

Disclosure Brochure

February 26, 2021

JJ Investment Company

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of JJ Investment Company (herein after “JJIC” or “the Firm”). If you have any questions about the contents of this brochure, please contact Jeannine R. Weinberg at (631) 704-3586. 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 JJ Investment Company is available on the SEC’s website at www.adviserinfo.sec.gov.

JJ Investment Company is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This section of the brochure discusses only the material changes that have occurred since JJIC's last annual update dated February 28, 2020.

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Item 4. Advisory Business

JJIC has been in business since June 12, 2006. Jeannine R. Weinberg is the principal owner of JJIC.

JJIC is an investment adviser providing financial planning, consulting and investment management services. Prior to engaging JJIC to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with JJIC setting forth the terms and conditions under which JJIC renders its services (collectively the “*Agreement*”).

As of February 4, 2021, JJIC has \$31,890,990 of assets under management, all of which are managed on a discretionary basis.

This disclosure brochure describes the business of JJIC. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of JJIC’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on JJIC’s behalf and is subject to JJIC’s supervision or control. All such *Supervised Persons* that render investment advisory services on behalf of JJIC have earned a college degree and/or have substantive investment-related experience, as described in JJIC’s disclosure supplements.

Financial Planning and Consulting Services

JJIC provides its clients with a broad range of financial planning and consulting services. These services may include basic financial planning, college planning, divorce planning and retirement planning, as well as other non-investment related matters.

In performing its services, JJIC is not required to verify any information received from the client or from the client’s other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. JJIC may recommend the services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if JJIC recommends its own services. The client is under no obligation to act upon any of the recommendations made by JJIC under a financial planning or consulting engagement or to engage the services of any such recommended professional, including JJIC itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of JJIC’s recommendations. Clients are advised that it remains their responsibility to promptly notify JJIC if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising JJIC’s previous recommendations and/or services.

Investment Management Services

Clients can engage JJIC to manage all or a portion of their assets on a discretionary or non-discretionary basis. Although JJIC may provide advice about any type of investment held in a client’s portfolio, JJIC

primarily allocates clients' investment management assets on a discretionary basis among *Independent Managers* (as defined below), mutual funds and individual debt and equity securities.

JJIC may also recommend that clients that are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which include debt, equity, and/or pooled investment vehicles when consistent with the client's investment objectives. When JJIC recommends that the client invest in private placement securities, JJIC receives no additional compensation but continues to receive applicable investment advisory fees on the client's assets under management.

JJIC also renders non-discretionary investment management services to clients relative to variable life/annuity products that they own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that are not held by the client's primary custodian. In so doing, JJIC either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

JJIC tailors its advisory services to the individual needs of clients. JJIC ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance. Clients may impose reasonable restrictions on investing in certain securities or types of securities.

Clients are advised to promptly notify JJIC if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon JJIC's management services.

Use of Independent Managers

As mentioned above, JJIC recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("*Independent Managers*"), based upon the stated investment objectives of the client. The terms and conditions under which the client engages the *Independent Managers* are set forth in a separate written agreement between JJIC or the client and the designated *Independent Managers*. JJIC renders services to the client relative to the discretionary selection of *Independent Managers*. JJIC also monitors and reviews the account performance and the client's investment objectives. JJIC receives an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Managers*.

When selecting an *Independent Manager* for a client, JJIC reviews information about the *Independent Manager* such as its disclosure brochure and/or material supplied by the *Independent Manager* or independent third parties for a description of the *Independent Manager's* investment strategies, past performance and risk results to the extent available. Factors that JJIC considers in selecting an *Independent Manager* include the client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing and research. The investment management fees charged

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by the designated *Independent Managers*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, JJIC's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by JJIC, the designated *Independent Managers*, and corresponding broker-dealer and custodian.

In addition to JJIC's written disclosure brochure, the client also receives the written disclosure brochure of the designated *Independent Managers*.

Item 5. Fees and Compensation

JJIC offers its services on a fee basis, which include hourly and/or fixed fees, as well as fees based upon assets under management.

Financial Planning and Consulting Fees

JJIC charges a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, but generally range from \$500 to \$2,500 on a fixed fee basis and/or from \$150 to \$250 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering of financial planning and/or the consulting services. If the client engages JJIC for additional investment advisory services, JJIC may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging JJIC to provide financial planning and/or consulting services, the client is required to enter into a written agreement with JJIC setting forth the terms and conditions of the engagement. Generally, JJIC requires one-half of the financial planning or consulting fee (estimated hourly or fixed) payable upon entering the written agreement with the balance due upon delivery of the financial plan or completion of the agreed upon services.

Investment Management Fee

JJIC provides investment management services for an annual fee based upon the amount of the assets under management. JJIC's annual fee of one percent (1.00%) is prorated and charged quarterly, in arrears, based upon the market value of the assets being managed by JJIC on the last day of the previous quarter. JJIC'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. However, JJIC does not receive any portion of these commissions, fees or costs.

JJIC, 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 Financial Institutions

As further discussed in response to Item 12 (below), JJIC recommends that clients utilize the brokerage and clearing services of Schwab Advisor Services™ ("*Schwab*") for investment management accounts.

JJIC may only implement its investment management recommendations after the client has arranged for and furnished JJIC with all the necessary information and authorization with respect to accounts maintained at *Financial Institutions* (defined below). Financial institutions include *Schwab* and any other

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broker-dealer recommended by JJIC, broker-dealer directed by the client, trust companies, banks, etc. (collectively referred to herein as the “*Financial Institutions*”).

Clients incur certain charges imposed by the *Financial Institutions* and other third parties such as fees charged by *Independent Managers*, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which is disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to JJIC’s fee.

Direct Fee Debit

JJIC’s *Agreement* and the separate agreement with *Financial Institutions* may authorize JJIC or *Independent Managers* to debit the client’s account for the amount of JJIC’s fee and to directly remit that management fee to JJIC or the *Independent Managers*. The *Financial Institutions* recommended by JJIC have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to JJIC. Clients may also elect to have JJIC bill them directly rather than debiting the fee.

Use of Margin

JJIC may be authorized to use margin in the management of the client’s investment portfolio. In these cases, the fee payable will be assessed net of margin such that the market value of the client’s account and the corresponding fee payable by the client to JJIC will not be increased.

Fees for Management During Partial Quarters of Service

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

The *Agreement* between JJIC and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. JJIC’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 JJIC reserves the right to liquidate any transferred securities or decline to accept particular securities into a client’s account. JJIC may consult with its clients about the options and ramifications of transferring securities. However, 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. Clients may make additions to and withdrawals from their account at any time, subject to JJIC’s right to terminate an account. Clients may withdraw account assets on notice to JJIC, subject to the usual and customary securities settlement

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procedures. However, JJIC designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives.

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 not be adjusted or prorated based on the number of days remaining in the quarter.

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

JJIC 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

JJIC provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Minimums Imposed By Independent Managers

JJIC does not impose a minimum portfolio size or minimum annual fee. Certain *Independent Managers*, however, impose more restrictive account requirements and varying billing practices than JJIC. In such instances, JJIC may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

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

Primary Methods of Analysis

JJIC relies on a wide range of different methods of analysis when implementing its investment strategy. Generally, JJIC employs the analytical approaches discussed below when making its recommendations, as determined by the relative strengths or weaknesses of the underlying indicators.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. JJIC will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis seeks to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that JJIC will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that JJIC is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Investment Strategy

JJIC works with clients to define their individual investment goals and develop a corresponding investment strategy that accounts for their particular risk tolerance, time horizon and financial needs. JJIC utilizes a diversified, passive approach to investment management, recommending client asset allocations comprised of stocks (international, domestic, small-cap, large-cap), bonds, cash equivalents (money markets), real estate, commodities and other investments (e.g., tangible assets, such as jewelry or collectibles).

JJIC utilizes a graduated range of asset allocation strategies -- from more aggressive portfolios, comprised of a majority of stocks and bonds, to conservative portfolios with substantial cash and cash-equivalent positions. Each allocation has its own risks, which are discussed directly with each client.

Once the asset allocation is set and agreed upon between JJIC and the client, JJIC discusses investment options for each category. JJIC works toward the target asset allocations slowly, holding a large portion of long-term positions and passively traded funds.

Risk of Loss

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

Market Risks

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of JJIC'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 JJIC will be able to predict those price movements accurately.

Volatility Risks

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

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. As such, a mutual fund investor may incur substantial tax liabilities even when the fund underperforms.

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. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

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.

Options

Options allow investors to buy or sell a security at a contracted “strike” price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Use of Independent Managers

As stated above, JJIC may recommend the use of *Independent Managers* for certain clients. JJIC will continue to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In addition, JJIC does not have the ability to supervise the *Independent Managers* on a day-to-day basis, if at all.

Use of Margin

While the use of margin borrowing for investments can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a Financial Institution, which is secured by a client’s holdings. Under certain circumstances, a lending Financial Institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the client’s outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client’s borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client’s portfolio.

Use of Private Collective Investment Vehicles

JJIC may recommend the investment by certain clients in privately placed collective investment vehicles (some of which may be typically called “hedge funds”). The managers of these vehicles will have broad

discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

Item 9. Disciplinary Information

JJIC 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. JJIC does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

JJIC is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. JJIC does not have any required disclosures to this Item.

Item 11. Code of Ethics

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

JJIC 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*”). JJIC’s *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by the firm or any of its associated persons. The *Code of Ethics* also requires that certain of JJIC’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.

When the firm is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

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

Item 12. Brokerage Practices

As discussed above, in Item 5, JJIC recommends that clients utilize the brokerage and clearing services of *Schwab*.

Factors which JJIC considers in recommending *Schwab* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other Financial Institutions.

The commissions paid by JJIC's clients to *Schwab* comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where JJIC 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 Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. JJIC seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist JJIC in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because JJIC does not have to produce or pay for the products or services.

JJIC periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

Software and Support Provided by Financial Institutions

JJIC may receive without cost from *Schwab* computer software and related systems support, which allow JJIC to better monitor client accounts maintained at *Schwab*. JJIC may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at *Schwab*. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit JJIC, but not its clients directly. In fulfilling its duties to its clients, JJIC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that JJIC's receipt of economic benefits from a

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broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, JJIC may receive the following benefits from *Schwab*:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- 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.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor's clients' assets are maintained in accounts at *Schwab*. *Schwab's* services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained in its custody, *Schwab* generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by *Schwab*. Other potential benefits may include occasional business entertainment of personnel of JJIC by *Schwab* personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist JJIC in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at *Schwab*. *Schwab* also makes available to JJIC other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent

third parties. *Schwab* may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, JJIC endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at *Schwab* may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by *Schwab*, which creates a potential conflict of interest.

Brokerage for Client Referrals

JJIC does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

Directed Brokerage

The client may direct JJIC in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by JJIC (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, JJIC may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Trade Aggregation

Transactions for each client will be effected independently, unless JJIC decides to purchase or sell the same securities for several clients at approximately the same time. JJIC 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 the Firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among JJIC's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which JJIC's Supervised Persons may invest, the Firm does 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. JJIC does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm 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, the Firm 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.

Item 13. Review of Accounts

Account Reviews

For those clients to whom JJIC provides investment management services, JJIC monitors those portfolios as part of an ongoing process, while regular account reviews are conducted on at least a monthly basis. For those clients to whom JJIC provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by the Principal of JJIC, Jeannine R. Weinberg. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with JJIC and to keep JJIC informed of any changes thereto. JJIC contacts 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.

Account Statements and Reports

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts.

Those clients to whom JJIC provides financial planning and/or consulting services (including divorce financial analysis) receive a report summarizing JJIC’s analysis and conclusions as requested by the client or as otherwise agreed upon in writing.

Item 14. Client Referrals and Other Compensation

Other Economic Benefits

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

Client Referrals

JJIC receives economic benefits from *Schwab*. The benefits, conflicts of interest and how they are addressed are discussed above in response to Item 12.

Item 15. Custody

JJIC's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize JJIC through such *Financial Institution* to debit the client's account for the amount of JJIC's fee and to directly remit that management fee to JJIC in accordance with applicable custody rules.

The *Financial Institutions* recommended by JJIC have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to JJIC. Clients should carefully review the statements sent directly by the *Financial Institutions*.

Item 16. Investment Discretion

JJIC may be given the authority to exercise discretion on behalf of clients. JJIC 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. JJIC is given this authority through a power-of-attorney included in the agreement between JJIC and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). JJIC takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Managers* to be hired or fired.

Item 17. Voting Client Securities

JJIC is required to disclose if it accepts authority to vote client securities. JJIC does not vote client securities on behalf of its clients.

Item 18. Financial Information

JJIC is not required to disclose any financial information pursuant to this Item due to the following:

- JJIC does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- JJIC does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- JJIC has not been the subject of a bankruptcy petition at any time during the past ten years.

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Prepared by:

