ITEM 1 – Cover Page

ADV - BROCHURE
Investment Adviser Business Disclosure Document

J. Derek Lewis & Associates, Inc.
REGISTERED INVESTMENT ADVISER

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This disclosure document, known as the Brochure, provides information about the business practices of J. Derek Lewis & Associates, Inc. [“ADVISER”, “FIRM” or “WE”]. If you have any questions about the contents of this Brochure, please contact us at (949) 752-9096. 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.

ADVISER is a registered investment adviser. Registration as an investment adviser does not imply any level of skill, training, aptitude or qualification. The oral and written communications of an ADVISER are intended to provide you with information about which you can determine to hire or retain an ADVISER.

Additional information about J. Derek Lewis & Associates, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Effective Date of Brochure: December 1, 2023

ITEM 2 – Material Changes

There have been no material changes since its annual Brochure filing on December 7, 2022.

ITEM 3 – Table of Contents

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ITEM 4 – Advisory Business

A. **<u>INVESTMENT ADVISORY SERVICES</u>**

<u>Generally</u>

J. Derek Lewis & Associates, Inc. ("JDLA" or "ADVISER") provides investment advisory services in the form of discretionary investment management and non-discretionary investment advice. Accounts are managed on either a discretionary or a non-discretionary, advisory fee basis for the benefit of the beneficial owner or representative/fiduciary for the benefit owner (*jointly, for purposes of this Agreement, shall be referred to as the "Client", unless the context warrants another more limited/specific definition*).

JDLA offers asset allocation, primarily using mutual funds and exchange traded funds ("ETF"). JDLA generally utilizes American Funds. While JDLA's discretionary and non-discretionary advisory services primarily relate to mutual fund and ETF portfolios, JDLA provides investment advisory services for Section 529 College Savings Plans. Third Party Asset managers may invest in a broader array of securities, including in portfolios of stocks and other securities. See their ADV's and refer to their Client contract for such parameters. Moreover, JDLA retains the authority to use other products as referenced above, which would be particularly more likely to be used upon the request of the Client to oversee an existing portfolio. Nevertheless, JDLA concentrates its services in the area of mutual fund selection, allocation of assets and periodic reallocation. The suggested minimum account size is $100,000, although it is not an absolute requirement.

Description – Overview	JDLA generally offers advice on investment company securities ("mutual funds"). Based on the individual needs of the Client, JDLA will evaluate the appropriate solutions and offer advice on a variety of mutual fund allocations designed to achieve Clients' investment objectives. While JDLA reserves the authority to utilize securities other than mutual funds, as a practical matter, JDLA's investment advisory program is currently focused on mutual fund investments. JDLA tries to use Adviser Share classes (when available), but otherwise A Shares may also be used in the absence of a more fee-efficient, Adviser-class share.
Specialization	Separately Managed Accounts involving Mutual Fund and ETF Allocation
Assets Under Advisement / Management ("AUM")	As of September 30, 2023, JDLA's Regulatory Asset Under Management ("RAUM" or Regulatory AUM") were as follows:

	Discretionary Assets - $1,291,478,131 (7,349 Accounts) Non-Discretionary Assets - $173,019,268 (164 Accounts) Total AUM - $1,464,497,400 (7,513 Total RIA Accounts)

Each Client's financial situation is assessed independently. JDLA schedules a meeting with Clients to review their "financial picture" or make recommendations in consideration of the Client's specific situation.

If the consultation will result in the review the status of a specific portfolio, JDLA requires the Client to provide specific financial information so JDLA can prepare an analysis prior to the scheduled appointment. JDLA provides long-term track records during the consultation; discusses volatile market climates, risks and opportunities, among other factors. Thereafter, JDLA reviews market alternatives that appear to be both suitable and in the best interest of its Clients in light of Client-specific objectives and risk tolerance. This process is designed to help the Client(s) determine their investment objectives and risk tolerance, which are required to identify the appropriate products and investment strategies for the Client. Investment Adviser Representatives ("IAR") of JDLA will also provide multiple investment alternatives. During this process, JDLA discloses fees and expenses of any recommended investment(s) and asset allocation.

For non-discretionary accounts, Clients of JDLA will share with the Client its opinion on which investment(s) meet their risk tolerance and objectives, but the implementation of any such recommendation is at the volition of the Client. For discretionary accounts, JDLA determines the investments that meet the risk tolerance and objectives and makes such investments/allocations without obtain Client consent in advance.

JDLA will not advise on legal proceedings, including class actions or bankruptcies involving securities purchased or held in Clients' accounts.

JDLA Investment Advisory Services	Custody Arrangements
JDLA	Mutual Fund Direct
➢ *Discretionary* ➢ *Non-Discretionary*	
JDLA and/or 3rd Party Managers (held with Schwab and/or in Schwab Marketplace)	Schwab
➢ Discretionary ➢ Non-Discretionary	
3rd Party Asset Managers ("TPAMs") ➢ **Discretionary**	Schwab

JDLA consults with industry professionals, mutual fund managers and has access to current research through Schwab. Furthermore, JDLA maintains ongoing subscriptions to assist with analyzing specific investments, their risks, fees and expenses and the longevity of each investment's management team.

Non-Discretionary Investment Advisory Services

JDLA offers its advice to Clients for a fee. These services are asset-based pricing services where an IAR of JDLA offers advice about the respective Client's portfolio, based upon suitability and also Client's best interest with respect to transactions, pattern of transaction and the resulting allocation of investments and funds Although JDLA generally pre-clears investment choices with the Client prior to their purchase in accounts designated as discretionary accounts, it does retain discretion to select the particular securities purchased for certain clients. Client retains discretion to reject any mutual fund allocations made, thereby compelling JDLA to reallocate the portfolio according to the Client's instruction. Even in discretionary accounts, JDLA will make changes in the Client's portfolio upon any specific instruction that the Client may provide.

While JDLA generally provides ongoing monitoring, since the nature of the products used by JDLA are primarily mutual funds and ETFs, the time horizon is longer terms. As such, ongoing monitoring does not occur as often as it would with other product types such as stocks and options. The value of investments may rise or fall dramatically at any point in time throughout the year, and it is the Client's obligation, and not JDLA's obligation, to monitor those investments throughout the year, unless Client and JDLA agree to other, specific arrangements for ongoing monitoring. Unless agreed otherwise, JDLA expects to conduct an ongoing monitoring in the form of an annual review of Client's portfolio, and, depending upon the agreement with the client, may conduct more frequent reviews (*not more frequently than quarterly*).

JDLA provides customized investment advisory services on a "fee-only" basis. As an investment adviser, JDLA's goals include assisting the Client in making informed investment decisions to maximize total investment returns over a generally specified time horizon, subject to their tolerance to risk. Such accounts will be (i) carried with Schwab Advisor Services, a division of Charles Schwab & Co., Inc. (individually or jointly, "Schwab") and/or (ii) held directly with the respective mutual fund companies or their transfer agents. If the securities are held at Schwab (which is a "Qualified Custodian"), depending upon the way the particular Client account is established, Schwab executes purchase and sales orders and reflects the securities positions on their account Statements. Otherwise, if the investments are submitted directly to the mutual funds, then the mutual funds or their transfer agents will assume the responsibility for processing purchase, sale and redemption requests, and such investments will be reflected on the account Statements (*the official record of the account and its contents*) issued by the mutual funds. The Qualified Custodians, including the respective mutual fund company or transfer agent, will prepare and mail transaction confirmations and summary periodic account Statements to Clients.

For purposes of this Agreement, Qualified Custodians, as well as the mutual fund or its transfer agent that reflects the ownership of the investor directly on its books and records (*due to the application-way nature of certain investments*), shall be referred to as Custodians.

General Terms and Conditions

1. Where accounts are advised for related entities or related Clients, values of the related accounts may be grouped for fee computation purposes. Requested "grouped status" is subject to approval of JDLA, at JDLA's sole discretion, and accordingly such requests may be declined.
2. Fees are paid on a quarterly basis.
3. Fees will be paid by the Client for the present fiscal quarter prior to the 15th business day of the first month in the present fiscal quarter.[1]
4. Fees are generally charged directly to the Client's Account, which shall be paid by the cash or money market portion of the Client's Account, but may also be paid from other funds as directed by the Client. If there is an inadequate balance in Client's money market or cash account, then Client hereby authorizes JDLA to reallocate assets sufficient to pay the fee.[2]
   Any Clients who wish to terminate this Agreement must provide written notification of their request. Fees will be prorated to the date of termination and refunded promptly.

Written disclosures of the Client shall take precedence over oral disclosures, and written disclosures occurring later in time shall take precedence over any earlier disclosures, to the extent that any conflicts exist. In the event of a conflict between a more recent oral disclosure and an earlier written disclosure, the particular written disclosure shall, if not current, be updated to reflect the current information. In all cases, such advice shall be rendered based upon the Client's current objectives and risk tolerance.

Discretionary Investment Management Services

Unless the context otherwise requires or limits the applicability of any particular provision, the information otherwise contained above in the section entitled "non-discretionary investment advisory services" applies here. In addition to non-discretionary investment advisory services, JDLA may manage accounts with discretion. In order to do so, the Client will indicate that desire by completing and signing an Investment Management Agreement and a 3rd party trading authorization instrument/document. Ordinarily, such discretion is reserved for mutual fund and/or ETF portfolios where the Client has not wanted to be involved in pre-authorizing every trade and mutual fund/ETF allocation.

[1] An exception to the foregoing is, in the case of American Funds, when they charge the fee other than immediately after the fiscal quarter. For example, they charge in arrears on their quarter system: December -February is paid on March 7th; March - May is paid on June 7th; June – August is paid on September 7th; and September – November is paid on December 7th.

[2] The foregoing notwithstanding, fees charged by American Funds are typically paid on a pro-rata basis from each underlying fund (unless directed to be paid by 1 fund).

JDLA will utilize its Client profile data gathered as part of the investor profiling process, resulting in an investor profile.

Other areas of discretion include (i) determining what to sell to cover any systematic withdrawals from the account, (ii) determining what to sell when the Client needs an unusual withdrawal from the Account and (iii) determining what to buy when the Client adds money to the account in the form of IRA contributions or otherwise.

Investment Advisory/Management Process

In general, the investment advisory/management process will consider any or all of the following areas of concern:

- **PERSONAL**: Family records, budgeting, personal liability, estate information and financial goals.

- **TAX & CASH FLOW**: Income tax and spending analysis and planning for past current and future years. We will illustrate the impact of various investments on a Client's current income tax and future tax liability.

- **DEATH & DISABILITY**: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.

- **RETIREMENT**: Analysis of current strategies and investment plans to help the Client achieve his or her retirement goals.

- **INVESTMENTS**: Analysis of investment alternatives and their effect on the Client's portfolio. JDLA generally offers advice on investment company securities. Based on the individual needs of the Client, JDLA may evaluate and offer advice on a variety of mutual fund allocations designed to achieve Clients' investment objectives.

  JDLA does not review casualty insurance (e.g., homeowners, auto, liability, etc.). Clients are responsible for having such matters reviewed by an outside casualty firm.

JDLA gathers the required information through in-depth personal interviews and a data gathering process. With respect to its investment management process, JDLA approaches its investment management process as follows:

Step 1: **Analyze Client Goals and Objectives**

This part of the process is considered the most important part of JDLA's investment management process due to the fact it is the basis upon which JDLA builds the clients' portfolios. This foundation is based upon how clients answer the following questions:

1. At what stage of asset growth do you consider yourself: wealth accumulation or distribution?

2. How much risk of loss and volatility are you willing to assume for a given rate of return?

3. What is your time frame for reaching your various financial goals?

4. What are your current cash needs and liabilities?

5. What is your current tax situation?

As part of the information gathering process, JDLA may utilize a more detailed document to develop an investor policy guideline referenced in Step 2 below.

Step 2: **Formalize Investment Policy**

Once JDLA has gained a significant understanding of your goals and objectives, JDLA will use this information to assign an investment policy guideline for you. This statement reflects the portfolio management strategy, guides future investment decisions and establishes a record for information regarding your investment time frames, objectives, tax-sensitivities, risk tolerance, etc.

Step 3: **Design Optimal Portfolio**

JDLA will use your investment policy guideline as a baseline for the design of your long-term investment portfolio. From the policy, JDLA will build an asset allocation model that will determine your portfolio performance sought.

JDLA will select one of its proprietary risk models and produce asset allocation scenarios defining a number of different asset blends that is capable of meeting the expected rate of return while maintaining your acceptable level of portfolio risk. JDLA will then work through these scenarios to determine which one best fits your needs in light of existing resources and investment objectives. You may need a combination of these models in an effort to meet both your short-term and long-term goals.

Step 4: **Portfolio Implementation**

Once your asset allocation is selected, JDLA will begin to implement your portfolio design if the Client has also elected to receive either ongoing non-discretionary investment advisory services or investment management services. JDLA will carefully choose and evaluate the investment options available via JDLA and Schwab. JDLA has done its due diligence on the mutual fund and ETF options and independent money managers, analyzing characteristics such as management, past performance, future goals and strategies, qualifications (including their investment philosophies), sector allocations, and other factors. Portfolio rebalancing and other implementation activities may require that you sign a Limited Power of Attorney for Purchases and Sales of Securities, allowing JDLA limited trading discretion of your accounts.

Step 5: **Performance Reporting and Measurement**

JDLA provides customized reports at least annually and more frequently upon request. Your report allows you to monitor the performance of your investment portfolio compared to appropriate benchmarks. In addition, you will automatically receive quarterly statements from the respective custodians and you may have online access to view activity should you choose to take advantage of the service.

Step 6: **Portfolio Monitoring and Rebalancing**

Our asset allocation, mutual fund and money manager selection processes are carefully tailored to the Clients' needs. Although our asset allocation models tend to remain consistent, we review them periodically and will occasionally modify them to reflect fundamental market conditions, or changes in your objectives or circumstances. In addition, we periodically monitor the performance of our selected investments and fund managers, making recommendations as deemed appropriate. Although you may grant us investment discretion, you may also revoke that discretion. Moreover, it is very important that you communicate with our firm regarding any life or financial changes which may affect your investment policy guideline and long-term financial goals.

Throughout our relationship, JDLA will endeavor to maintain a high level of personal contact with you to help achieve your financial goals and recommends that you to take advantage of regular portfolio reviews.

3rd Party Investment Management

Some of JDLA's larger accounts prefer to own individual stocks in separately managed accounts and will use the services of a professional portfolio manager who can personalize the management of their account for tax purposes or other specific management styles. Typically, the portfolio managers manage only a portion of the overall household portfolio of the Client.

For such 3rd party portfolio management services, the portfolio manager will be given discretion over the trading of the account; in those cases, JDLA will not have discretion, but will act in an advisory capacity. The Client receives official confirmations and monthly/quarterly statements from Schwab (as the official custodian, and receives quarterly portfolio summaries from the respective portfolio manager. The Client will also receive a portfolio valuation disclosure/statement from JDLA reflecting the whole portfolio (all household accounts, including the outside-managed assets) typically on a quarterly basis, but at least annually (depending on the account size and activity). JDLA directly oversees and reviews these managed accounts on a quarterly basis and will discuss and review the whole portfolio with the Client at least annually or as needed/requested by the Client for rebalancing. JDLA will consult with the Client and the portfolio manager and will make arrangements for the Client to meet or speak directly with the portfolio manager as requested.

Stewardship Partners charges an annual management fee of 60 basis points and bills the Clients' accounts *pro rata* on a quarterly basis. Lederer and Associates charges an annual management fee of between 75 and 100 basis points and bills the Clients' accounts on a quarterly basis.

JDLA charges an annual fee of 75 basis points for advisory services and bills the Clients' accounts *pro rata* on a quarterly basis. Considering both the portfolio management fees and the JDLA investment advisory fee, these Clients are not billed more than 1.50% per annum for the combined services on these accounts.

In these cases, the Client will sign a management agreement with both JDLA and the outside professional money manager (Stewardship Partners and Lederer and Associates).

Stewardship Partners

Stewardship Partners provides investment advisory services, on a discretionary and non-discretionary basis, for high-net-worth individuals and institutional clients. Each account is managed in accordance with the investment objectives and any restrictions set by the client. We interview the client or have the client complete a written Questionnaire, assessing the client's financial situation/needs and decides as to whether the investment styles and services offered by Stewardship Partners would be appropriate for the client before Stewardship Partners is retained to manage the client's account. We are also responsible for determining and notifying Stewardship Partners of any changes in the client's investment objectives or personal or financial circumstances that should be considered in managing the account.

The Web Site and important disclosures regarding Stewardship Partners can be found at https://stewardshippartners.com/, including its its ADV and Form CRS located on that Site page under the "About" tab.

Lederer and Associates

Lederer & Associates manages equity, fixed-income, and balanced portfolios. All portfolios are managed separately. Based on your goals and objectives, we establish asset allocation targets, the type of equity strategy, and the appropriateness of taxable and/or tax-exempt bonds for each portfolio. You may impose restrictions on investing in certain securities or types of securities. We interview the client or have the client complete a written questionnaire, assessing the client's financial situation/needs and decides as to whether the investment styles and services offered by Lederer & Associates would be appropriate for the client before Lederer & Associates is retained to manage the client's account. We are also responsible for determining and notifying Stewardship Partners of any changes in the client's investment objectives or personal or financial circumstances that should be considered in managing the account.

The Web Site and important disclosures regarding Lederer and Associates can be found at https://lederer-associates.com/, with its ADV and Form CRS located on that Site page.

Schwab Program

Schwab provides various benefits for investment managers and their clients. Such benefits include products, product & account services, administrative services, and information and resource services. JDLA maintains primary responsibility to communicate with its Clients, except for Clients that Schwab may refer to JDLA through Schwab Advisor Network®. Schwab, however, has a responsibility to communicate with JDLA Clients via the issuance of account Statements and trade confirmations.

Schwab will execute orders that JDLA or its Clients place, provided it receives securities or property in good deliverable form prior to settlement. Unless JDLA or the Client specifies that the order be executed in a specific exchange or market, and Schwab has agreed to such execution, Schwab will, at its sole discretion, execute any order to purchase or sell securities in any location or on any market or exchange where such security is traded. Schwab will assume that all orders, unless specified otherwise, are "long." All transactions are subject to Schwab's house trading rules and policies and applicable rules, regulations, customs and uses of any exchange, market, clearing house or self-regulatory organizations.

Schwab will make available to JDLA price and other market data information upon reasonable request. Schwab obtains market data from industry sources that it deems to be reliable, but the accuracy, completeness, timeliness or correct sequencing of the market data cannot be guaranteed.

As with the fee debiting procedures for JDLA clients in general, Schwab will directly debit the Clients' accounts, subject to certain control procedures, including, but not limited to, receipt of Client's written authorization to debit the account. JDLA will submit invoices to Schwab for the amount of fees to be charged.

As with securities custodians generally, Schwab retains a security interest, lien on and right to set-off investment management fees payable by Clients to Schwab for the benefit of JDLA, and such rights pertain to all securities, money or other assets held in the Account, including proceeds from such assets.

Schwab Managed Account Services

Schwab's Managed Account Services consist of the Managed Account Select® ("Select Program") and the Managed Account Access® Program ("Access Program"). Both of these programs are jointly referred to as the "Sponsor Programs." The other managed account services are referred to as the Managed Account Marketplace® ("Marketplace").

The Managed Account Services include brokerage, custody, and related services that that allow participating clients to engage money managers to provide discretionary investment portfolio advisory services to designated accounts opened and maintained at Schwab. In the Sponsored Programs, Schwab acts as a program sponsor. In the Select Program, Schwab provides research on a select group of managers. In the Access Program, by contrast, Schwab does not undertake to perform any screening or due diligence in the acceptance of managers participating in that Program, and managers participating in the Access Program may or may not be affiliated with Schwab. The fee for Schwab's brokerage, custody, research and other services in the Sponsor Programs is bundled with the managers' fees for their portfolio management services.

Marketplace contains a relatively more extensive list of managers whose portfolio management services are available through Schwab. Schwab does not act as a sponsor in relation to the Marketplace, and its compensation for Marketplace services is separate from the manager's fee. Marketplace includes managers providing separate account management, overlay managers (including for multi-strategy portfolios and unified managed accounts), Turnkey Asset Management Providers ("TAMP") and sub-advisors to any of the foregoing that have trading authority over Client accounts. The TAMP may include separately managed accounts, multi-strategy portfolios and unified managed accounts. For purposes of this section, managers include overlay managers, sub-advisors with trading authority and TAMP (*as well as any managers that are part of the TAMP's Program*).

If JDLA's Clients are interested in participating in the aforementioned programs, JDLA would be responsible for assisting interested Clients in selecting the appropriate manager. If so, the respective Clients would be obligated to sign a Client Account Agreement with Schwab, pursuant to which the respective Client would authorize managers to manage the Client's account(s) and Schwab would render its brokerage, custody and related services to the respective Client's account(s) and be authorized by the respective Clients to allow JDLA and the managers to share your Client account information and take such actions upon instructions of managers and JDLA. JDLA would assist Clients in completing and submitting Client Account Agreements to Schwab, including advising Clients about whether managers designated on Client Accounts will be sent certain issuer-related information (*such as proxies, tender offers, proposed mergers, rights offerings, exchange offers, warrants, certain prospectuses and annual reports*) that require managers to make voting decisions or take other actions regarding investments held in Clients' Accounts managed by the managers.

For Marketplace Accounts, JDLA will not submit to Schwab the Client Account Agreements until the appropriate manager has accepted its appointment. By contrast, JDLA will forward the Client Account Agreements for Sponsor Accounts promptly after being signed by the Client.

The fee that Client Accounts in the Sponsor Programs ("Sponsor Accounts") pay for Schwab's and managers' services is separate from the fee that the Sponsor Account will pay for JDLA's services. Client Accounts in the Marketplace will pay a separate fee for Schwab's services, JDLA's services and the manager's services. Marketplace Accounts may be designated either as transaction-based pricing or asset-based pricing.

Advice to Clients, Generally

JDLA, and not Schwab, will be responsible in providing advice to Clients regarding, among other things, the following:

i. The appropriateness for a Client of managed accounts, asset-based pricing or bundled fees and other aspects of Schwab's Managed Account Services;
ii. The appropriateness for a Client of the fee structure of any Sponsor Program or TAMP's service, and the fee applicable to any Marketplace Account;
iii. The selection of any manager to manage a Client Account, including reviewing the manager's strategy, performance or disciplinary record or other due diligence information;
iv. Any investment style, strategy or technique, including those of any manager and the allocation of the Client's assets;
v. Any transaction in a Client Account effected upon JDLA's instruction; and
vi. The ongoing performance and suitability of any manager and its investment strategy(ies) or program.

The appropriateness of working with the Client, upon paying either asset-based fee or transaction fees, may depend upon a number of factors, including, among others, the Client's investment objectives and financial situation, JDLA's and the respective manager's investment strategies and trading patterns, as well as the frequency of trading and the number and size of the transactions. If the number of transactions in the account is low enough in any given billing period, Schwab's portion of the bundled fees may exceed the commissions or other transaction charges that would otherwise have been charged for transactions effected in the respective billing period.

Document Delivery

Sponsor Accounts. JDLA shall deliver to each Client, no later than the time the Client completes a Client Account Agreement:

i. A copy of Schwab's Managed Account Services Disclosure Brochure
ii. The disclosure brochure, including any supplements, ("Manager brochure") and
iii. Any privacy notice for manager.

Schwab is responsible for delivering updates to its Managed Account Services Disclosure Brochure, and each manager is responsible for delivering or offering to deliver updates to its Manager brochure, privacy notice and other required documents.

Marketplace Accounts. Each manager will be responsible for any required initial delivery of its brochure and privacy notice, and also will be responsible for any subsequent offer or delivery to Clients of required updates to these documents.

Schwab's Role and Limitations Thereof

i. Schwab is not serving as an investment adviser in its Managed Account Services with respect to any transaction in Client Accounts. Furthermore, Schwab does not recommend or endorse any manager to JDLA or its Clients.

ii. Schwab will not be responsible for determining any Client's financial situation or investment objectives or determining the suitability for any Client or Client Account of separately managed accounts, any manager, asset-based pricing, bundled fees or any other aspect of Schwab's Managed Account Services, investment style or strategy or that of any manager.

iii. Schwab will carry out transactions only as directed by a manager, a Client or JDLA. Schwab will send Client's confirmations and Account Statements. The name of the manager may appear on Schwab's Statements of the Client Account.

iv. Schwab is not obligated to monitor the trading of any manager, JDLA or Client's trading in Client's Account.

v. Schwab cannot verify or guarantee the accuracy, adequacy or completeness of the historical performance or other information made available to JDLA.

vi. The manager may have other business relationships with Schwab, separate from Schwab's Managed Account Services, in connection with which the manager compensates Schwab for services (e.g., Schwab Advisor Network® and Mutual Fund OneSource®).

vii. The investment strategy, techniques, portfolio securities and historical performance of a manager's separately managed accounts may differ materially from that of mutual funds or other accounts managed with a similar strategy by the same manager.

Authorizations

JDLA's will complete agreements prescribed by Schwab to authorize Schwab to:

i. Provide JDLA and each manager with access to Client Account information;

ii. Act upon JDLA's instructions for Client Accounts with respect to payment of fees and, to the extent the Client elects, with respect to trading and disbursing assets;

iii. Act upon JDLA's instructions, to the extent authorized by the Client, with respect to the Client's Additional, Funding or Optional Brokerage Accounts (*as defined in Schwab's Account Agreements*);

iv. Act upon the trading instructions of managers that have been designated to have trading authority;

v. Furnish transaction information to each manager and send certain issuer information to any combination of the Client, JDLA and/or the manager, as the Client may specify; and

vi. With respect to Marketplace Accounts, act on each designated manager's instructions for payment of the manager's fees.

Termination of Manager Authorizations

Schwab shall not be required to follow any instructions of any manager

i. With respect to all Client Accounts managed by the respective manager, after the termination of the Manager Service Agreement between manager and Schwab;

ii. With respect to a particular Client Account managed by the manager, after

A. The Client notifies Schwab in writing that it has revoked Client's selection of the manager,

B. The Client notifies Schwab in writing that it has terminated its agreement with JDLA,

C. The Client terminates the Client Account Agreement, or

D. Either Schwab or JDLA terminates the governing contractual arrangements between them.

If a manager is no longer available to manage the Sponsor Program Client Accounts, Schwab will notify JDLA and JDLA will discuss with any Client impacted by such change. JDLA and Client will discuss whether to select a new manager that is eligible to manage the Client's Account, switch the Client's Account to a different Sponsor Program or one of the Marketplace services for management by the manager, or take some other action. Schwab and the manager may agree to move a particular investment strategy from the Select Program to the Access Program, in which event JDLA may elect to continue to have the Client's Select Program managed as an Access Program account subject to the same fees, but Schwab will not provide research or other information regarding a manager whose services are no longer being offered under the Select Program. It is also possible that Schwab and the Manager may move one or more of the managers in the Access program to the Select Program.

This is the end of the description of the investment advisory/management programs specific to JDLA's use of the Schwab program. The information below relates to JDLA's investment advisory/management program in general.

Mutual Fund and ETF Allocation Implementation;
Discretionary and Non-Discretionary Investment Advisory Services

Brokerage recommendations of JDLA personnel are provided by registered representatives ("RRs") associated with JDLS. If Clients choose to implement the recommended mutual fund and ETF allocations through JDLA personnel, then JDLA would place such orders through Schwab or place brokerage orders through its affiliated broker/dealer, JDLS. The decision about which avenue to use for the purchase of mutual funds is based upon the products available and best interest considerations such as Share Class, internal expenses of the mutual fund, product availability, etc.

JDLA performs due diligence on mutual funds and ETFs, and utilizes due diligence if provided by Schwab and 3rd party managers. The purpose of the due diligence process is to evaluate the quality of the mutual funds and ETFs. The role of JDLA is to determine which mutual funds and ETFs complement the Client-specific objectives.

JDLA will not assist Clients with placing trades that it did not recommend. However, its personnel who are JDLS RRs may place those trades for non-discretionary investment advisory accounts as brokers in unsolicited transactions with JDLS. For assets purchased by Clients that were not recommended JDLA, JDLA will exclude those securities assets for investment advisory billing purposes, unless JDLA and the respective Client agree that JDLA will initiate advisory services on those securities going forward.

JDLA reserves the right to execute agreements with other registered investment advisers in order to have them manage or sub-advise the Accounts of JDLA Clients. If it does so, JDLA will conduct due diligence on them as contemplated in JDLA's Compliance Procedures. In such instances, JDLA may receive a portion of the account fee and JDLA would make available to the Client the disclosure brochure of the other registered investment adviser(s).

<u>Mutual Fund Fees</u>

JDLA's investment advisory program primarily consists of providing investment advisory services relative to mutual funds and ETFs and their allocations. JDLA receives a fee for its advice. Also, several representatives of JDLA serve as RRs/brokers of JDLS, the registered broker/dealer that receives brokerage commissions from the mutual funds recommended by JDLA. In such capacities, JDLA will either charge a fee, JDLS will charge a commission but not both, unless in the case of 12b-1 distribution fees/commissions for mutual funds, the investment advisory fee is reduced by the amount of the 12b-1 commission received. Regarding commission-based products, JDLS retains a portion of those commissions and pays the majority of the commission amount to the RRs who sold those securities products. Having said that, JDLA strives to identify appropriate mutual funds with adviser-class shares, where there are no loads/commissions.

In addition to the foregoing, all investment advisory fees paid to JDLA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in the respective mutual fund's prospectus. These fees will generally include a management fee and other fund expenses. The distribution fee, referenced in the prospectus, is part of the commission referenced above, which is paid to the broker/dealer by the mutual fund companies.

Certain mutual fund share classes (A shares), which is a share class that are, in limited case, used by JDLA (*particularly in cases where adviser share classes are not available or adviser shares are not cheaper for a particular time horizon or investment amount*) pay commissions directly to JDLS from the initial amount of money invested by the Client, whereas other mutual fund share classes that have back-end loads or no loads (in other words, no direct sales charge or sales charges taken from portfolio after crediting the account for the investment, but at prescribed periods of time/"deferred sales charge") absorb and/or pay for distribution fees/commissions in different ways than A shares, which are in any case paid by the Client directly or indirectly. Such other share classes typically have higher fees or expenses over the intended life of the investment than A Shares (or adviser shares, if available), which typically reduces net returns over a long-term horizon. In other words, if the mutual fund imposes a commission (sales charge or "load"), a Client may pay an initial or deferred sales charge. Initial sales charges are generally deducted from the investor's initial investment funds. Such sales charges would be paid to the broker/dealer and thereafter to the respective RR of the broker/dealer. On the other hand, deferred sales charges are initially absorbed by the mutual fund itself, but passed on to the investor in the form of higher annual fees and/or traditionally lower annual returns. Notwithstanding the foregoing, JDLA and JDLS do not sell back-end load share classes, and JDLA avoids selling A shares since it strives to place clients in adviser share classes. However, JDLA may sell A shares through JDLS if JDLA determines they are cheaper than adviser share classes. If it does sell an A share, it will not charge an investment advisory fee for at least the period of time where the commission equals the hypothetical advisory fee over the number of years. In other words, commission-based positions are not eligible to be assessed an investment advisory fee until the commission equals that total advisory fee had the position been subject to an investment advisory fee since it was purchased. That being said, such account transitions are subject to a determination that it would be in your best interest.

A Client could invest in a mutual fund directly, without the services provided by JDLA. However, in that case, the Client would have to determine its investments without any advice of JDLA, which includes assessing which mutual fund or funds are most appropriate for the Client's financial condition, goals, objectives, risk tolerance and investment time horizon. As with investment advisers generally, JDLA's service is investment advice, and so such services are typically priced as a fee- based upon the value of the assets in the clients' accounts.

The Client should review both the fees charged by the mutual funds and the fees charged by JDLA to fully understand the total amount of fees. Thereafter, the Client is in a better position to evaluate the product being recommended and the advisory services being provided.

Investing in certain securities, including mutual funds, has been the subject of significant regulatory consideration with respect to determining suitability in light of the fees, redemption rights and other factors.

B. **MUTUAL FUND RISKS, FEES & SUITABILITY DISCLOSURES, GENERALLY**

Regulators (*regulators and self-regulatory organizations governing the brokerage industry*) have developed documents that serve as advisory or educational pieces for the industry. An area of regulatory focus over the years has been mutual funds. In the ordinary course of business, JDLS will provide disclosures to JDLA Clients that open accounts with JDLS regarding mutual funds risks, expenses, breakpoints, rights of accumulation, etc.

ITEM 5 – Fees and Compensation

INVESTMENT ADVISORY FEES

FEE LEVELS

JDLA generally charges between 50 basis points and 100 basis points (1%) of assets under its management. The exact fees are specified in your Investment Management Agreement. If a 3rd party money manager is used, then the total fees from JDLA and the 3rd party money manager are up to 1.5% of the assets under management. See below for more details regarding 3rd party money managers.

AUTHORIZATIONS AND BASIS FOR FEES

JDLA provides personal financial and asset management services to clients on a "fee-only" basis. Client will pay JDLA periodic fees for its investment advice. The fee will be calculated as a percentage of the market value of all assets in Client's Account on the last trading day of the respective quarter, and either billed quarterly in advance or quarterly in arrears. Certain assets may be excluded for billing purposes.

Depending upon which billing platform is used, the advisory fee is either payable quarterly in advance or quarterly in arrears (meaning, for the prior financial quarter). For F2 shares of American Funds, there is a platform for direct debiting of the account, quarterly in arrears. In other words, Client accounts that use the F2 share class mutual funds on the American Funds Service Company ("AFS") platform, a corporation duly incorporated under the laws of California, will be billed in arrears, while accounts where JDLA calculates the billing, to be sent to the Custodian for processing, will be billed in advance.

For the first partial quarter upon the opening of the Account or the transitioning to the investment advisory services from, e.g., a brokerage-only relationship, the fee shall be based upon the market value of assets subject to the Client contract ("Agreement" or "Investment Management Agreement") with JDLA as of the effective date of that Agreement.

With accounts that bill fees in arrears, if the Account value rises over the quarter, the stated fee has a higher effective rate because it is applied to a value that may be higher than other measures of Account value such as the average Account value over the quarter.

In any partial calendar quarter, the advisory fee will be pro-rated based upon the number of days that the Account was open during the quarter.

The advisory fees paid by you under this Agreement may be higher or lower than the advisory fees JDLA charges other clients for managing accounts that differ in size, type, investment objectives and restrictions, or other significant characteristics. In addition, the fees JDLA charges may differ from those charged by other investment advisers.

For purposes of calculating our fees, JDLA will value the securities in your Account that are listed and traded on a national securities exchange/NASDAQ at the closing price on the valuation date on the principal market where the securities are traded, except that mutual funds will be valued at Net Asset Value ("NAV") as computed by the respective mutual fund companies and/or its service providers. JDLA will value other securities or investments in your Account in a manner that we believe, in good faith, reflects their fair market value, or they will be excluded from billing.

Additional contributions to an existing account that (when considering all deposits made during that quarter) are greater than $100,000 will be billed on the next bill. If you withdraw funds during a calendar quarter (for accounts bills in advance) in an amount which (when considering all withdrawals made during that quarter) is greater than $100,000, a *pro rata* reduction of the amount of JDLA's fees will be made to your bill for the next quarter.

Client understands that Account assets invested in shares of mutual funds or other investment companies ("Funds") will be included in the calculation of the value of the Account for purposes of computing Adviser's fees and the same assets will also be subject to additional advisory and other fees and expenses, as set forth in the prospectuses of those Funds, paid by the Funds, but ultimately borne by the investor. For assets other than mutual funds, the fees will be based upon the closing market value as reported by the Qualified Custodian. As referenced above, in any partial calendar quarter, the advisory fee will be pro-rated based upon the number of days that the Account was open during the quarter.

For avoidance of doubt, fees are based upon services and advice rendered, not on investment performance. There will be periods of market decline. JDLA shall not be compensated on the basis of a share of capital gains or capital appreciation of the Funds or any portion of the Account value of Client.

If JDLS receives 12b-1 commissions for account positions under management by JDLA, then the Advisory and/or management fees for mutual fund assets would be calculated and billed at the above rate minus the 12b-1 payments (-0.25%) paid to JDLS as the broker/dealer. Likewise, if JDLS receives mutual fund loads/commissions for such products purchased, then JDLA will consider those commissions paid to JDLS in determining the level of JDLA's advisory fees (in other words, it will reduce its advisory fee by a function of the commissions paid). JDLA will generally reduce its advisory fees in consideration of any commissions that JDLS receives.

Even in accounts that are otherwise non-discretionary, which have an inadequate balance to pay the advisory fee, the Client shall duly authorize JDLA to reallocate the Client's account in order for the Client to be able to honor its fee commitment. Such limited authorization includes the authority to invest, sell, and reinvest proceeds in the account, at its discretion, without being obligated to obtain Client's prior confirmation of any proposed action.

Nothing reflected above shall be construed to grant JDLA any of the following powers:

- Discretionary authority to withdraw cash or make wire transfer money order payments to JDLA or 3rd parties;
- Authority to pay or receive funds of Client, except as referenced in the Custody section of the investment advisory contract with JDLA; and
- Power of Attorney or other right that would cause JDLA to have access to, or the right to convey Client assets, except as the Custodian may require for the sole purpose of having the Custodian deduct advisory fees from the account.

If required by Custodian, Client shall sign appropriate powers of attorney, which shall remain in force and effect until revoked, cancelled or terminated. Client should carefully review the governing investment advisory contract with JDLA and the powers of attorney prior to signing them. Custodian may require that Client periodically sign updated power of attorney forms.

Schwab's transaction charges for similar transactions, which JDLA will provide to Client prior to signing any client agreement related to Schwab, are currently $0. Also, and as mentioned above, broker/dealers such as JDLS receive payments for the commissions/loads paid by the respective mutual fund company, as disclosed in the governing prospectus.

JDLA also has RRs associated with JDLS, a registered securities broker/dealer, who receive a portion of the A share loads/commissions and 12b-1 fees that are paid by the respective mutual funds to the securities broker/dealer. Such RRs have a dual role insofar as they also serve as IARs of JDLA. The regulators recognize that registered investment advisers that receive compensation from the sale of brokered securities when such sale occurs by an affiliated broker/dealer and dually licensed representative (meaning also licensed as an IAR) have an incentive to base investment recommendations on the amount of compensation the registered investment adviser in his/her capacity as an RR of the broker/dealer will receive rather than on the Client's best interests. Thus, a conflict of interest exists. See our Form CRS (https://irp.cdn-website.com/0aa19e48/files/uploaded/Form%20CRS%20-%20JDLA%20July%202022-final%20Website%203.pdf) for a succinct summary of conflicts of interest. Therefore, JDLA generally reduces its advisory fee charged by the amount of commission received.[3] However, due to the desire to maintain relatively higher administrative efficiency and reduce tracking challenges, the advisory fee offset generally does not apply to subsequent investment contributions into the same Fund.

Method of Paying/Collecting Fees

The Custodian shall, in the ordinary course of business, manage the Account fee collection. Under no circumstances may JDLA serve as the Custodian. Client should verify the accuracy of the fee calculation reflected in the Client Account statements and, if discrepancies or inaccuracies exist, Client should promptly notify JDLA.

The Custodian will debit account fees and expenses on a quarterly basis. In order to debit the Account, the Client will grant the Custodian in writing the authority to do so. Client shall sign appropriate letters of instruction or powers of attorney (between Client and Custodian) and such documents shall remain in force and effect until revoked, cancelled or terminated. Custodian may require that Client periodically re-sign or update those forms.

OTHER FEES

There are other fees that may be charged for accounts that utilize 3rd party portfolio managers. Please refer to the sub-section in this Brochure entitled 3rd Party Investment Management, under the section above-entitled Advisory Business.

3rd Party Management Fees	**Fee Range**
Stewardship Partners	50 bps – 100 bps (generally 60 bps, or .6%, for JDLA clients)[4]
Lederer and Associates	50 bps -100 bps (generally 75 bps, or .75%, for JDLA clients)[5]
Schwab's Managed Accounts Services: ***Sponsor Accounts***	Transaction-Based or Asset-Based Payment for each manager's services as a single, bundled fee, to be deducted directly from each Sponsor Account. The bundled fee is based

[3] The advisory fee offset generally does not apply to certain subsequent investment contributions into the same Fund. Specifically, the offset applies typically to subsequent investments over $500 in A-shares. It does not apply to anything under $500.

[4] JDLA charges its own fee on top of this, which is negotiable, but generally is 75 bps.

[5] JDLA charges its own fee on top of this, which is negotiable, but generally is 75 bps.

	upon the value of assets in the Account and will cover most Schwab brokerage and related fees. To the extent that Sponsor Account assets are invested in money market funds for which Schwab serves as the investment advisor and/or sponsor, Schwab will earn advisory, distribution and/or other fees in addition to the bundled fee on such assets. Schwab may act as principal for trades of fixed income securities in the Sponsor Programs, but will not act as principal for equity trades. Principal trades are those in which securities are directly purchased from or sold to a financial institution acting as dealer or principal. When Schwab executes fixed income trades as principal for a Client Account in the Sponsor Programs, Schwab will realize the customary dealer profits or losses on the trade and, in the case of fixed income securities, will charge a mark-up or mark-down. Profit or loss on principal trades will be separate from and additional to, and will not reduce or otherwise offset, Schwab's bundled fee for the Sponsor Program Client Account. Schwab will not execute trades as principal for Client Accounts managed by affiliated managers in the Access Program. In addition to the bundled fee, Schwab may charge Sponsor Account Fees for special services elected by the Client, JDLA or the manager, including without limitation periodic distribution fees, electronic fund and wire transfer fees, certificate delivery fees and reorganization fees. For more information about fees, JDLA may obtain such information, upon request or account establishment, from the Schwab Institutional® Regional Sales Team.
Marketplace Accounts	Commission and other Fees apply for brokers used other than Schwab. Also, the see Asset-Based Pricing Addendum to the Schwab Client Account Agreement

Stewardship Partners charges an annual management fee of 60 basis points and bills the Clients' accounts *pro rata* on a quarterly basis. Lederer and Associates charges an annual management fee of between 75 and 100 basis points and bills the Clients' accounts on a quarterly basis.

For Clients managed in these 3rd party arrangements, JDLA charges an annual fee of 75 basis points for advisory services and bills the Clients' accounts *pro rata* on a quarterly basis. Considering both the portfolio management fees and the JDLA investment advisory fee, these Clients are not billed more than 1.50% per annum for the combined services on these accounts.

There are other fees such as brokerage commissions and fees; mutual fund fees charged by the mutual fund companies; custody fees; administrative, processing and transaction fees assessed by JDLA, its custodians, broker/dealers and other 3rd parties. Such fees are not for investment advisory services provided by JDLA, but are incidental to the investment advisory services, including custodial and administrative functions.

ITEM 6 – Performance-Based Fees and Side-by-Side Management

JDLA does not charge performance fees.

JDLA does operate discretionary accounts alongside of non-discretionary accounts, and may favor discretionary accounts if their corresponding fee are higher than in non-discretionary accounts.

JDLA does not manage private investment vehicles for clients. With publicly registered securities, JDLA may advise its various Clients, which have similar investment objectives, in a way that is not the same across all accounts. JDLA may give advice and take actions in the performance of its duties with respect to any of its other Clients that differ from the timing or nature of actions taken with respect to Client's account. JDLA shall not be under any obligation to purchase or sell for the Client's Account any securities that JDLA, its directors, officers, or employees may purchase or sell for its or their own Account(s) or purchase or sell or recommend for purchase or sale for Accounts of other clients if, in the sole discretion of JDLA, such action is neither practical nor desirable for a particular Client's account(s).

ITEM 7 – Types of Clients

JDLA mainly advises individuals, charities, corporations and other businesses, pension and profit-sharing plans and entities controlled by one individual or a family. The latter entities include pass-through entities, such as limited liability companies and partnerships, as well as trusts.

As of September 30, 2023, JDLA had a total of 7,513 accounts and assets under management of $1,464,497,400. For new customers, if such figures differ significantly at any point in time after the effective date of this document, then JDLA will update you. JDLA anticipates acquiring additional accounts that may be managed on either a discretionary or non-discretionary basis. The conditions for managing Client accounts are that the Client signs an Investment Management Agreement and that JDLA accepts its role and believes that it can manage according to the Client's investment objectives. Moreover, the minimum account size is generally $100,000. Other requirements include providing the standard customer identification data, including unexpired driver's license or passport. With respect to Accounts registered in the name of an entity, JDLA requires documentary evidence of the company, its certificate or confirmation of good standing, the Partnership Agreement, Limited Liability Company/Operating Agreement, Trust Agreement, Certificate of Incumbency and other material substantiating that the person opening any company or entity accounts has the authority to transact business and give instructions on behalf of such companies and entities that are currently in good standing.

ITEM 8 – Methods of Analysis, Investment Strategies and Risk of Loss

<u>Methods of Analysis and Investment Strategies</u>

JDLA utilizes fundamental analysis and asset allocation principles. JDLA focuses primarily on mutual fund and ETF selection, allocation and re-allocation as its investment strategy. JDLA evaluates the Client's investments to determine whether they are appropriate in light of the Client's financial/investment objectives, time horizon, risk tolerance and other relevant factors bearing upon the suitability of the respective investments and the portfolio overall. JDLA uses an information gathering form to help in its evaluation and selection of securities products. By gathering Client data, JDLA evaluates each Client and assigns them to an investment model profile. The model profile is based upon a score that considers the following categories: risk tolerance, time horizon and investment objectives. The models may either be used in their standard form or may be customized for each Client. Other factors may also be relevant, depending upon the disclosures made by the Client. JDLA searches for securities products that complement the Client's investment profile. JDLA designs and proposes investment portfolios tailored to meet the Clients' investment objectives ranging from growth, growth & income, income, and conservative objectives, as well as portfolios that are designed to capitalize upon international opportunities, specific sectors, etc.

JDLA utilizes various sources of public information, including financial news and research materials. JDLA personnel consult with specialists in financial planning and mutual funds, and JDLA personnel also utilize sources of information such as Thompson Reuters, Morningstar, Kipplinger, product wholesalers, money managers, trust attorneys and accountants.

Investing in Securities Involves Risk of Loss

Investing in securities involves risk of loss, which Clients should be prepared to bear. The investment portfolios resulting from any investment advice is subject to various market, currency, economic, political and business risks. Investment decisions will be subject to risk. The price of securities can and will fluctuate. Any individual security may become worthless. Accordingly, the Client accounts may lose value, including some or all of their principal.

Frequent Trading

JDLA does not utilize frequency trading strategies in the ordinary course of business. Frequent trading can negatively affect investment performance and generate unnecessary trading costs. JDLA's Clients may request such advisory services, which JDLA would evaluate on a case-by-case basis, but JDLA is unlikely to accommodate such an investment management request. JDLA investment management approach focuses primarily on providing advice related to mutual fund and ETF selection, allocation and re-allocation of mutual funds. The nature of these investment advisory services is more appropriate for long-term investors. Accordingly, Clients should be prepared to maintain their securities positions in a manner consistent with their relatively longer-term investment objectives. Moreover, certain products are designed to be long-term investments and, accordingly, are not designed for a "trading" strategy, which implies something of a more short-term nature. Mutual funds are an example of a securities product that is not designed to be traded on a short-term basis. While JDLA will make periodic reallocations among mutual funds in the same Fund family, it does not intend, in the ordinary course of business, to (i) buy and sell such products outside of the same Fund family (unless JDLA has access to a product from another Fund family that is in the best interest of the Client, considering any fees that may apply), (ii) buy, sell or exchange such products outside of the same Fund family on a short-term basis or (iii) otherwise engage in activities that would incur additional loads or commissions because such activities would significantly and negatively impact the portfolio returns.

Material Risks Per Each Significant Investment Strategy, Method of Analysis & Security Type

The investment strategy used is one of asset allocation among a mutual fund family that is designed to reasonably seek those investment objectives specified by the Client. Selecting the appropriate mutual fund(s), and particularly an asset allocation among a variety of mutual funds in the same mutual fund complex, is generally designed to reduce risk through diversification, while matching the investment objectives of the Client with the management style and objectives of the respective mutual fund, including the risk tolerance and investment time horizon desired by the Client. Conceptually, the risks in such an approach are that the data gathered by JDLA does not enable JDLA to appropriately select the most appropriate mutual funds and that the mutual funds selected do not perform consistently with the Clients' investment objectives. Moreover, if the mutual funds do not perform as desired, or if there is "style drift" in terms of how the mutual funds are managed, then there is a risk that the assets are not quickly or efficiently reallocated when such changes would be appropriate in light of the investment objectives and time horizon of the Client(s). Also, given the somewhat subjective nature of selecting mutual funds, such mutual fund selections and reallocations may not occur with such mathematical precision or metrics that some Clients may believe occurs in the analysis of their investment portfolios. Also, the reallocation among Funds may not result in exactly the same percentage in each mutual fund; JDLA may make such reallocation decisions as determined to be prudent under the circumstances. Such reallocations will consider the required minimum balance applicable to each of the respective mutual funds and money market accounts.

While ETFs are very different than mutual funds, the securities and reallocation process is likewise subject to performance risk. The following link to a FINRA guidance piece provides some helpful information on ETFs, including a basic description as follows:

> *Exchange-traded products (ETPs)—including exchange-traded funds (ETFs), exchange-traded notes (ETNs) and some other similar product types—are investment vehicles that are listed on an exchange and can be bought and sold throughout the trading day like a stock.*
>
> *…*
>
> *Investment objectives and strategies, which are detailed in prospectuses and related documents, can vary from one ETP to another. The vast majority of ETPs are designed to track the performance of a particular market index or benchmark and are similar to index mutual funds. Importantly, ETPs tracking the same index may do so in different ways, so be sure to compare.*

https://www.finra.org/investors/investing/investment-products/exchange-traded-funds-and-products

Regarding any risks associated with the security type, specifically including mutual funds, their risks are disclosed in the prospectus. The management style and risk assumed by the portfolio manager appointed by the respective mutual fund may not select portfolio holdings in an effective manner. Certain unforeseen company, industry and market events may occur that negatively impact investment return. The investment manager may not make the necessary defensive changes or portfolio adjustments in an effective manner. Moreover, the fees and expenses may make the investment product relatively costly if the time horizon and investment objectives are not appropriately matched, and if the investment returns generated, if any, are accompanied by relatively more expensive management fees and other associated fees assessed by the mutual fund company.

JDLA strives to match Clients' investment objectives with the products that share the same or substantially similar investment objective. If circumstances change, but the portfolio does not also change, there is a risk of portfolio mismatch. In other words, the investment objectives of the Client or the mutual fund may have changed, but those changes may not have been updated and/or taken into account in the portfolio composition. It may be because the mutual fund manager's investment style has drifted from the stated and understood investment style or because JDLA and/or Client have not adjusted its investment management approach to match the Client's most recent investment objectives, time horizon, liquidity needs, etc., and therefore the corresponding portfolio has not been appropriately tailored in a timely or effective manner. However, any allocation strategy that does not achieve its targeted returns, so long as the allocation strategy is reasonably applied and applied according to this Brochure, does not necessarily suggest that the portfolio was not designed suitably and/or in the best interest of the client, based upon available information at that time of investment; insofar as there can be no performance guarantees in the investment marketplace, and such a guarantee is disallowed, there is no guarantee that a particular investment strategy will result in achieving the targeted returns.

There is a risk that the amount of money not invested into the market may miss opportunities for market moves. Implementing a strategy to invest Client assets into money market funds or other non-market products ("cash management strategies") may result in opportunity losses. Moreover, attempts to reallocate investment funds back into the market at inappropriate market times may result in the negative performance oftentimes encountered by market timers. As determined between the IAR and the Client, JDLA may charge Clients for money market or other "cash balances", and the risks of such a strategy are disclosed herein. In other words, in the event that JDLA takes a defensive strategy regarding the Client's investment portfolio, allocating a significant portion of the portfolio in money market instruments or other "non-market" investment options, then there is a risk that Clients will miss opportunities for capital appreciation.

For securities other than mutual funds, there is also a model risk and judgment error risk. JDLA utilizes the portfolio analysis steps contemplated elsewhere in this Brochure. As with any securities analysis, there is a risk that the securities chosen to match the investment objective do not accomplish the anticipated objective due to market circumstances, the lack of adequate or accurate due diligence information, the materialization of unforeseen risks, etc. As with all securities, the prospectus should be a central part of the securities analysis, although other considerations are evaluated as well. The entire analysis, although robust, may not accomplish the objective of its inclusion in the Client's portfolio.

ITEM 9 – Disciplinary Information

There have been no material disciplinary events against JDLA.

ITEM 10 – Other Financial Industry Activities and Affiliations

The primary business of JDLA's affiliated broker/dealer, JDLS, is buying and selling mutual funds and municipal securities (529 college savings plans). This affiliation is material to the business of JDLA.

The principal owners of JDLA, as well as other supervised persons of JDLA, are also associated with JDLS as RRs/Principals. JDLS is a securities broker/dealer and a member of FINRA. Thus, personnel of JDLA recommend securities products offered through JDLS. JDLS representatives recommend investments to Clients on which the Client pays management fees to JDLA and/or broker/dealer commissions to JDLS, if the transaction(s) is/are effected through JDLS. In other words, if JDLA Clients purchase securities products through JDLA personnel registered with JDLS, then such JDLS dually affiliated personnel will receive commissions. In those cases, a conflict of interest exists between the interests of RRs and JDLA investment advisory Clients.

A conflict of interest exists between the interest of the RRs and the interests of JDLA investment advisory Clients for any products purchased through JDLS. However, the Client is under no obligation to purchase what the RRs recommend, or to purchase products either through the RRs and/or through JDLS generally, although, given its business model, it is unlikely that JDLA personnel would provide investment advisory services through an unaffiliated, 3rd party broker/dealer (except through JDLA's arrangement with Schwab).

As stated above, JDLA generally avoids having a commission charged on investment advisory accounts, and otherwise deals with this conflict of interest, in the case of 12b-1s, by reducing its advisory fee for the amount of commissions received, and otherwise refrains from charging an investment advisory fees for assets purchased by its affiliated broker/dealer for a stipulated period of time, as described herein. JDLS otherwise handles the Client accounts in accordance with the disclosures and parameters set forth in the account paperwork and other associated documentation.

JDLA is licensed as an insurance agency and certain associated persons of JDLA are eligible to transact insurance business. JDLA can receive insurance commissions for the sales or replacements of insurance policies. The sale of these insurance products accounts for approximately 1% of the business time of such personnel of JDLA; the remaining 99% of time of JDLA is dedicated to investment advisory business. Aside from JDLA business, such personnel also dedicate approximately 25% of their time to securities brokerage functions through JDLS, including sales and administrative support thereof.

JDLA is appointed with several life, disability and other insurance companies; associated persons of JDLA may be licensed with these companies, and recommends insurance products offered by these companies. If JDLA Clients purchase these products through JDLA personnel and their associated insurance agency (JDLA), then such personnel would receive sales commissions. Such insurance commissions would be paid from the insurance company to the individual IARs, who, in turn, pay JDLA a % of the commissions received in order to cover resources of JDLA that help to process such insurance business. A conflict of interest exists between the interests of those registered insurance agents and those of JDLA investment advisory clients. The Client is under no obligation to purchase products recommended by JDLA personnel - either through the registered insurance agents and their insurance agency generally.

JDLA or individuals associated with JDLA may buy or sell securities identical to those recommended to Clients for their personal accounts. The expressed policy of JDLA is that no person employed by JDLA may purchase or sell any securities shortly before a transaction(s) being implemented for an advisory account, unless such securities are exempted (*such as mutual funds*) pursuant to applicable regulations (*See* the section entitled “Code of Ethics”). Personnel of JDLA may invest in the same securities as do JDLA Clients.

In addition, Clients of JDLA may have arrangements with third-party registered investment advisers.

Although it does not presently anticipate doing so, JDLA reserves the right to execute agreements with other entities and individuals to refer clients to JDLA. If it does so, JDLA would receive a portion of the advisory fee. If such arrangements are consummated, then JDLA will amend this Brochure to specify the fees and other terms of such endorsement/testimonial arrangements that apply to the 3rd party or the Client. If such an arrangement were to exist, it would be disclosed in the section below entitled “Client Referrals & Other Compensation” and the Client would also receive a separate disclosure document.

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

CODE OF ETHICS-Generally

If any Client would like to receive a copy of the JDLA Code of Ethics, the Client may submit a request to the Chief Compliance Officer.

Succinctly stated, JDLA has adopted a Code of Ethics expressing the Firm's commitment to ethical conduct. It describes the Firm's fiduciary duties and responsibilities to Clients, and sets forth JDLA's practice of supervising the personal securities transactions of supervised persons with access to Client information. Individuals associated with JDLA may buy or sell securities for their personal accounts identical to or different than those recommended to Clients. It is the expressed policy of JDLA that no person employed by JDLA shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory Clients.

The Code of Ethics is based on the principle that JDLA and each of its employees owe a fiduciary duty to JDLA's Clients and a duty to comply with federal and state securities laws and all other applicable laws and regulations. These duties include the obligation of Access Persons, including directors, officers and certain supervised persons, to conduct their personal securities transactions in a manner that does not interfere with the transactions of any Client or otherwise to take unfair advantage of their relationships with Clients. Some of the tangible ways that such a Code of Ethics applies in practice is the following:

- *An Access Person must offer an investment opportunity first to Clients before he or she or JDLA may act on that opportunity;*
- *No employee may engage in prohibited market timing of the shares of a mutual fund;*
- *No Access Person shall recommend any transaction by any Client without having disclosed his or her interest, if any, in such transaction, securities product or the issuer thereof; and*
- *No Access Person shall reveal any proposed transactions in securities by one Client to another Client, any employee of JDLA, or any other person who does not need to know that information to process the Client's business.*

Every Access Person shall certify on an annual basis, in writing, that he or she has:

1. *received a copy of the Code of Ethics;*
2. *read and understands the Code of Ethics; and*
3. *disclosed, precleared (if applicable) and reported all transactions in securities consistent with the requirements of the Code of Ethics.*

Unless the activity is exempt, or otherwise covered by the receipt of quarterly statements received from another source, Access Persons must complete quarterly transaction reports.

Other concepts or disclosures related to the Code of Ethics are noted below:

POTENTIAL CONFLICTS OF INTEREST

The following are examples where Registered Investment Advisers may have a conflict of interest with their Clients.

Generally

- Affiliated company arrangements and transactions
- Allocation of costs and expenses between Investment Advisers and Clients
- Brokerage placement, especially placement with affiliated broker-dealers

- Fee differentials
- Gifts and entertainment
- Multiple layers of fees
- Receipt of 12b-1 Fees by affiliates for Distributing Mutual Funds
- Sales Commissions
- Outside Business Activities
- Personal trading
- Side-by-side management of accounts
- Third-party relationships (e.g., service providers)
- Trade errors/late trading
- Account Supervision by a Producing Manager or Employee who reports directly to the President
- Affiliated Companies

JDLA CONFLICTS OF INTEREST

Potential conflicts of interest arise between the Client's interests and JDLA's interests in executing transactions as an investment adviser if the Client chooses at his or her sole discretion to implement all or part of the Program. JDLA executes transactions through Schwab and JDLS. In the case of JDLS, Client could be charged a commission and could conceivably be assessed an asset-based fee, although an offset feature does apply for 12b-1s and any asset-based fees, generally, are only charged after several years based upon an assessment of how many years it would take for the commission, as compared with the waived asset-based fee, to equal one another. Moreover, the commencement of such advisory services for such legacy positions must be documented to demonstrate advisory services were subsequently identified as being in the client's best interest.

If the Client proceeds with an investment advisory/management arrangement with JDLA, and/or chooses to retain such an arrangement after receiving this Brochure, the Client is thereby expressing that Client understands that conflict, acknowledges it and consents to it. The rationale for such consent may be that the Client (i) has a longstanding relationship with JDLA that appeals to Client, (ii) trusts JDLA's investment recommendations/decisions, (iii) wants JDLA's personalized investment advisory relationship and (iv) is willing to pay the commission, the investment advisory fees, as well as the management fees collected by the mutual fund company (see Fund prospectus) and 12b-1 or distribution fees paid by the mutual fund company to specified financial services institutions, including JDLS. In consideration of the foregoing, JDLA seeks to reduce such conflicts by the way it offsets its advisory fees by certain commissions paid. JDLA has also increasingly, with relatively newer accounts, clients and positions, focused on purchasing advisor share classes, particularly as the industry has increasingly developed such share classes. See the section Entitled Fees & Compensation for more details.

Core Conflicts of Interest within JDLA's Business Model

- Gifts and entertainment
- Multiple layers of fees
- TPAM services, which cause the client to pay more in total fees, encourage

referrals to such 3rd party investment managers

- Receipt of 12b-1 Fees for Distributing Mutual Funds
- Sales Commissions
- Outside Business Activities
- Account Supervision by any Producing Manager/Executive
- Multiple Layers of Fees; Affiliated Companies (JDLA & JDLS)
- In the Schwab Managed Account Services, and specifically in the Marketplace Accounts, Clients incur fees according to the Asset-Based Pricing Addendum to the Schwab Client Account Agreement, in addition to any commissions and/or other charges paid to broker/dealers other than Schwab that execute transactions for Marketplace Accounts, and therefore managers will have an incentive to execute most transactions through Schwab. This incentive could, in some circumstances, conflict with the manager's duty to obtain best execution of transactions for Marketplace Accounts.
- In the Schwab Managed Account Services, and specifically in the Sponsor Program, each manager has agreed in the Manager Services Agreement to execute trades through other brokers only when required by applicable law or when the manager reasonably believes that such other broker(s) will provide better execution, net of any additional resulting transaction charges, than would be the case if the transactions were executed through Schwab. Because Sponsor Accounts will incur Schwab's bundled fee in addition to any commissions and/or other charges paid to broker-dealers other than Schwab that execute transactions for Sponsor Accounts, manager will have an incentive to execute most transactions in equity securities through Schwab. This incentive could, in some circumstances, conflict with a manager's duty to obtain best execution of transactions in Client Accounts.

In the course of JDLA providing services to Clients, JDLA recommends that the Client (i) purchase or sell securities, (ii) enter into managed accounts relationships and/or (iii) purchase products underwritten by insurance carriers. In recommending the purchase of securities, IARs of JDLA transact business in securities, and may be paid based upon those transactions if such persons are RRs of JDLS.

By accepting JDLA's services, Client consents and agrees that IAR of JDLA may receive commissions or fees on any transactions in securities, managed accounts, insurance products, if and when JDLA's advice is implemented by Client, and executed upon the instruction of JDLA personnel. The foregoing, however, does not serve to waive JDLA's fiduciary duty and efforts to conduct its business and account management in the best interest of its Client.

Other Conflicts Controls

JDLA has established the following restrictions in order to promote its fiduciary responsibilities:

1) A director, officer or employee of JDLA shall not buy or sell securities for their personal portfolio(s) (except those securities exempted above) where their decision is derived, in whole or in part, by reason of his or her employment unless

the information is also available to the investing public on reasonable inquiry. No person of JDLA shall prefer his or her own interest to that of the advisory client.

2) JDLA maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by the Chief Compliance Officer or other appropriate person of JDLA.

3) All Clients are informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.

4) Any individual not in observance of the above is subject to termination.

INSIDER TRADING PROCEDURES

JDLA gathers information about Clients in order to serve as an investment adviser. Thus, a potential conflict of interest arises if Clients disclose information about their employer that is non-public information. Ordinarily, however, JDLA does not have Clients who are employees of public companies. While that mitigates some of the risks vis-à-vis insider trading, JDLA employees are nevertheless prohibited from trading in their personal accounts based upon non-public information that may be disclosed in the course of the information gathering process mentioned above, and are furthermore prohibited from tipping others with such non-public information. JDLA's anti-insider trading procedures are designed to prevent the misuse of material, nonpublic information by JDLA and its officers, directors and employees. These procedures are inextricably related to the Code of Ethics articulated above.

While JDLA does not receive non-public information concerning issuers in the normal course of business, but if it were to receive such information, it would obtain assurances from the disclosing party, and provide whatever assurances were requested in return, that subsequent market disclosures, ensuing activities and trading restraints, as appropriate, would be designed to comply with Regulation FD (a/k/a Fair Disclosure).

COMPLIANCE POLICIES AND PROCEDURES

In accordance with the regulatory requirements governing the investment advisory industry, JDLA has developed compliance policies and procedures that are designed to promote the compliance with the laws and regulations governing the investment advisory business. Such policies and procedures address a variety of matters, including (i) how to process new and existing client business; (ii) how to comply with regulations governing matters such as anti-money laundering, anti-insider trading prohibitions and privacy regulations; (iii) disclosure practices; (iv) among other matters of importance.

ITEM 12 – Brokerage Practices

Succinctly stated, due to its business model, JDLA feels that by using the investment advisory services of a Qualified Custodian (Schwab), it reduces JDLA’s operational control and responsibility for brokerage decisions, thereby simplifying some of the JDLA's compliance challenges. JDLA does not have within its own operational environment the types and/or levels of conflicts of interest that investment advisory firms have that engage in order handling and routing on a trade-by-trade basis, order aggregation and allocation, and soft-dollar practices linked to exercising discretion over order routing decisions and order handling practices. Furthermore, if JDLA were to engage in block trading, it would ensure that order allocations are fair and reasonable, and do not afford more favorable prices to the IAR, or the IAR's friends or family. Moreover, because the focus of JDLA is on mutual fund and ETF allocation, the obligations and practices of best execution and order handling related to brokerage decisions do not apply to the purchases of mutual funds themselves and any ETF orders are handled by Schwab or dealers within its network. Nevertheless, when JDLA engages in investment advisory business for products other than mutual funds, then JDLA would obtain disclosures and/or assurances from the other associated parties contemplated herein (Schwab) regarding its brokerage practices and/or the appropriateness thereof.

JDLA conducts its brokerage business through JDLS, and otherwise places trades through Schwab. For investment advisory/management accounts held at Schwab, Schwab handles the brokerage practices.

THE CUSTODIANS AND BROKERS WE USE

JDLA does not maintain custody of assets that we manage. Your accounts must be maintained in an account of a "qualified custodian," generally a broker/dealer or a bank. JDLA recommends that its clients use either the mutual funds and their transfer agents, or Charles Schwab & Co, Inc., registered broker/dealer, member FINRA & SIPC, as the Qualified Custodian.

JDLA is independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in an account and buy and sell when JDLA instructs Schwab to do so. While we recommend that you use Schwab as the custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. While we facilitate the account opening process, we do not open the account for you. If you do not wish to keep your accounts at Schwab or directly with the mutual funds, then JDLA generally will not manage your account, particularly at the current fee structure.

Your Custody and Brokerage Costs with Schwab: For our client accounts that Schwab maintains, Schwab generally does not charge you separately for custody services, but is compensated by charging you other fees on account held in custody at Schwab. Schwab charges you a percentage of the dollar amount of assets in the account in lieu of commissions. In addition to commissions and asset-based fees, Schwab may charge you a flat dollar amount as a "prime broker" or "take away" fee for each trade that it executes by a different broker/dealer and where the securities bought or the funds from securities sold are deposited (settled) into your Schwab account. These fees are in addition to the fees or other compensation paid to the executing broker/dealer. Because of this, in order to minimize your trading costs, Schwab executes most of your trades.

<u>Products and Services Available to JDLA Through Schwab</u>: Schwab Advisor Services is Schwab's business that serves other advisers like JDLA. They provide us and our clients with access to institutional brokerage services – trading, reporting, custody and related services – many of which are not available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage and administer our clients' accounts while others help us manage and grow our business. Schwab support services are generally available on an unsolicited basis (JDLA does not have to request them) and at no charge to JDLA.

<u>Services that Benefit You under the Schwab Relationship</u>: Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products available through Schwab might include some to which JDLA and its clients may not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's service described in this paragraph generally benefit you and your account.

<u>Services that May not Directly Benefit You under the Schwab Relationship</u>: Schwab also makes available to us other products and services that benefit JDLA but that may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research of both Schwab and the research of 3rd parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

<u>Services that Generally Benefit Only JDLA under the Schwab Relationship</u>:
Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences & events;
- Technology, compliance, legal & business consulting;
- Publications & conferences on practice management & business succession; and
- Access to employee benefits providers, human capital consultants & insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for 3rd party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a 3rd party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

JDLA's Interest in Schwab's Services: The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We believe that our selection of Schwab as custodian and broker is in the best interests of our clients. It is supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only us.

Aside from mutual fund applications submitted directly to the respective mutual fund companies, JDLA clears its securities trades for current business through Schwab. JDLA does not make decisions to "direct" trades to Schwab because of research or "soft dollar" benefits.

Notwithstanding the foregoing, JDLA believes that Schwab's fees are reasonable and competitive. Subject to the disclosures made above regarding certain conflicts that may exist with managers using Schwab, JDLA understands that the investment advisory support services provided by Schwab provide order routing services involving multiple broker/dealers in order to seek best execution. For any exchange listed products that have an intra-day pricing market, JDLA will periodically review the best execution reports available through Schwab, which JDLA would, in turn, disclose to its Clients. In any event, links to order routing practices of Schwab are provided below.

CLIENT BROKERAGE

JDLA does not make brokerage decisions when providing advisory services about which broker/dealer, venue, market or exchange to utilize. Securities transactions occur through the clearance and settlement facilities of Schwab or directly with the respective mutual funds or their transfer agents. If JDLA were to accept Client requests to exercise discretion on the purchase of stocks and other non-mutual fund securities, then the execution of those orders would be placed with Schwab and be subject to Schwab's order routing procedures. Some Schwab order routing information may be found on-line at http://www.schwab.com/public/schwab/nn/legal_compliance/important_notices/order_routing.html.

EMPLOYEE BROKERAGE

JDLA has employee trading policies and procedures that are embodied within its Code of Ethics and its anti-insider trading policy, which is designed to place its Clients' interests ahead of the employees' interests. Since JDLA's Client recommendations are substantially limited to mutual funds, which are priced at Net Asset Value ("NAV") as of the close of the respective market day, the order handling and trade timing rules (e.g., prohibition against frontrunning) are not relevant for JDLA "employee trading" of mutual funds since such products do not have an intra-day pricing market. However, such practices are relevant for ETFs.

JDLA's trading policy in practice also relates to avoiding trading in employee accounts based upon inside information obtained from the Clients or elsewhere. Since most, if not all, of JDLA's Clients do not work for public companies, the focus is mainly on the receipt on non-public information about other companies. As JDLA gathers information about Clients in order to serve as an investment adviser, potential conflicts of interest may arise if Clients disclose information about their employer or other parties that is non-public information. Employees are prohibited from trading in their personal accounts based upon non-public information.

In addition to the procedures referenced above in the section entitled Conflicts of Interest, JDLA Code of Ethics applies to employee brokerage practices of non-exempt securities, specifically including, but not limited to:

Personal Securities Transactions. No Access Person may:

- purchase or sell, directly or indirectly, non-exempt securities for his or her own account within (a prescribed number of days before and after) the time that the same security or related security is being purchased or sold by any Client; or
- purchase or sell, directly or indirectly, non-exempt securities for his or her own account that is the same security or related security that is the subject of a buy or sell recommendation to any Client.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

JDLA does not participate in or have a proprietary interest in Client transactions. All orders are placed according to Schwab's order handing rules . JDLA does not trade in a principal capacity.

ITEM 13 – Review of Accounts

Approval & Delivery of Client Account Forms

Each new Client account opening form(s) must be approved by the Chief Compliance Officer ("CCO") before a Client's account is opened with JDLA and the Custodian. Such approval shall be granted only if the CCO confirms that all essential facts regarding the Client and the nature of the Client are true and correct to the best of her knowledge. Any trade orders and/or transfer paperwork will not be held or delayed for brokerage business through JDLS if such Clients are already approved for trading with JDLS. If and when the investment adviser paperwork is received in good order, then the account can be treated as an investment advisory account.

After a new Client has completed the Client account opening forms, including the brokerage account application, and has executed an investment advisory contract with

JDLA, the CCO will generally approve the account for processing by the broker/dealer and/or the mutual fund company.

Review of Accounts

The IAR and the CEO, President or Designated Supervisor will review each managed account at least annually. Otherwise, transactions are monitored on a daily basis by the CEO. The CEO, President, CCO and, in the case of pension accounts, the IAR who is responsible for pension plans, will review accounts quarterly. The review may result in instructions about whether it is necessary to reallocate positions for tactical, strategic or compliance reasons. Unless an account is “concentrated,” which essentially means not widely diversified (which JDLA does not recommend), the reviews do not have different levels. Another factor triggering reviews is market volatility. Derek Lewis, Kelly Dunagan, Doug Hyepock, Rion Dalby and Rob Knutsen may request a review of the account due to performance or change in objectives.

The CEO/President instructs Ms. Espinili to apprise him of any compliance concerns that Ms. Espinili has or forms about the portfolios or their allocations.

Clients receive quarterly reports from the mutual fund company. Also, JDLA provides the Clients an annual position report, disclosing the account allocation, account value and change in value. The respective Custodians provide monthly/quarterly account statements.

Privacy Reviews

JDLA shall provide a copy of its Privacy Notice to each individual who becomes a Client of JDLA no later than the establishment of the advisory relationship, unless:

- establishing the Client relationship is not at the Client's election, or
- providing notice at such time would substantially delay the Client's transaction and the Client agrees to receive the notice at a later time, in either of which cases the Privacy Notice shall be provided within a reasonable time after establishment of the Client relationship.

The privacy procedures are designed to:

- Ensure the security and confidentiality of Client information;
- Protect against any anticipated threats or hazards to the security or integrity of Client records and other Client information; and
- Protect against unauthorized access to, or use of, client information that could result in substantial harm or inconvenience to any Client.

JDLA will maintain an updated Privacy Notice. The Privacy Notice will describe:

- The categories of non-public personal information that JDLA collects;
- The categories of non-public personal information that JDLA discloses;

- The categories of affiliates and unaffiliated 3rd parties to whom JDLA discloses non-public personal information, other than those parties to whom JDLA discloses information under exceptions contained in the governing privacy laws;
- The categories of non-public personal information about JDLA's former Clients that it discloses and the categories of affiliates and unaffiliated 3rd parties to whom JDLA discloses non-public personal information about its former Clients, other than those parties to whom JDLA discloses information under exceptions contained in the governing privacy laws;
- Whether JDLA discloses information under applicable privacy law exceptions;
- If JDLA discloses non-public personal information to an unaffiliated 3rd parties, the notice will contain a separate statement of the categories of information it discloses and the categories of 3rd parties with whom it has contracted that receive such information;
- An explanation of the consumer's right under Regulation SP to opt-out of the disclosure of non-public personal information to unaffiliated 3rd parties, including the method(s) by which the consumer may exercise that right at that time; and
- JDLA's policies and practices with respect to protecting the confidentiality and security of non-public personal information.

A copy of the Privacy Notice shall be provided to:

- An individual who becomes a "customer" of JDLA no later than when JDLA establishes a customer relationship (including any consumers who sign account agreements with JDLA), before JDLA discloses any non-public personal information about the customer to any unaffiliated 3rd party; and
- Existing customers each year by March 31.

JDLA shall satisfy the annual delivery requirement if it provides its privacy notice to each Client at least once in any period of 12 consecutive months during which that Client relationship exists.

JDLA will provide privacy notices and opt-out notices, if applicable, so that each customer can reasonably be expected to receive actual notice in writing or, if the customer agrees, electronically. JDLA may reasonably expect that a customer will receive actual notice if it:

- Hand-delivers a printed copy of the notice to the customer;
- Mails a printed copy of the notice to the last known address of the customer; or
- For the customer who conducts transactions electronically, posts the notice on the electronic site and requires the consumer to acknowledge receipt of the notice electronically.

ITEM 14 – Client Referrals and Other Compensation

MARKETING & REFERRAL ARRANGEMENTS

JDLA generally gains investment advisory/management Clients by “word-of-mouth” and “face-to-face” meetings. However, from time to time, JDLA may advertise its advisory services, although it presently does not have any referral arrangements where JDLA pays for Client referrals. JDLA reserves the right to execute agreements with other entities and individuals to refer clients to JDLA. If such arrangements were to be consummated, then JDLA would amend this Brochure to specify the terms of each such arrangement with a provider of endorsements or testimonials and provide the Client a fee disclosure brochure as contemplated in the governing regulations.

OTHER COMPENSATION

Aside from the foregoing, other parties that are not advisory Clients pay JDLA or its personnel for selling certain securities products, but not necessarily for providing investment advisory services. Specifically, mutual fund companies sponsor trips, meetings or conferences related to the products themselves, not the nature of the account relationship. In other words, such products and the associated benefits referenced herein can apply whether the products are subject to a brokerage relationship or an investment advisory relationship. These trips are designed to be educational in nature but may have benefits that extend beyond merely educational benefits. Because Derek Lewis recommends, manages and advises upon a relatively significant amount of American Funds, American Funds has sponsored Mr. Lewis to attend one annual meeting that affords him the opportunity meet and speak directly with American Funds’ portfolio managers and executives. The meetings usually occur near one of the research facilities of American Funds. Considering the flights, room rates and meals, the estimated cost reimbursed to JDLA or JDLS for the 3-day trip is estimated at less than or equal to $1,500.

The concern that should be disclosed to the extent applicable is whether there is a payment or benefit being paid by a 3rd party such as a mutual fund sponsor that results in the registered investment adviser buying securities for a Client that is not in the best interest of the Client. JDLA does not believe such a benefit results in recommendations or asset allocation decisions that are not in your best interest. To the extent that the foregoing meetings or conferences present a conflict of interest, JDLA and JDLS have conducted due diligence on American Funds and some other Fund Companies and, based upon their research, JDLA believes that utilizing those Funds provides a reasonably available alternative for JDLA Clients and, for certain clients (*those clients for whom JDLA invests in American Funds*), it is believed to be in their best interest. In JDLA’s assessment, they are an excellent Fund family that, coupled with the benefit of attending an annual educational meeting or conference, does not present a conflict of interest that needs to be eliminated or mitigated. The primary purpose of such meetings or conferences is to give sales personnel the opportunity to remain current, educated and in contact with the mutual fund family and its managers. If the Client does not wish JDLA to invest funds into any specific mutual fund or security generally, the Client can express that interest by noting those details on a list of restricted securities provided by Client to JDLA.

Schwab Services

JDLA receives an economic benefit from Schwab in the form of support products and services that it makes available to JDLA and other independent advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit JDLA and the related conflicts are described above in the section entitled "Brokerage Practices." The availability to JDLA of Schwab's products and services is not based on JDLA giving particular investment advice such as buying particular securities.

ITEM 15 – Custody

Schwab and the respective mutual funds/transfer agents maintain actual custody of your assets. You will receive accounts statements at least quarterly directly from the respective Qualified Custodian. They will be sent to the email or postal mailing address that you provided to the Custodian. You should carefully review those statements promptly when you receive them. We also urge you to compare those account statements to the periodic information (portfolio reports/statements) that you receive from JDLA as further contemplated below.

JDLA sends an annual consolidated statement as a service to Clients, but that is not the official statement of your Account managed/advised by JDLA; the one from the Qualified Custodian is the official record of your Account. In addition, if the Client has an annual meeting with JDLA, JDLA issues an updated statement at that time (revalued to the current period) and reviews it with the respective Client. Client should compare the account statements received by JDLA against those received by the Qualified Custodian to ensure that they are consistent. Comparing those statements will help the Client to verify that the account transactions, including deductions to pay advisory fees, are proper.

Due to custody regulations, JDLA will not serve as a bill paying agent for its clients and will not retain the "log in" information for clients' accounts at the respective custodians.

ITEM 16 – Investment Discretion

JDLA exercises discretionary authority to invest in securities, including new mutual fund families (those not currently held by the Client) and ETFs. JDLA also exercises discretion to buy new mutual funds and reallocate existing mutual funds in such a manner to provide an adequate balance in the money market account to pay the account fees. Unless there is a fundamental change in the allocation strategy/suitability, JDLA will generally endeavor to make such reallocations in a way to preserve a similar allocation ratio among the various mutual fund holdings. However, the reallocation among Funds may not result in exactly the same percentage in each mutual fund; JDLA may make such re-allocation decisions as determined to be prudent under the circumstances. Also, such re-allocations will consider the required minimum balance applicable to each of the respective mutual funds and money market accounts.

ITEM 17 – Voting Client Securities

JDLA neither has the authority to vote proxies on behalf of Clients, nor would it accept such responsibility if requested by the Client. Thus, its Clients retain exclusive proxy voting authority. JDLA shall promptly forward to its Clients any such proxy material that JDLA receives so that the respective Client may evaluate and vote according to the Client's volition and discretion.

Similarly, JDLA will not advise or act for the Client in legal proceedings, including class action lawsuits or bankruptcies involving securities purchased for or held in the Client's account. The Client (or his or her agent) will have the responsibility for class action lawsuits or bankruptcies involving securities purchased for or held in the Client's account. JDLA does not assume any responsibility to forward copies to Clients or Clients' agent regarding class action notices.

ITEM 18 – Financial Information

JDLA does not believe that there is reasonably foreseeable material information or situations that jeopardize the financial health of JDLA. Such items that require disclosure herein would include impending bankruptcy, insolvency or other matters (e.g., a significant lawsuit or arbitration) that could reasonably result in the cessation of business. Also, if JDLA has been the subject of a bankruptcy petition during the past ten years, JDLA would have to disclose that fact to Clients. No such circumstances presently exist. If that changes, JDLA will update its Clients accordingly.

JDLA would disclose any financial condition reasonably likely to impair JDLA's ability to meet contractual commitments to Clients if JDLA (i) has discretionary authority over client assets, (ii) has custody of client funds or securities, or (ii) requires or solicits prepayment of more than $1,200 in fees per Client and six months or more in advance.