

**Form ADV Part 2A**  
**Disclosure Brochure**

**JC Investment Management**

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**March 24, 2023**

This Brochure provides information about the qualifications and business practices of JC Investment Management. If you have any questions about the contents of this Brochure, please contact us at 708-948-7092. Alternatively, contact the Chief Compliance Officer of Integrated Advisors Network, Danielle Tyler at [compliance@integratedadvisorsnetwork.com](mailto:compliance@integratedadvisorsnetwork.com) or call (855) 729-4222. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about the Advisor is available on the SEC's website at [www.adviserinfo@sec.gov](http://www.adviserinfo@sec.gov).

Integrated Advisors Network, LLC is a registered investment advisor. Registration with the United States Securities and Exchange Commission ("SEC") or any state securities authority does not imply a certain level of skill or training.

## Item 2 – Material Changes

### **Annual Update**

This section describes material changes to JC Investment Management Part 2A of Form ADV (“Part 2A Brochure” or this “Brochure”) since its last annual amendment. This Brochure, dated March 24, 2023, has been prepared according to the SEC disclosure requirements.

Additionally, in lieu of providing clients with an updated Part 2A Brochure each year, we typically provide existing advisory clients with this summary describing any material changes occurring since the last annual amendment. In these instances, we will make this delivery to existing clients within 120 days of the close of the fiscal year, which ends December 31<sup>st</sup>. Clients receiving the summary of material changes who wish to receive a complete copy of our then-current Part 2A Brochure may request a copy at no charge by contacting the Chief Compliance Officer by telephone at: 855-729-4222 or by email at [compliance@integratedadvisorsnetwork.com](mailto:compliance@integratedadvisorsnetwork.com). JC Investment Management’s current Part 2A Brochure is also available through Integrated Advisor’s Network, LLC disclosure through the SEC’s Investment Adviser Public Disclosure website at [adviserinfo.sec.gov/IAPD/Content/Search/iapd\\_Search.aspx](http://adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx), SEC# 801-96203 or upon request through the client’s IAR.

### **Material Changes since the Last Update**

#### Item 4 - Advisory Business

##### Headquarters Change of Location

Effective March 1, 2023, the Firm moved its headquarters address from 75 Malaga Cove Plz, Suite 11, Palos Verdes Estates, CA 90274, to 8117 Preston Road, Suite 300, Dallas, TX 75225, and updated its fax # to 310.742.0227.

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## **Item 4 – Advisory Business**

### **Description of the Advisory Firm**

JC Investment Management is a dba of the registered entity Integrated Advisors Network, LLC, collectively hereinafter “the Adviser” or “JC Investment”. Integrated Advisors Network, LLC (“Integrated”) was founded in 2015 and is an SEC registered investment adviser.

The Adviser is a fee-only investment management firm. The Adviser provides personalized investment advice to individuals and small businesses. The Adviser also offers financial planning as a free a complementary service to all investment management clients.

The Adviser nor Integrated do not act as a custodian of client assets and the client always maintains asset control.

The Adviser has discretion of client accounts and places trades for clients under a limited power of attorney.

### ***Principal Owners of Integrated Advisors Network, LLC are as follows:***

Jeff Groves through a trust owns 43%, Linda Pix owns 17%, and Michael Young owns 40% of the equity securities of the Firm.

### **Types of Advisory Services**

The Adviser through Integrated will provide ongoing portfolio management services based on the risk profile of the client. The risk profile includes the client’s investment objectives, time horizon and risk tolerance. Investment portfolios are customized to meet the needs of each client.

The investment process works through the client completing a client questionnaire and working with the Adviser to determine targeted portfolio constraints. Portfolio constraints provide a range of investment that can take place in the four asset classes considered by the Adviser. These are equities, fixed income, commodities, and cash. At times, the Adviser may override the constraints of the portfolio.

The investment vehicles used to provide exposure to equities, fixed income and commodities will consist of a combination of index funds (both exchange traded funds and passively managed mutual funds), actively managed mutual funds and common stocks. For diversification purposes, the Adviser prefers to use index funds (over actively managed mutual funds) due to their transparency and cost benefits. However, there are certain times when actively managed mutual funds will be used within client accounts. The weight of each vehicle within the context of the client’s overall portfolio will depend on several factors including, but not limited to, the size of the investment, client risk profile, and other factors such as the cost basis of positions that are transferred from a previous broker. Money market funds will be the main investment vehicles used to provide exposure to the fourth asset class, cash.

### **Financial Planning Services**

The Adviser will typically provide a variety of financial planning to individuals, families and other clients based on an analysis of the client's current situation, goals, and objectives. Generally, such financial planning will involve preparing a financial plan or rendering a financial consultation for clients. The economic scenario created by the Adviser relies on many key assumptions. Assumptions such as projected annual increase in salary or annual savings rate are provided by the client. The Adviser does not assume any responsibility for the accuracy of the information provided by the client and is not obligated to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant or other such professional). Under all circumstances, clients are responsible for promptly notifying the Adviser in writing of any material changes to the client's financial and investment objectives, taxability, time horizon, or risk tolerance.

Other key assumptions, such as projected increase in annual expenses or annual investment earnings yield, are created by the Adviser. The Adviser will not provide estate planning and insurance planning services.

The Adviser's financial planning service is made available to all clients at no cost regardless of the client's investment account balance or net worth.

### **Wrap Fee Programs**

The Adviser does not participate in wrap fee programs. Other IARs under other group names at Integrated do offer wrap programs.

### **Client Tailored Services and Client Imposed Restrictions**

Advisory services are tailored to achieve the investment objectives of individual Clients. Generally, the Adviser has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Clients or their Investors. Clients may impose restrictions on investing in certain securities or types of securities. Clients may also request final approval of the purchase and/or sale of any security in their account.

### **Amounts Under Management**

As of February, 2023, Integrated Advisors Network collectively managed approximately \$3.275 billion in assets on a discretionary basis and \$278 million on a non-discretionary basis.

Chris Lynn is an Investment Adviser Representative ("IAR") of Integrated Advisors Network.

## **Item 5 – Fees and Compensation**

### **Fee Schedule**

The fees and compensation payable to the Adviser are negotiable and vary among its clients. However, the range of compensation is generally as follows:

### **Management Fee**

Client will pay the Adviser a fee for its investment advisory services. The specific manner in which fees are charged by the Adviser is established in a client's written agreement with the Adviser. The fee will be calculated on a quarterly basis and collected in advance. There is a tiered structure with a maximum of 0.95%. The tiered rate is calculated based on the total Household balances under the Adviser's management at the end of the previous quarter. The tiered rate structure is as follows:

- 0.95% of the first \$1,000,000
- 0.90% of the amount between \$1,000,000 and \$3,000,000
- 0.85% of the amount between \$3,000,000 and \$5,000,000
- 0.5% of the amount above \$5,000,000

The fee will be calculated in the same manner for all clients; however, the fee is negotiable. Upon termination of the Investment Advisory Agreement, the Adviser shall refund any of the unused portion. The client has the right to terminate the contract without penalty within five (5) business days after entering into the Investment Advisory Agreement with the Adviser. After the five (5) business days, the client may terminate the Investment Advisory Agreement at any time by giving written notice to the advisor. The Adviser may terminate the Agreement at any time by giving the client at least 30 days written notice.

The Adviser does not receive compensation for the purchase or the sale of securities or other investment products. The Adviser's fee is exclusive of commissions, transaction fees, and other related costs and expenses in connection with trading and custody. These fees and expenses shall be incurred by the client. Additionally, clients may incur certain charges imposed by mutual fund and exchange traded funds such as internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the Adviser's fee, and the Adviser shall not receive any portion of these commissions, fees, and costs.

### **Integrated Fee Disclosure**

The clients of JC Investment will not pay and will not be affected by the fees of other IARs at Integrated. The following is for disclosure purposes only.

Investment Adviser Representatives of Integrated have fees that may vary from the fees disclosed herein and may be collected in arrears or in advance. These fee schedules are specific to each advisory group of Integrated. See the individual brochure for each advisory group for specific details. JC Investment's fees may be higher or lower than other advisory groups at Integrated and there is no representation that JC Investment's fees are the lowest available for similar services.

### **Performance Fee**

The Adviser does not charge a performance-based fee (fees based on a share of capital gains on or capital appreciation of the assets of a client).

### **Fee Billing**

Investment management fees are deducted quarterly in advance. Account values are based upon pricing information supplied by the client's 3<sup>rd</sup> party qualified custodians, where their accounts are held. Fees are deducted from the client account to facilitate billing as authorized by the Investment Advisory Agreement.

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

The Adviser does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). There are advisory groups at Integrated that do charge performance fees. These fees are discussed in the ADV Part 2A and in the investment management agreement for those advisory groups that do charge performance fees.

## **Item 7 – Types of Clients**

The Adviser provides portfolio management services to individuals, high net worth individuals, trusts, corporate and small business profit-sharing plans, and plan participants of corporate and small business retirement plans. There are no account minimum sizes. Other advisory groups of Integrated Advisors provide services to other types of clients than is disclosed herein.

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

### **Investment Strategy**

The Adviser first ascertains the client's risk profile—age, investment objectives, time horizon, risk tolerance and liquidity needs. The investment strategy undertaken by the Adviser is to create and monitor an investment portfolio that is consistent with the risk profile of each client. The Adviser normally considers four asset classes for the investment of client funds—equities, fixed income, commodities, and cash. For each asset class, the following are the primary investment vehicles:

- Equities—primarily index funds (exchange traded funds and passively managed mutual funds) and common stocks. At times, the Adviser will invest in actively managed mutual funds, too.
- Fixed Income—primarily index funds and actively managed mutual funds.
- Commodities—primarily index funds and actively managed mutual funds.
- Cash—primarily money market funds and CDs.

Based on the client's risk profile, the Adviser creates portfolio constraints for each client. Portfolio constraints provide a general range (the minimum to the maximum) of investment that can take place in the four asset classes that are considered by the Adviser. The weight of each investment vehicle within the context of the client's overall portfolio will depend on several factors including, but not limited to, the size of the investment, client risk profile (risk tolerance, investment objectives, time horizon, etc.), and other factors such as the cost basis of positions that are transferred from a previous broker.

The Adviser generally follows these risk management guidelines:

- Adhere, with exceptions, to portfolio constraints set for each client;
- Limit individual securities (investment in common stocks) to no more than 8% of overall portfolio (with exceptions for certain clients);
- Raise cash levels in declining and volatile equity markets; and
- 25-100% of portfolio in index or actively managed mutual funds

### **Methods of Analysis**

Analytical methods vary with the type of investment vehicle. Index fund analysis includes type of exposure provided, assessment of expenses and liquidity-related issues. Actively managed mutual fund analysis includes assessment of expenses, fund manager tenure and historic performance against peers, long-term fund performance, and review of other independent reviewers while bearing in mind that past performance is no guarantee of future results. Common stocks are evaluated using fundamental analysis techniques as well as review of third-party research.

Investment in any security always involves risk of loss that clients should be prepared to bear. Market fluctuations, interest rates, inflation, economic downturns, and individual business performance are some of the possible exposures. The Adviser will do its best to tailor the portfolio so that it meets both the client's return expectations and risk tolerance, but this is not guaranteed. In addition, the client's return expectations are subject to the realities of the financial markets and dependent on the risk the client is willing to assume. While the Adviser's investment strategy is designed to mitigate exposure to various risks, the client needs to understand that the risks are there and to be prepared to bear losses that may result. At any point in time, a client's investments will be worth more or less than originally invested. Here is some more on principal investment risks:

*Stock Market Volatility.* The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-



term market volatility and may have adverse long-term effects on world economies and markets generally.

*Interest Rate Changes.* Debt securities have varying levels of sensitivity to changes in interest rates. In general, the price of a debt security can fall when interest rates rise and can rise when interest rates fall. Securities with longer maturities and mortgage securities can be more sensitive to interest rate changes.

*Foreign Exposure.* Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

In response to market, economic, political, or other conditions, the Adviser may temporarily use a different investment strategy for defensive purposes.

### **Market, Security and Regulatory Risks**

Any investment with the Advisor involves significant risk, including a complete loss of capital and conflicts of interest. All investment programs have certain risks that are borne by the investor which are described below:

#### **Market Risks:**

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Advisor are extremely competitive and each involves a degree of risk. The Advisor will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Market Volatility. The profitability of the Advisor substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Advisor cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Investment Activities. The Advisor's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Advisor. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Advisor to realize profits.

**Material Non-Public Information.** By reason of their responsibilities in connection with other activities of the Advisor and/or its affiliates, certain principals or employees of the Advisor and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Advisor will not be free to act upon any such information. Due to these restrictions, the Advisor may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

**Accuracy of Public Information.** The Advisor selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Advisor by the issuers or through sources other than the issuers. Although the Advisor evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Advisor is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

**Investments in Undervalued Securities.** The Advisor intends to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Advisor's investments may not adequately compensate for the business and financial risks assumed.

**Small Companies.** The Advisor may invest a portion of its assets in small and/or unseasoned companies with small market capitalization. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations.

**Leverage.** When deemed appropriate by the Advisor and subject to applicable regulations, the Advisor may incur leverage in its investment program, whether directly through the use of borrowed funds, or indirectly through investment in certain types of financial instruments with inherent leverage, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss.

**Options and Other Derivative Instruments.** The Advisor may invest, from time to time, in options and other derivative instruments, including, but not limited to, the buying and selling of puts and calls on some of the securities held by the Advisor. The prices of many

derivative instruments, including many options and swaps, are highly volatile. The values of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Hedging Transactions. Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, other derivatives, and other investment techniques are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. The Advisor is not obligated to establish hedges for portfolio positions and may not do so.

Market or Interest Rate Risk. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Advisor holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Advisor's performance; however, if the Advisor has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Advisor.

Fixed Income Call Option Risk. Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Advisor is exposed to reinvestment rate risk – the Advisor will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Advisor purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but

inflation-linked bonds, adjustable bonds or floating rate bonds, the Advisor is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security.

Investments in Non-U.S. Investments. From time to time, the Advisor may invest and trade a portion of its assets in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Foreign securities and other assets often trade in currencies other than the U.S. dollar, and the Advisor may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the Advisor's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the Advisor's investments to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in value or liquidity of the Advisor's foreign currency holdings. If the Advisor enters into forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if the Advisor enters forward contracts for the purpose of increasing return, it may sustain losses.
- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

### **Regulatory Risks:**

Strategy Restrictions. Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Advisor may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment in the Advisor is appropriate.

**Trading Limitations.** For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Advisor to loss. Also, such a suspension could render it impossible for the Advisor to liquidate positions and thereby expose the Advisor to potential losses.

**Conflicts of Interest.** In the administration of client accounts, portfolios and financial reporting, the Advisor faces inherent conflicts of interest which are described in this brochure. Generally, the Advisor mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons.

**Supervision of Trading Operations.** The Advisor, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with Firm and client objectives. Despite the Advisor's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts.

**Security Specific Risks:**

**Liquidity.** Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation.

**Currency.** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Lack of Registration.** Funds or Limited Partner ("LP") interests have neither been registered under the Securities Act nor under the securities or "blue sky" laws of any state and, therefore, are subject to transfer restrictions.

**Withdrawal of Capital.** The ability to withdraw funds from the funds or LP interests is usually restricted in accordance with the withdrawal provisions contained in an Offering Memorandum. In addition, substantial withdrawals by investors within a short period of time could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the fund's assets and/or disrupting the fund's investment strategy. Additional risks may be disclosed for different advisory groups at Integrated. For a detailed list of risks for an advisory group, refer to that group's ADV Part 2A.

## **Item 9 – Disciplinary Information**

Mr. Lynn has not been subject to any disciplinary events. Other IARs of Integrated have been involved in disciplinary events related to past investment clients previous to their association with Integrated.

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

Integrated offers services through their network of IARs. IARs may have their own legal business entities whose trade names and logos are used for marketing purposes and may appear on marketing materials or client statements. The client should understand that the business are legal entities of the IAR and not of Integrated. The IARs are under the supervision of Integrated, and the advisory services of the IAR are provided through Integrated. Integrated has the arrangement described above with the IARs of JC Investment.

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

### **Code of Ethics**

The Adviser has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest, and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to the Adviser's Compliance Officer and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Adviser's Compliance Officer. Each supervised person of the Adviser receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of the Adviser's Code of Ethics by contacting the Compliance Officer of the Adviser.

### **Participation or Interest in Client Transactions**

Under the Adviser's Code of Ethics, the Adviser and its managers, members, officers, and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. The Adviser may decline any proposed trade by an employee that involves a security that is being or has been purchased or sold by the Adviser on behalf of any client or is being considered for purchase or sale. The Adviser and its managers, members, officers, and employees may also buy or sell specific securities for their own accounts based on personal investment considerations, which the Adviser does not deem appropriate to

buy or sell for clients.

### **Personal Trading**

The Chief Compliance Officer reviews employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the Firm receive preferential treatment.

## **Item 12 – Brokerage Practices**

### **Brokerage Selection and Soft Dollars**

The Adviser has the authority over the selection of the broker to be used and the commission rates to be paid without obtaining specific client consent. The Adviser may recommend brokerage firms as qualified custodians and for trade execution. The Adviser does not receive fees or commissions from any of these arrangements.

In selecting brokers or dealers to execute transactions, Adviser will seek to achieve the best execution possible, but this does not require it to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Adviser is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker which are included in the commission rate. Research and related services furnished by brokers may include, but are not limited to, written information and analyses concerning specific securities, companies, or sectors; market, financial and economic studies, and forecasts; financial publications; statistical and pricing services, as well as discussions with research personnel, along with hardware, software, data bases and other technical and telecommunication services and equipment utilized in the investment management process. It is the policy and practice of the Adviser to strive for the best price and execution for costs and discounts which are competitive in relation to the value of the transaction, and which comply with Section 28(e) of the Securities Exchange Act of 1934, as amended. Nevertheless, it is understood that the Adviser may pay compensation on a transaction in excess of the amount of compensation that another broker or dealer may charge so long as it is in compliance with Section 28(e), and the Adviser makes no warranty or representation regarding compensation paid on transactions. In negotiating mark-ups or mark-downs, the Adviser will take into account the financial stability and reputation of brokerage firms and the brokerage and research services provided by such brokers, although the client may not, in any particular instance, be the sole direct or indirect beneficiary of the research services provided. The Adviser has no obligation to deal with any broker or group of brokers in executing transactions in portfolio securities.

### **Research and Other Benefits**

Neither Integrated nor the Advisor maintain custody of client assets that managed and/or advised on (see Item 15—Custody, below). Assets must be maintained in an account at a

"qualified custodian," generally a broker-dealer or bank. Integrated works with multiple custodians. A few of these custodians include, but are not limited to, Charles Schwab & Co., Inc. ("Schwab"), TD Ameritrade ("TDA"), and Fidelity Investments, Inc. ("Fidelity") (aka "the custodian", "custodians") registered broker-dealers, members SIPC. Integrated is independently owned and operated and is not affiliated with the custodians utilized. The custodian chosen will hold client assets in a brokerage account and buy and sell securities when instructed to. While we a certain custodian may be recommended, the client will decide whether to do so and will open your account with said custodian by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian.

When considering whether the terms that custodians provide are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors, including: combination of transaction execution services and asset custody services (generally without a separate fee for custody), capability to execute, clear, and settle trades (buy and sell securities for your account), capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.), breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.), quality of services, reputation, financial strength, security and stability, prior service to us and our clients, availability of other products and services that benefit us.

### **Brokerage and Custody Costs**

For Integrated and the Advisor's clients' accounts that certain custodians maintain, the custodian generally does not charge the client separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the client account.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through the custodian selected, we have determined that having the custodian execute most trades is consistent with Integrated and the Advisor's duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above. By using another broker or dealer you may pay lower transaction costs.

### **Products and Services Available**

TD Ameritrade, Fidelity and Schwab provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. The custodians also make 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. The support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Some of these support services are as follows:

**Services that benefit the client:** 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 include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by clients. The services described in this paragraph generally benefit you and your account.

**Services that do not directly benefit the client:** Other products and services that benefit us but do not directly benefit you or your account are also available. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both the custodian's own and that of third parties. Integrated uses this research to service all or a substantial number of our clients' accounts. In addition to investment research, also available is 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

**Services that generally benefit only Integrated and/or the Advisor:** The custodians also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and compliance related needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

The custodian provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to Integrated. Custodians also discount or waives its fees for some of these services or pays all or a part of a third party's fees. The custodian also provides Integrated with other benefits, such as occasional business entertainment of our personnel. If you did not maintain your account with the custodian chosen, Integrated would be required to pay for those services from our own resources.

The benefits received by Integrated or its personnel do not depend on the amount of brokerage transactions directed to the specific custodian. As a part of the fiduciary duties to clients, the Advisor and Integrated endeavors at all times to put the interest of clients first.

The availability of these services benefits Integrated and the Advisor because we do not have to produce or purchase them. Certain custodians have also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on Integrated's behalf once the value of our clients' assets in accounts at the specific custodian reaches certain thresholds. [These services are not contingent upon us committing any specific amount of business to the custodian in trading commissions or assets in custody.] The fact that we receive these benefits from a specific custodian is an incentive for us to recommend the use of said custodian rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. Integrated believes, however, that taken in the aggregate our recommendations of a specific business as custodian and broker is in the best interests of clients.

### **Order Aggregation**

The Adviser may purchase and/or sell the same security for many accounts, even though each client account is individually managed. When possible, the Adviser may also aggregate the same transaction in the same securities for many clients for whom the Adviser has discretion to direct brokerage. Clients in aggregated transactions each receive the same price per unit, although they may pay differing brokerage commissions depending upon the nature of their directed brokerage arrangement, if any.

If more than one price is paid for securities in an aggregated transaction, each client in the aggregated transaction will receive the average price paid for the block of securities in the same aggregated transaction for the day. If the Adviser is unable to fill an aggregated transaction completely, but receives a partial fill of the aggregated transaction, the Adviser will allocate the filled portion of the transaction to clients based on an equitable rotational system as follows:

- The Adviser must ensure that adequate and full disclosure of its allocation and bunching practices has been made prior to the transaction.
- All clients/investors, accounts or funds participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rata basis.

- Aggregate transactions must not be executed unless the intended and resultant aggregation is consistent with its duty to seek best execution and any terms found in the Adviser's written agreements.
- Aggregated orders filled in their entirety shall be allocated among clients/investors, accounts, or funds in accordance with an allocation statement created prior to the execution of the transaction(s); partially filled orders shall be allocated pro-rata based on the allocation statement and the variance from the modeled allocation of a security.
- Investments resulting from any aggregated order must be consistent with the specific investment objective(s) of each client/investor, account or fund as detailed in any written agreements. No additional compensation shall result from the proposed allocation. No client/investor, account or fund will be favored over any other client/investor, account, or fund as a result of the allocation.
- Pre-allocation statement(s) specifying the participating client/investor accounts and the proposed method to allocate the order among the clients/investors, accounts or funds are required prior to any allocated order. Basis for establishing pre-allocations may include pro-rata of account assets to assets for the specific strategy, executing broker and variance from modeled position holding as factors. Should the actual allocation differ from the allocation statement, such trade may only be settled with the approval of the CCO or another appropriately qualified and authorized principal of the Adviser.

In cases where the client has negotiated the commission-rate directly with the broker, the Adviser will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the client will be precluded from receiving the benefit of any, possible commission discounts that might otherwise be available a result of the aggregated trade.

### **Directing Brokerage for Client Referrals**

The Adviser and its associated persons do not receive client referrals from broker dealers or third parties as consideration for selecting or recommending brokers for client accounts.

### **Directed Brokerage**

The Adviser allows clients to direct brokerage, but the Adviser does not require clients to direct brokerage. In the event that a client directs the Adviser to use a particular broker or dealer, the Adviser may not be authorized under those circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct the Adviser to use a particular broker or dealer and other clients who do not direct Adviser to use a particular broker or dealer which may result in higher trading expenses to the client who directs brokerage. The Adviser may place orders for transactions in certain securities initially only for those accounts which are held in custody at banks or at brokerage firms that permit the Adviser to place trades for accounts held in custody at that firm with other brokerage firms. Therefore, accounts held in custody at firms which do not permit the Adviser to place transactions with other brokerage firms may not be able to participate in the initial

transaction and may not be able to participate in the same gains or losses as other clients whose accounts are not so restricted. In cases where trading or investment restrictions are placed on a client's account, the Adviser may be precluded from aggregating that client's transaction with other accounts which may result in less favorable security prices and/or higher transaction costs.

## **Item 13 – Review of Accounts**

### **Periodic Reviews**

Account reviewers are members of the Firm, CCO, and the associated IARs. Collectively, they review accounts not less than once a year. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. Client accounts reviewed by the Investment Adviser Representative responsible for the account and the CCO also performs random reviews.

### **Review Triggers**

Accounts are reviewed quarterly or more frequently when market conditions dictate. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's financial or personal situation.

### **Regular Reports**

Clients receive statements from custodian and reports from the advisor. The statements from the custodian should be available on a monthly basis and include portfolio holdings, associated market values, monthly account activity and month-end account balance. Additionally, the custodian produces trade confirmations as transactions occur. Reports from the Adviser are sent on a periodic basis and address such topics as the Adviser's investment strategies, views of the current and historical market, and economic conditions.

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

The Adviser may, at times, participate as a member of a directory service such as Paladin Registry ([www.paladinregistry.com](http://www.paladinregistry.com)) or All Financial Advisors ([www.allfinancialadvisors.com](http://www.allfinancialadvisors.com)). These types of directory services provide investors with access to view information on member financial advisers. Through online advertising, these directory services are able to generate traffic to their websites. Depending on the particular directory service, investors may view information on financial education, members' credentials, advisory services and business practices, and also have the ability to search for certain members meeting their specified criteria. Some of the directory services charge a fixed monthly fee to member advisers. Others assess advisers a fee based on a per investor match with an Adviser.

Should the Adviser receive a referral from one of these directory services, the Adviser will disclose the relationship between the directory service and the Adviser during his initial contact. Under this referral relationship, the client does not pay a higher fee to the Adviser than if the client would have been directly introduced to the Adviser.

## **Item 15 – Custody**

### **Custody Policy**

The Adviser does not accept or permit the Firm or its associated persons from obtaining custody of client assets including cash, securities, acting as trustee, provide bill paying service, have password access to control account activity or any other form of controlling client assets. All checks or wire transfer to fund client accounts are required to be made out to/sent to the account custodian.

The Adviser is generally considered to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") in which the Adviser may have some discretion in transferring the funds on behalf of the client. These SLOAs have been put in place upon the client's written request and signature. For instance, the amount or timing of the transfers may not be on the SLOA submitted to the custodian; however, at a future date, a client will contact the Adviser requesting that the adviser submit instructions to the custodian to remit a specific dollar amount from the account to the designated third-party (both of which are identified in the SLOA that is on file). The Adviser meets the seven conditions the SEC has set forth that are intended to protect client assets in such situations.

### **Account Statements**

All assets are held at qualified custodians and the custodians provide account statements not less than quarterly to clients at their address of record. Clients should carefully review such statements for any discrepancies or inaccuracies.

### **Performance Reports**

Pursuant to recent amendments to Rule 206(4) under the Investment Advisers Act of 1940, the Securities and Exchange Commission now requires advisers to urge clients to compare the information set forth in their statement from the Adviser with the statements received directly from the custodian to ensure accuracy of all account transactions.

## **Item 16 – Investment Discretion**

The Adviser contracts for discretionary authority to transact portfolio securities accounts on behalf of clients with no specific limitations as to type, amount, concentration, or leverage. Further, the Adviser may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate. The Firm's

discretionary authority regarding investments may however be subject to certain limitations. These limitations are recognized as the restrictions and prohibitions placed by the client on transactions in certain types of business or industries. All such restrictions are to be agreed upon in writing at the account's inception.

Other advisory groups at Integrated have client relationships/accounts where they do not have discretionary authority. Those groups and Advisor will consult with the client where discretion is not obtained prior to each trade in order to obtain client approval for the transaction(s).

The client authorizes the discretion to select the custodian to be used and the commission rates paid to the Adviser. The Adviser does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

### **Item 17 – Voting Client Securities**

The Adviser will not vote nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. The Adviser does not give any advice or take any action with respect to the voting of these proxies. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. The Adviser promptly passes along any proxy voting information to the clients or their representatives.

### **Item 18 – Financial Information**

The Adviser does not have any financial impairment that will preclude the Firm from meeting contractual commitments to clients. The Adviser meets all net capital requirements that it is subject to, and the Adviser has not been the subject of a bankruptcy petition in the last 10 years.

The Adviser is not required to provide a balance sheet as it does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.