

## JDM Financial Group LLC

16350 Ventura Blvd., D550  
Encino, CA 91436  
(310) 479-4122

[jeff@jdmfinance.com](mailto:jeff@jdmfinance.com)

[www.jdmfinance.com](http://www.jdmfinance.com)  
[www.jdmfinancialgroup.com](http://www.jdmfinancialgroup.com)

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This brochure provides information about the qualifications and business practices of JDM Financial Group LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. Our e-mail for regulatory compliance is [compliance@jdmfinance.com](mailto:compliance@jdmfinance.com).

JDM Financial Group LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the advisor.

Additional information about JDM Financial Group LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm's CRD number is 122057.

## JDM Financial Group LLC

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Our previous annual update was dated January 23, 2020. Following is a summary of the material changes made to Part 2 since that amendment.

**Item 4:** We have contracted with First Ascent Asset Management, LLC ("First Ascent"), a SEC-registered investment advisor to provide subadvisory services. First Ascent primarily invests using ETFs and mutual funds. First Ascent implements the recommendations made by JDM, and JDM retains full discretion about which assets are placed at First Ascent.

As of June 14, 2021, we manage total assets of \$204.5 million on a discretionary basis.

**Item 5:** The fee schedule was revised to read as follows:

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>
\$0 - \$499,999	1.50%
\$500,000 - \$999,999	1.25%
\$1,000,000 - \$9,999,999	1.00%
\$10,000,000 and above	0.90%

Notwithstanding the above, the asset-based fee to be paid each quarter shall be no less than \$1,000. These fees are negotiable at JDM's sole discretion, based scope and complexity of services to be rendered and account size. First Ascent receives an asset-based fee for its services, which is paid by JDM.

Financial planning services are provided for an hourly fee of up to \$400, fees for consulting services are charged based on our hourly rate of up to \$400.

**Item 10:** Rather than Betterment LLC, we will when appropriate, will use the services of First Ascent Asset Management, LLC as a subadvisor, as described in Item 4 above.

**Item 19:** Removed in its entirety as a result of registration with the SEC.

# ITEM 3

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## **ITEM 4: ADVISORY BUSINESS**

### **Who we are**

JDM Financial Group LLC (referred to as “we,” “our,” “us,” or “JDM Financial”), has been registered as an investment advisor since September 16, 2002. Our principal is Jeffrey Munjack, Managing Member and Chief Compliance Officer.

### **Services we offer**

#### The All-Inclusive Fee Program (“Wrap Program”)

This type of program is often referred to as a “wrap” program, because all the fees are wrapped together. We will provide a separate wrap program disclosure if you elect to participate in this program.

The following costs and fees are generally included in the program:

- our discretionary investment management services.
- fees associated with JDM’s use of any Platform used to implement the program.
- the execution of transactions by TD Ameritrade or other selected brokers/custodians.
- custody of assets with TD Ameritrade.
- reporting as described the program’s brochure.

Full disclosure regarding this program is provided in our Wrap Program Brochure, which is distributed to clients who participate in the program.

#### Investment Advisory Services

This service is available if you do not have a TD Ameritrade account.

JDM constructs client portfolios by first determining the appropriate asset allocation across major assets classes, such as but not limited to stocks, real estate, bonds and cash, based on conversations with clients and information collected from them. JDM determines the appropriate the appropriate asset allocation by considering factors such as the client’s current and anticipated cash flow needs, psychological and financial risk tolerance, time horizon for accomplishing stated goals and the relative attractiveness of the markets for various types of assets. Once selecting an appropriate asset allocation, JDM selects or recommends mutual funds or exchange traded funds to represent various asset sub categories within each asset class (For example, an international stock fund to represent the international exposure within the stock market portion of the portfolio) . JDM generally selects mutual funds or exchange traded funds that create, either alone or collectively, an acceptable level of diversification within a given asset class given the size of a client portfolio. This diversification generally includes exposure to specific economic sectors, regions or countries and JDM may also consider the tax or tax deferred nature of an account when making investment selections.

We have contracted with First Ascent Asset Management, LLC ("First Ascent"), a SEC-registered investment advisor to provide subadvisory services. First Ascent primarily invests using ETFs and

mutual funds. First Ascend implements the recommendations made by JDM, and JDM retains full discretion about which assets are placed at First Ascend.

Clients may impose restrictions on investments in specific securities or sectors. These restrictions must be provided in writing.

### Wrap Program Disclosures

We manage assets for The All-Inclusive Fee Program and the Investment Advisory Services program in a substantially identical manner. The only practical difference is that if you do not participate in The All-Inclusive Fee Program, you will be responsible for paying brokerage costs and custodial fees associated with your account. Also, if you participate in the Investment Advisory Services program instead of our wrap program, we may refer you to third party wrap programs that have a different investment style than we would employ if managing your assets directly.

### Financial Planning Services

We will provide on an ongoing basis *general guidance and recommendations* regarding some or all of the following topics:

- asset allocation;
- portfolio construction;
- defensive positioning;
- retirement planning;
- estate planning;
- insurance (insofar as insurance may be considered a significant factor with respect to your financial goals);
- tax planning; and/or
- higher education planning.

### Consulting Services

We will provide outsourced investment advisory and/or financial planning services to other financial institutions including but not limited to banks and accounting firms.

Clients will receive a newsletter on a quarterly basis, at no additional cost.

JDM may also utilize certain services of third party service provider platforms (each, a “Platform”) with respect to the review of client accounts. Platforms may offer, among other services, technology and reporting services and risk assessment.

### **Assets under management**

As of June 14, 2021, we manage total assets of \$204.5 million on a discretionary basis. We do not manage assets on a non-discretionary basis.

## ITEM 5: FEES AND COMPENSATION

### The All-Inclusive Fee Program

For the services provided by JDM Financial you will be charged a single, asset-based fee ("Fee") each calendar quarter in advance. This fee is based on the value of the account as of the last day of the previous calendar quarter.

Detailed information regarding the fees for this program are provided in the Wrap Program Brochure, which is provided to clients who participate in the program.

### Investment Advisory Services

For the asset management services described above, we will receive an asset-based fee according to the following schedule:

<u>Assets Under Management</u>	<u>Maximum Annual Fee</u>
\$0 - \$499,999	1.50%
\$500,000 - \$999,999	1.25%
\$1,000,000 - \$9,999,999	1.00%
\$10,000,000 and above	0.90%

Notwithstanding the above, the asset-based fee to be paid each quarter shall be no less than \$1,000. These fees are negotiable at JDM's sole discretion, based scope and complexity of services to be rendered and account size. The rate used each quarter will be approximately one-fourth of the annual rate based on the number of days in the quarter. The initial Fee ("Initial Fee") is calculated as of the date the applicable Client Agreement is accepted by JDM Financial (the "Commencement Date"). The Initial Fee will cover the period from the Commencement Date until the last day of the initial calendar quarter. The Initial Fee will pro-rated based on the number of days in the initial quarterly billing period, and will be based on the market value of your assets on the last business day of the calendar quarter for which the fee is due and will be due at the end of such quarter. First Ascent receives an asset-based fee for its services, which is paid by JDM.

Our quarterly Fee will be calculated based on the market value of the client's assets as of the close of business on the last day of the preceding calendar quarter and will be due on the first business day of the quarter for which the fee is due. The Initial Fee and quarterly Fees will be deducted from the Client's account shortly after the date the fee is due.

You may terminate this service by providing 30 days written notice. We will prorate the advisory fees received through the termination date and send you a refund of the prepaid, unearned portion of your fee. We process refund payments on a monthly basis and will send you a check or refund your investment account. In either case we will provide a final invoice detailing the calculation of the refund.

### Financial Planning

Financial planning services are provided for an hourly fee of up to \$400. We may also negotiate a flat fee ranging from \$1,000 to \$5,000. The hourly and flat fees are negotiated with each client based on the scope and complexity of the requested services. A deposit of up to 50% of the estimated fees may be requested

upon inception of the relationship. A final invoice is issued on completion of the written analysis or other services as specified in the Financial Planning Agreement and is payable on receipt.

You may cancel our financial planning agreement at any time by providing written notice. If you terminate our services before the completion of the project, JDM will determine the fees due by multiplying the hourly fee by the number of hours spent. If you paid a deposit, the amount due will be reduced by the amount of the deposit received. An invoice for any remaining fees owed or a refund of additional fees received will be sent to the client.

Fees for financial planning services must be paid by check.

We have a conflict of interest. When you implement the financial plan through us, we receive the customary fees as disclosed in the following section. You are not required to employ us to implement the financial plan, or implement the plan, or any portion of it, at all.

## Consulting Services

Fees for consulting services will generally be negotiated with the client prior to engagement. The fee will be based on a good faith estimate of the amount of time we expect to spend on the services and our hourly rate of up to \$400. If a client terminates the relationship before the services are completed, an invoice will be provided for the time spent.

## Payment of Fees

For advisory services, you may provide authorization for us to deduct our fees directly from your investment account. Please note the following disclosures about the deduction of management fees:

- You must provide authorization for us to deduct fees by initialing the appropriate section of the custodian's account opening paperwork and by signing our contract.
- You will receive a statement from your custodian which shows all transactions in your account, including the deduction of our fees.
- You are responsible for reviewing the accuracy of the fees being billed, as the custodian will not do so.

You may also elect to pay by check rather than having payment deducted directly from your account.

## Other Costs Involved

If you do not participate in The All-Inclusive Fee Program, in addition to our advisory fee shown above, you are responsible for paying fees associated with investing for your account. These fees include:

- mutual fund loads (if applicable). These charges are paid to brokers as a form of commission.
- management fees for ETFs, mutual funds and other securities. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.
- brokerage costs and transaction fees for any securities or fixed income trades. These are generally charged by your custodian and/or executing broker.

- redemption fees charged by mutual funds.

Additional information about brokerage costs and services is provided in “Item 12: Brokerage Practices.”

We believe the fees mentioned above are competitive; however you may be able to obtain similar services from other sources at a lower price.

## Conflicts of Interest

Mr. Munjack, is also a life insurance agent registered with various insurance companies in the state of California. JDM will receive standard and customary commissions for life insurance products purchased through him in his agent capacity. Jessica Rosenberg, Senior Associate Investment Advisor, and Maria Varkony, Associate Financial Planner, are registered insurance agents registered with various insurance companies in the state of California. Ms. Rosenberg and Ms. Varkony will receive standard and customary commissions for life insurance products purchased through them in their capacity as agents.

Clients are under no obligation to implement insurance recommendations through Mr. Munjack, Ms. Rosenberg, or Ms. Varkony and there is a conflict of interest involved if they choose to do so.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not receive performance fees for managing accounts.

## **ITEM 7: TYPES OF CLIENTS**

Our clients are typically high net worth individuals, for whom we may also manage their retirement plans and other entity's accounts, and corporations. Generally we require that clients maintain \$500,000 under management with us. However, we may waive that minimum at our sole discretion.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

JDM selects or recommends Funds for clients' accounts first by determining an appropriate allocation among various asset classes consistent with the client's financial circumstances and investment objectives. Secondly, JDM may diversify Funds within each asset class if there are sufficient client assets to do so. JDM may also consider specific economic sectors, regions or countries of the world in making diversification decisions as well as taxable and non-taxable strategies as appropriate. Generally, JDM does not recommend individual equities and JDM discourages a "stock picking" approach to portfolio management. JDM's investment strategy includes an evaluation of markets that integrates fundamental analysis and behavioral finance perspectives and gives less weight to quantitative or technical analysis. However, JDM does recognize multiple modes of market evaluation and endeavors to consider various evaluative theories when assessing market conditions.

JDM uses quotation and research services and financial planning software developed and maintained by third parties. JDM will not be responsible for any loss, liability, claim, damage, or expense whatsoever, as incurred, arising out of or attributable to errors in such third parties' services, or the services of any Platform.



All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situations at all times. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

## **ITEM 9: DISCIPLINARY INFORMATION**

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you. We have no information of this type to report.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

We have no affiliation with other financial industry firms with common ownership. Our investment advisor representatives are registered as insurance agent with various insurance agencies. Additional information regarding this affiliation is provided in Item 5, above, and in their respective Part 2Bs.

When appropriate, we will use the services of First Ascent Asset Management, LLC as a subadvisor, as described in Item 4 above.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

We have adopted a set of enforceable guidelines (Code of Ethics), which describes unacceptable conduct by JDM Financial and our associated persons. Summarized, this Code of Ethics prohibits us from:

- placing our interests before yours,
- using non public information gathered when providing services to you for our own gains, or
- engaging in any act, practice or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule or regulation of a governmental agency.

Please contact us if you would like to receive a full copy of this Code of Ethics.

### **Personal Trading for Associated Persons**

We may buy or sell some of the same securities for you that we already hold in our personal account. We may also buy for our personal account some of the same securities that you already hold in your account. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by your transactions.

We may restrict trading for a particular security for our accounts or those of our associated person if there is a pending trade in that security in a client account. Trades for our accounts (and those of our associated persons) will be placed as part of a block trade with client trades, or individually after client trades have been completed. Additional information about block trades is provided in the Aggregation of Orders

section of “Item 12: Brokerage Practices.” When our trades are placed after our client trades, we may receive a better or worse price than that received by the client.

JDM and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

All persons associated with us are required to report all personal securities transactions to us quarterly.

## **ITEM 12: BROKERAGE PRACTICES**

### **The Custodian and Brokers We Use**

We do not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see “Item 15: Custody”). Your assets must be maintained in an account at a “qualified custodian,” generally a broker/dealer or bank.

For certain clients, we recommend the retention of Charles Schwab & Co., Inc. (“Schwab”), a registered broker/dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

For other clients, we recommend the retention of TD Ameritrade as the qualified custodian. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with JDM and there is no employee or agency relationship between TD Ameritrade and us. TD Ameritrade will hold your assets in a brokerage account and buy and sell securities when we instruct them to.

JDM participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC (“TD Ameritrade”). TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program. Please see “Item 14: Client Referrals and Other Compensation” for additional information.

While we recommend that you use one of the above as your custodian/broker, you will decide whether to do so and will open your account by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

### **How We Select Brokers/Custodians**

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:

- the execution capabilities of the broker/dealer,

- research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis),
- custodial and other services provided by the broker/dealer that are expected to enhance our general portfolio management capabilities,
- the operational facilities of the broker-dealers involved, and
- the quality of the overall brokerage and research services provided by the broker/dealer.

## Your Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "*How We Select Brokers/Custodians*").

## Products and Services Available to Us From Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

### **Services That Benefit You.**

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

### **Services That May Not Directly Benefit You.**

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

### **Our Interest in Schwab's Services**

We use a variety of services from Schwab including security research sources, trading fee processing, educational conferences and client servicing. The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. This creates an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business and Schwab's payment for services for which we would otherwise have to pay rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select Brokers/Custodians") and not Schwab's services that benefit only us.

### **Aggregation of Orders**

There are occasions on which portfolio transactions will be executed as part of concurrent authorizations to purchase or sell the same security for another client or one or more of our associated persons.

We do not block (aggregate) trades since the majority of our investments are open-end mutual funds which price at the end of the day and exchange-traded funds.

### **Directed Brokerage**

You may instruct us to execute any or all securities transactions for your account with or through one or more broker/dealers designated by you. In these cases, you are responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by the broker/dealers and you are satisfied with the terms and conditions. We have no responsibility for obtaining the best prices or any particular commission rates for transactions with or through the broker/dealer in these situations. You recognize that you may not obtain rates as low as you might otherwise obtain if we had discretion to select broker/dealers other than those chosen by you. If you would like us to cease executing transactions with or through the designated broker/dealer you must notify us in writing.

### **Soft Dollars**

Regulators consider the receipt of goods and/or services from a third party in connection with providing advice to clients as "soft dollars." The additional services we receive from TD Ameritrade, as disclosed in Item 14 below, would fall under this description of soft dollars, and from Schwab, as disclosed in the section entitled "Products and Services Available to Us From Schwab" above, would fall under this description of soft dollars.

## **ITEM 13: REVIEW OF ACCOUNTS**

Jeff Munjack, CFP, our principal, tracks performance of your holdings on a quarterly basis for all asset management clients. He monitors the assets held in our clients' accounts continuously for adherence with his expectations, and adjusts as he feels is prudent. Jessica Rosenberg, Senior Associate Investment Advisor, also reviews client accounts and may trade as necessary. We provide written reports to clients only when we meet with them or hold formal reviews via phone. Clients receive statements from the custodian of the account's assets no less frequently than quarterly.

For clients who engage only through the financial planning contract, our advice to them may be imparted orally or in writing, depending on client demands. There may not be a written deliverable involved at all. These clients typically engage my services for professional advice dispensed at an hourly rate. It's often, but not always, simply conversational.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **Other Compensation**

#### **TD Ameritrade**

As disclosed in "Item 12: Brokerage Practices," we participate in TD Ameritrade's institutional customer program and we may recommend that clients use TD Ameritrade for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to you, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount):

- receipt of duplicate client statements and confirmations;
- research related products and tools;
- consulting services;
- access to a trading desk serving investment advisor participants;
- access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts);
- the ability to have advisory fees deducted directly from client accounts;
- access to an electronic communications network for client order entry and account information;
- access to mutual funds with no transaction fees; and
- discounts on compliance, marketing, research, technology, and practice management products or services provided to JDM by third party vendors.

Some of the products and services made available by TD Ameritrade through the program may benefit JDM but may not benefit its client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help JDM manage and further develop its business enterprise.

The benefits received by JDM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that our receipt of economic benefits in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services. We may receive similar benefits from Betterment Securities when clients participate in the Betterment platform.

### **Charles Schwab & Co., Inc.**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see “Item 12: Brokerage Practices”). The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### **Client Referrals**

We may also engage solicitors to provide client referrals. We pay these solicitors a portion of the fees we earn for managing the client that was referred. If you are referred by a solicitor, this practice will be disclosed in writing and we will comply with applicable state rules or statutes, this includes confirming that solicitors meet the registration requirements for the states in which they solicit.

## **ITEM 15: CUSTODY**

If you give us authority to deduct our fees directly from your account, we have custody of those assets. In order to avoid additional regulatory requirements in these cases, we follow the procedures outlined in “Item 5: Fees and Compensation.”

For accounts where the client has a standing letter of authorization that allows us to transfer money to third party accounts specified by the client, we are also deemed to have custody. We follow the guidance outlined in the Investment Adviser Association no-action letter dated February 21, 2017, for these accounts. A copy of this letter is available upon request.

You will receive quarterly statements directly from custodian of the account that details all transactions in the account. At no time does JDM accept physical custody of client assets.

## **ITEM 16: INVESTMENT DISCRETION**

As one of the conditions of managing your account, you are required to provide discretionary authority for us to manage your assets. Discretionary authority means that you are giving us a limited power of attorney to place trades on your behalf. This limited power of attorney does not allow us to withdraw money from your account, other than advisory fees if you agree to give us that authority.

You grant us discretionary authority by completing the following items:

- Sign a contract with us that provides a limited power of attorney for us to place trades on your behalf. Any limitations to the trading authorization will be added to this agreement.

- Provide us with discretionary authority on the new account forms that are submitted to the broker/dealer acting as custodian for your account(s).

Certain financial service professionals must not purchase individual stock or bond issues for compliance reasons on their end so they may provide instructions to limit our investments in their account to mutual funds and ETFs.

## **ITEM 17: VOTING CLIENT SECURITIES**

We do not accept the authority to vote proxies on your behalf and we do not provide guidance about how to vote proxies. You will receive proxies and other related paperwork directly from your custodian.

## **ITEM 18: FINANCIAL INFORMATION**

We do not charge or solicit pre-payment of more than \$1,200 in fees per client six months or more in advance. We have never filed for bankruptcy and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to clients.