

Part 2A of Form ADV: Firm Brochure

James Capital Alliance, Inc.

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03/16/2021

This brochure provides information about the qualifications and business practices of James Capital Alliance, Inc. If you have any questions about the contents of this brochure, please contact us at 937-429-7384 or lott@jamesinvestment.com. 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 with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about James Capital Alliance, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 107078.

Item 2 Material Changes

This Firm Brochure, dated 03/16/2021, provides you with a summary of James Capital Alliance, Inc.'s advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.

Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated 02/25/2020:

- None.

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Item 4 Advisory Business

James Capital Alliance, Inc. is a SEC-registered investment adviser with its principal place of business located in Ohio. James Capital Alliance, Inc. began conducting business in 1992. James Capital Alliance, Inc. was established to accommodate the needs of the brokerage community on a retail wrap basis.

Listed below are the firm's principal shareholders:

- Barry Ray James, CEO - 48% Owner
- Ann Marie Shaw-Kremer, Secretary/Treasurer - 48% Owner
- Michael James McGraw, President - 4% Owner

James Capital Alliance, Inc. offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions between the client and the client's broker and/or a James investment professional, in which goals and objectives based on a client's particular circumstances are established, the broker develops a client's personal investment policy. The client's personal investment policy is sent to James Capital Alliance, Inc. and the portfolio is managed based on that policy. During the broker's and/or James investment professional's data gathering process, the broker and/or James investment professional determines the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, the broker and/or James investment professional also reviews and discusses a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Some clients have restrictions on securities that may be owned, such as socially responsible restrictions, or prohibitions from holding certain stocks for any reason. We generally accommodate clients on these restrictions, however, such departures from our generally established procedures and strategies may result in performance which is different from other clients without restrictions.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Other*

*From time to time, conditions may be deemed especially favorable for purchases of open or closed end mutual funds or money market mutual funds. These purchases may result in additional fees for the client, due to fees inherent in these types of securities.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

INVESTMENT SUPERVISORY SERVICES ("ISS") MODEL PORTFOLIO MANAGEMENT

Our firm provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

We manage these model portfolios on a non-discretionary basis via a unified managed account program, available with select broker-dealers. A unified managed account program gives clients the ability to strategically allocate a combination of professionally managed portfolios in one brokerage account. The allocation is based upon each client's investment objectives, including risk tolerance, and income needs.

Through personal discussions between the client and the client's broker and/or James investment professional, in which goals and objectives based on a client's particular circumstances are established, the broker and/or James investment professional will help determine if the model portfolio is suitable to the client's circumstances.

As a model portfolio manager, we provide ongoing recommendations and investment advice regarding the model portfolios. The client's broker-dealer will have discretion over the client's account, trade on behalf of the client, and be responsible for all reporting to the client.

AMOUNT OF MANAGED ASSETS

As of 12/31/2020, we were actively managing \$263,447,533 of clients' assets on a discretionary basis, which does not include model portfolio assets.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from 0.45% to 0.75%.

In most cases, clients are invoiced in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter; however some clients are invoiced at the end of each calendar quarter, depending on the client's broker-dealer. Typically, the James Capital Alliance, Inc. management fees are generally deducted directly from the client's account by the client's custodian. The custodian then sends management fees to James Capital Alliance, Inc.

Our services may be terminated, by the client or ourselves, at any time upon written notice to the other. In this event, management fees will be refunded to the client's account on a pro-rata basis according to the number of billing days left in the period.

James Capital Alliance, Inc. does not, itself, impose a minimum opening account size; however, most broker-dealer managed account sponsors generally require a minimum investment of \$100,000. The account size may be negotiated under certain circumstances.

Limited Negotiability of Advisory Fees: Although James Capital Alliance, Inc. has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. The managed account is not normally negotiable, but may be if officers of the firm agree to do so. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser, the broker-dealer and each client.

Fees Billed in Advance or Arrears: Our advisory fees are charged in one of two ways as agreed upon with the client:

- *In advance:* Advisory fees are billed in advance at the beginning of each calendar quarter based upon the asset value (market or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account equity at the end of the previous quarter.
- *In arrears:* Advisory fees are billed in arrears at the end of each calendar quarter based upon the asset value (market or fair market value in the absence of market value), of the client's account at quarter-end.

Clients are billed on a quarterly basis in accordance with the terms set forth in the Client Management Agreement.

INVESTMENT SUPERVISORY SERVICES ("ISS") MODEL PORTFOLIO MANAGEMENT FEES

Our annual fees for Model Portfolio Management Services are based upon a percentage of assets under management and are generally 0.25%.

Clients are invoiced in arrears at the end of each calendar quarter based upon the asset value (market or fair market value in the absence of market value), of the client's account at quarter-end.

GENERAL INFORMATION

Termination of the Advisory Relationship: The client agreement may be terminated at any time, by either party, upon written notice to the other. Said termination shall be effective immediately upon receipt of said termination notice by the other party. Since advisory fees are generally billed quarterly in advance, James, or the custodian, will refund the client's account after any such termination a pro-rata share of his or her fees, computed on a daily basis for the 90-day quarter.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services.

Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. Typically, the broker at the managed account sponsor will review with clients any separate program fees that may be charged to clients.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

ERISA Accounts: James Capital Alliance, Inc. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Item 6 Performance-Based Fees and Side-By-Side Management

James Capital Alliance, Inc. does not charge performance-based fees.

Item 7 Types of Clients

James Capital Alliance, Inc. provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above
- State or municipal government entities
- Other* entities such as
- *Foundations and Endowments, Trusts, Taft-Hartley, and Religious accounts.

As previously disclosed in Item 5, the managed account sponsor has established certain initial and ongoing minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided above in addition to disclosures provided by the managed account sponsor.

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

METHODS OF ANALYSIS

To provide advice to clients, James Capital Alliance, Inc. has a contractual relationship with an affiliated (by common control and ownership) SEC-registered investment adviser, James Investment Research, Inc. In this contractual relationship, James Investment Research, Inc. has been hired to provide asset allocation, research, stock and bond selections, and other services. James Investment Research, Inc. develops and tests statistical computer programs, which assists them in analyzing computer data, permitting them to review and monitor large quantities of data and investment opportunities.

James Investment Research, Inc. (JIR) uses the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis. JIR attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. JIR analyzes past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, JIR measures the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Quantitative Analysis. JIR uses proprietary models to determine stock rankings based on a company's quantifiable data, such as the book value of a share, earnings per share or analyst predictions about those figures.

A risk in using quantitative analysis is that the models may be based on assumptions that prove to be incorrect.

Qualitative Analysis. JIR subjectively evaluates non-quantifiable factors such as quality of management, labor relations, and strength of research and development. These factors are not readily subject to measurement.

A risk is using qualitative analysis is that JIR's subjective judgment may prove incorrect.

Asset Allocation. Rather than focusing solely on securities selection, JIR also identifies an appropriate asset allocation suitable to the client's investment goals, risk tolerance, and JIR's view of the market.

A risk of relying on asset allocation is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected (rebalanced), will no longer be appropriate for the client's goals. Another risk is that JIR's allocation decision may be incorrect.

Mutual Fund and/or ETF Analysis. JIR looks at the experience and track record of the manager of the mutual fund or exchange-traded fund (ETF) in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. JIR also looks at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. JIR also monitors the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value.

There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. JIR's securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are accurate and unbiased. While JIR is alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Other: JIR develops and tests statistical programs which assist us in analyzing computer data, permitting us to efficiently review and monitor large quantities of data and investment opportunities.

In addition to financial periodicals, SEC filings and company corporate reports, JIR uses computer data banks and electronic information services such as Bloomberg, FactSet and Zacks, to assist their analysis. JIR does not use soft dollar commissions for research. However, some brokerage houses provide research free of charge, or the research is available on Bloomberg, in which case they may review the research. James Investment Research prides itself on its proprietary research.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

Short-term purchases. We may sell a holding in less than a year if we believe the prospects for that security have deteriorated or if we lower the allocation to stocks.

Trading. We do not engage in day-trading or other types of high turnover securities management.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Risk of Loss. Clients should understand that investing in any security, including mutual funds, involves a risk of loss of both income and principal, which clients should be prepared to bear.

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 or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Investment Adviser:

James Capital Alliance, Inc. has a contractual relationship with an affiliated SEC-registered investment adviser, James Investment Research, Inc. In this relationship, James Investment Research has been hired to provide asset allocation, research, stock and bond selections and other services. James Investment Research, Inc. is solely owned in trust by the Francis E. James, Jr. Trust.

James Capital Alliance has entered into a referral agreement with James Investment Research, Inc., an affiliated investment adviser. Under terms of the referral agreement, employees, officers, and directors of either adviser may refer clients to the other adviser, and the employee, officer, or director may receive a fee for the referral.

Mutual Fund:

James Investment Research, Inc. is the investment adviser to the James Advantage Funds, an investment company registered under the Investment Company Act of 1940. Shares of the James Advantage Funds are not purchased in James Capital Alliance's client accounts.

For additional information, the Fund Prospectus and Statement of Additional Information are available online at: www.jamesfunds.com. Prospective investors should review these documents carefully before making any investment in the Mutual Fund.

Other Items:

Certain owners or management personnel of James Capital Alliance, Inc. may be general partner(s) to limited partnerships (LPs) formed for investment purposes. These related persons of our firm do not receive investment advisory compensation in relation to these investments.

Because we have confidence in our research and recommendations, our personnel may personally invest in securities that we recommend to our clients, including our related mutual funds, the James Advantage Funds. Such transactions must be pre-cleared consistent with reporting requirements in the James Capital Alliance Code of Ethics. A summary of the Code of Ethics is available to clients upon written request.

James Capital Alliance, Inc. allows employees to participate in a Nano-cap limited partnership, which invests in speculative securities that are too small, or have such limited trading volume that they cannot be used in other styles or products offered to clients. These transactions are monitored by James's compliance personnel, and must be pre-cleared and reported according to the Code of Ethics. This investment vehicle is not open to the public for investing.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

James Capital Alliance, Inc. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by firm access persons. Our code also provides for oversight, monitoring, testing, enforcement and record keeping provisions.

James Capital Alliance, Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material nonpublic information. While we do not believe that we have any particular access to nonpublic information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to jca@jamesinvestment.com, or by calling us at 937-429-7384.

James Capital Alliance, Inc. and individuals associated with our firm are prohibited from engaging in principal and agency cross transactions and investing in private placements or initial public offerings without compliance approval.

Access persons of our firm are required to report all personal transactions conducted in shares of our affiliated mutual funds, the James Advantage Funds.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the express policy of our firm that no access person may execute a securities transaction on the same day during which any client has a pending buy or sell order in that same security until that order is executed or withdrawn. An access person shall disgorge any profits realized on trades within such period if found to be in violation of the policy.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As certain situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) while in possession of material nonpublic information.
3. No principal or employee of our firm shall engage in any fraudulent or manipulative trading activity in their personal portfolio(s), including front running client accounts.
4. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
5. Our firm prohibits IPO or private placement investments by related persons of the firm without compliance approval.

6. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or her designee.
7. We have established procedures for the maintenance of all required books and records.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgment of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.

Item 12 Brokerage Practices

For discretionary clients, James Capital Alliance, Inc. requires these clients to provide us with written authority to determine the broker-dealer to use and the commission costs (if applicable) that will be charged to these clients for these transactions.

In the event a client directs James Capital Alliance to use a broker dealer other than the account's custodian, the client must include any limitations on this discretionary authority in a written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Trades are generally executed with the broker-dealer with which the client has entered into the wrap fee arrangement; so that the advisory firm may not be free to seek best price and execution by placing transactions with other broker dealers. In efforts to obtain best execution, certain circumstances may exist whereby James Capital Alliance, Inc. may execute securities transactions at a broker-dealer different from the client's broker-dealer. In such a situation, the client's account may incur additional expenses, as the wrap fee will only cover those transactions executed by the client's broker-dealer. James Capital Alliance, Inc. takes expenses incurred at other broker-dealers into account in determining best execution.

Our experience indicates that certain broker-dealers under clients' wrap fee agreements generally can offer best price for transactions in listed equity securities, but, no assurance can be given that such will continue to be the case with those or other broker-dealers which may offer wrap fee arrangements, nor with respect to transactions in other types of securities. Accordingly, the client may wish to satisfy himself that the broker-dealer offering the wrap fee arrangement can provide adequate price and execution of most or all transactions. The client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if the firm were free to negotiate commissions and seek best price and execution of transactions for the client's account.

James Capital Alliance, Inc. does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

James Capital Alliance, Inc. will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. James Capital Alliance, Inc. will typically aggregate trades among clients whose accounts can be traded at a

given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. James Capital Alliance, Inc.'s block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with James Capital Alliance, Inc., or our firm's order allocation policy.
- 2) The trading desk in concert with the James Investment Research, Inc. investment committee must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The JIR investment committee must reasonably believe that the order aggregation will benefit, and will enable James Capital Alliance, Inc. to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro-rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro-rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro-rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro-rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) James Capital Alliance, Inc.'s client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on James Capital Alliance, Inc.'s records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 10) No client or account will be favored over another.

James Capital Alliance, Inc. ensures all clients are reimbursed and made whole should a loss occur as a result of a trading error. In the event a trading error results in a gain, JCA does not retain the gain. Gains remain in an error account with the respective broker-dealer and are handled in accordance with the broker-dealer's policies. The broker-dealer will invoice JCA for errors in accordance with their policies, however positive trading errors may be

used to offset negative trading errors in JCA's trading error account maintained at the relevant broker-dealer. As a result, JCA may receive a benefit when a trading error results in a gain. Typically, broker-dealers donate any remaining gains in the trading error account at the end of the reconciliation period to a charity of their choice. JCA does not have any input in the choice of the charity, therefore JCA cannot direct disbursement of the trade error gains to be made to any charities affiliated with James, its officers, directors and/or clients. JCA does not have access to any of the funds in each brokerage firm's error account.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES ("ISS") MODEL PORTFOLIO MANAGEMENT SERVICE

REVIEWS: Clients choose the investment style for their individual portfolio. James Capital Alliance's investment styles are managed via a model. While the underlying securities within the individual portfolio management accounts are continually monitored, these accounts are reviewed at least monthly for asset allocation levels. Additionally, all securities recommended will be reviewed weekly to ensure that the security still meets investment criteria established by the James Investment Research, Inc. Investment Committee. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Accounts are reviewed by: a member of the Trading Department, Senior Management, or the James Investment Research, Inc. Investment Committee. Client accounts are managed according to firm policies and client objectives. Client objectives are documented by the broker at the account's inception and updated by James Capital Alliance, Inc. upon written instructions from the client and/or broker.

REPORTS: James Capital Alliance, Inc. does not provide reporting to clients. Upon request information may be issued to the respective managed account sponsor, and then distributed to the client. This information will be in addition to the customary custodial account statements issued by the sponsors. The custodian will issue confirmations of transactions in the client account and periodic account statements, as well as periodic reports monitoring the performance of the client's account. James Capital Alliance, Inc. will issue information quarterly to brokers that will include summaries of the market in general, the economy, interest rates and other "specialized" commentary as appropriate for a client, or as requested by the sponsor.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

James Capital Alliance, Inc. has entered into a referral agreement with James Investment Research, Inc., an affiliated investment adviser. Under terms of the referral agreement, employees, officers, and directors of either adviser may refer clients to the other adviser, and the employee, officer, or director may receive a fee for the referral.

JCA has the ability to enter into agreements with individuals or companies that may solicit investment advisory accounts for James Investment Research or for the James Advantage Funds, however there are no solicitation agreements currently in place. These agreements would require that the solicitor meet the disclosure and other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940. Solicitors typically receive a flat fee, paid in cash over a stated period of time.

Item 15 Custody

Our firm does not have actual or constructive custody of client accounts. We do not have authority to withdraw advisory fees directly from client accounts.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Some clients have restrictions on securities that may be owned, such as socially responsible restrictions, or prohibitions from holding certain stocks for any reason. We generally accommodate clients on these restrictions, however, such departures from our generally established procedures and strategies may result in performance which is different from other clients in the same strategy without such restrictions.

Item 17 Voting Client Securities

When possible (with cooperation of the client custodian) James Capital Alliance, Inc. will vote proxies for its clients; however, clients always have the right to vote proxies themselves. Clients can exercise this right by instructing us in writing to not vote proxies in their account.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact us by telephone, email, or in writing.

We have retained a third-party proxy voting service for the voting of and record keeping requirements of our clients' proxies. We will try to vote proxies in the best interests of our clients and in accordance with our established policies and procedures. The key objective of our proxy voting policy is to maximize the value of the stock held in our clients' portfolios. A copy of our proxy voting policy is available upon request.

Clients may obtain a copy of our proxy voting policies and procedures by contacting us in writing at James Capital Alliance, Inc. - P.O. Box 12 - Alpha, Ohio 45301. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

Upon request, we will try to assist clients who receive legal notices of bankruptcies or class action lawsuits involving securities held or purchased in their accounts. We will not act as lead plaintiff in these cases, nor will we be required to act as or retain legal counsel to handle such matters. We do not attempt to monitor legal filings and we cannot assist clients in legal proceedings if we are not duly informed of the filing by the client and/or the client's custodian.

Item 18 Financial Information

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. James Capital Alliance, Inc. has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

James Capital Alliance, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.

On April 6, 2020, JCA applied for and received a loan of \$167,900 under the Payroll Protection Program (PPP). The PPP loan accrues interest at an annual rate of 1%. JCA applied for the PPP loan primarily due to the economic uncertainty posed by COVID-19. At the time we received the loan, all but a few of our employees were working from home. The James Investment Research, Inc. portfolio managers were able to work remotely to provide continued advisory services to our clients. Other employees not directly involved in advisory functions, were able to work from home, but were unable to continue performing some of their normal functions, such as marketing personnel traveling and conducting in-person meetings with clients and financial advisors. JCA has used the PPP loan proceeds primarily to continue the employment of its employees.

JCA has applied for full forgiveness of the loan amount pursuant to the provisions of the PPP Act. While we believe the PPP loan was necessary to continue the employment of our staff during the State of Ohio lockdown, we do not believe JCA was financially impaired to the extent that it was reasonably likely that we could not meet our commitments to clients.

Part 2B of Form ADV: *Brochure Supplement*

Barry Ray James
Michael James McGraw
Ann Marie Shaw-Kremer
Clare Marie Thielen

James Capital Alliance, Inc.
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Xenia, OH 45385

Telephone: 937-429-7384
Email: lott@jamesinvestment.com
Web Address: www.jamesinvestment.com

03/16/2021

This brochure supplement provides information about the individual(s) listed above that supplements the James Capital Alliance, Inc. brochure. You should have received a copy of that brochure. Please contact at 937-429-7384 or lott@jamesinvestment.com if you did not receive James Capital Alliance, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about the individual(s) listed above is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational Background and Business Experience

Full Legal Name: Barry Ray James **Born:** 1956

Education

- United States Air Force Academy; Bachelor of Science, Humanities; 1978
- Boston University; Masters of Science, Business Administration; 1987

Business Experience

- James Capital Alliance, Inc.; Chief Executive Officer / Director; from 1992 to Present
- James Investment Research, Inc.; President / Chief Executive Officer / Chairman of the Board; from 12/1986 to Present
- James Advantage Funds; Chairman / President; from 1995 to Present

Designations

Barry Ray James has earned the following designation(s) and is in good standing with the granting authority:

- Chartered Financial Analyst (CFA); CFA Institute; 1997

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

High Ethical Standards

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- *Place their clients' interests ahead of their own*
- *Maintain independence and objectivity*
- *Act with integrity*
- *Maintain and improve their professional competence*
- *Disclose conflicts of interest and legal matters*

Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit www.cfainstitute.org.

- Chartered Investment Counselor (CIC); Investment Adviser Association; 1997

The Chartered Investment Counselor (CIC) charter is a professional designation established in 1975 and awarded by the Investment Adviser Association (IAA). The Charter was designed to recognize the special qualifications of persons employed by IAA member firms whose primary duties involve investment counseling and portfolio management.

A key educational component of the program is the requirement that candidates hold the Chartered Financial Analyst® (CFA®) designation, administered by CFA Institute (see <http://www.cfainstitute.org/cfaprogram/Pages/index.aspx>). In addition to successful completion of the CFA program, the CIC designation requires candidates to demonstrate significant experience (at least 5 cumulative years) in a position performing investment counseling and portfolio management responsibilities. At the time the charter is awarded, candidates must be employed by an IAA member firm in a such a position, must provide work and character references, must endorse the IAA's Standards of Practice, and must provide professional ethical information. For more information, see: <https://www.investmentadviser.org/eweb/dynamicpage.aspx?webcode=cic>.

Item 3 Disciplinary Information

Barry Ray James has no reportable disciplinary history.

Item 4 Other Business Activities

In addition to his services for James Capital Alliance, Inc., Barry Ray James is the President, CEO, and Chairman of the Board of James Investment Research, Inc., an affiliated investment adviser of James Capital Alliance, Inc. James Capital Alliance, Inc. has entered into a referral agreement with James Investment Research, Inc. Under the terms of the referral agreement, employees, officers and directors of either adviser may refer clients to the other adviser, and the employee, officer or director may receive a fee for the referral.

Barry Ray James does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

Item 5 Additional Compensation

Barry Ray James does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Supervisor: N/A

Item 2 Educational Background and Business Experience

Full Legal Name: Michael James McGraw **Born:** 1960

Education

- University of Dayton; Bachelor of Science, Management; 1982

Business Experience

- James Capital Alliance, Inc.; President; from 09/27/1995 to Present
- James Capital Alliance, Inc.; Chief Compliance Officer; from 09/27/1995 to 12/31/2011

Item 3 Disciplinary Information

Michael James McGraw has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

In addition to his services for James Capital Alliance, Inc., Mr. McGraw performs marketing services for James Investment Research, Inc., an affiliated investment adviser of James Capital Alliance, Inc. James Capital Alliance, Inc. has entered into a referral agreement with James Investment Research, Inc. Under the terms of the referral agreement, employees, officers and directors of either adviser may refer clients to the other adviser, and the employee, officer or director may receive a fee for the referral.

B. Non-Investment-Related Activities

Michael James McGraw is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

Item 5 Additional Compensation

Michael James McGraw does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Supervisor: Barry James

Title: CEO

Phone Number: 937-429-7384

Item 2 Educational Background and Business Experience

Full Legal Name: Ann Marie Shaw-Kremer **Born:** 1952

Education

- Capital University; Bachelor, Business Administration; 1991

Business Experience

- James Investment Research, Inc.; Senior Vice President / Portfolio Manager; from 1978 to Present
- James Capital Alliance, Inc.; Secretary / Treasurer / Director; from 1992 to Present

Designations

Ann Marie Shaw-Kremer has earned the following designation(s) and is in good standing with the granting authority:

- Chartered Financial Planner; College of Financial Planning; 1989

The program is administered by the Certified Financial Planner Board of Standards Inc. Those with the CFP® designation have demonstrated competency in all areas of finance related to financial planning. Candidates complete studies on over 100 topics, including stocks, bonds, taxes, insurance, retirement planning and estate planning. In addition to passing the CFP certification exam, candidates must also complete qualifying work experience and agree to adhere to the CFP Board's code of ethics and professional responsibility and financial planning standards.

Item 3 Disciplinary Information

Ann Marie Shaw-Kremer has no reportable disciplinary history.

Item 4 Other Business Activities

In addition to her services for James Capital Alliance, Inc., Ann Marie Shaw-Kremer is the COO of James Investment Research, Inc., an affiliated investment adviser of James Capital Alliance, Inc. James Capital Alliance, Inc. has entered into a referral agreement with James Investment Research, Inc. Under the terms of the referral agreement, employees, officers and directors of either adviser may refer clients to the other adviser, and the employee, officer or director may receive a fee for the referral.

Ann Marie Shaw-Kremer does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

Item 5 Additional Compensation

Ann Marie Shaw-Kremer does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Supervisor: Barry James

Title: CEO

Phone Number: 937-429-7384

Item 2 Educational Background and Business Experience

Full Legal Name: Clare Marie Thielen **Born:** 1967

Education

- Wright State University; Bachelor of Science, Financial Services; 1991

Business Experience

- James Capital Alliance, Inc.; First Vice President; from 06/18/2003 to Present

Item 3 Disciplinary Information

Clare Marie Thielen has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

In addition to her services for James Capital Alliance, Inc., Mrs. Thielen performs marketing services for James Investment Research, Inc., an affiliated investment adviser of James Capital Alliance, Inc. James Capital Alliance, Inc. has entered into a referral agreement with James Investment Research, Inc. Under the terms of the referral agreement, employees, officers and directors of either adviser may refer clients to the other adviser, and the employee, officer or director may receive a fee for the referral.

B. Non-Investment-Related Activities

Clare Marie Thielen is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.

Item 5 Additional Compensation

Clare Marie Thielen does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Supervisor: Mike McGraw

Title: President

Phone Number: 937-429-7384