermined policy and/or based upon the recommendations of an independent service, the vote is insulated from potential conflicts of interest that JIBC may have.

Conflicts of interest may arise when JIBC or an affiliate has a relationship with an issuer, whether JIBC has knowledge of the relationship or not. For purposes of the policy, a “material conflict of interest” is defined as a non-routine relationship between the issuer of a security and JIBC (or an affiliate thereof) of which JIBC has actual knowledge that may affect JIBC’s judgment in voting securities in the best interest of client accounts. Material conflicts may arise when JIBC or an affiliate serves as investment advisor or fiduciary for the issuer or when an affiliate has a significant relationship with the issuer.

Clients may contact JIBC to obtain a complete copy of JIBC’s proxy voting policy.

## **Item 18: Financial Information**

### **Balance Sheet**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about JIBC’s financial condition. JIBC does not require the prepayment of over \$1,200, six or more months in advance.

### **Arrangement with Issuer of Securities**

JIBC is affiliated with ITB CAPITAL MANAGEMENT, LLC a commodity pool operator and general partner of ITB CAPITAL INCOME FUND I, LTD., ITB PREMIUM FUND I, LTD., and ITB PREMIUM FUND II, LTD., Delaware limited partnerships operating as commodity pools which issue limited partnership interests to investors. JIBC and its management do not have any other relationship or arrangement with any issuer of securities.

### **Financial Conditions Reasonably Likely to Impair JIBC’s Ability to Meet Its Contractual Obligations and Bankruptcy**

As of the date of this brochure, JIBC is not subject to any financial conditions that are reasonably likely to impair its ability to meet its contractual obligations.

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