



## Client Brochure

*This brochure provides information about the qualifications and business practices of Jones Gregg Financial, LLC ("JGF," "the Firm," "We," or "Us"). If you have any questions about the contents of this brochure, please contact us at (704) 814-0123 or by email at: [Jones\\_Andrew@JonesGregg.com](mailto:Jones_Andrew@JonesGregg.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Jones Gregg Financial, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Jones Gregg Financial, LLC's CRD number is: 145143.*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

This brochure, dated March 28, 2022 is an annual updating amendment. Since our last annual updating amendment dated March 31, 2021, we have made the following material changes to our Brochure:

1. We updated Item 4 (Advisory Business) and Item 16 (Investment Discretion) to indicate that JGF no longer exercises discretionary authority over advisory accounts for retail clients.
2. We revised Item 5 (Fees and Compensation) to update our financial planning and consulting fees.
3. We updated Item 10C (Registration Relationships Material to this Advisory Business and Conflicts of Interests) to include the addition of Firm personnel.
4. We updated Item 18 (Financial Information) to disclose our participation in programs sponsored by the Small Business Administration (SBA) related to the COVID-19 pandemic. Our loan issued under the Payroll Protection Plan (PPP) was forgiven. Please see Item 18 for more information.
5. We updated Item 19 (Requirements for State Registered Advisers) to reflect the addition of Firm personnel.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

This firm has been in business since September 12, 2007, and the managing member is Andrew Erwin Norman Jones.

### B. Types of Advisory Services

Jones Gregg Financial, LLC (hereinafter "JGF") offers the following services to advisory clients:

#### *Financial Planning Services*

We provide financial planning services to the majority of our Clients. Financial plans and financial planning can include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. More specifically, a financial plan can include reviewing and prioritizing a Client's goals and objectives, developing a summary of a Client's current financial situation, reviewing a Client's current investment portfolio and developing an asset management strategy, developing a financial management strategy, completing a retirement planning assessment, and assessing a Client's estate net worth and liquidity. JGF charges a fee for these services that is disclosed in the Financial Planning Agreement which is executed in conjunction with each client. After a financial review and plan are delivered to the Client, the Client has the option to hire and appoint JGF to act as his or her investment adviser of record to perform Portfolio Management Services on specified accounts for a separate advisory fee.

Clients who hire JGF solely for financial planning services and do not appoint JGF to act as his or her investment adviser receive a written financial plan within six months of their Financial Planning Contract.

#### *Consulting Services*

JGF consulting services may include, but are not limited to, real estate investing, business succession planning, business mergers and acquisition, ESOPs, business consulting, cash flow analysis, debt structuring and any other financial consulting for which its team is qualified to provide.

#### *Investment Supervisory Services (Portfolio Management Services)*

JGF offers ongoing Portfolio Management Services based on the individual goals, objectives, time horizon, and risk tolerance of each Client. JGF creates an Investment Policy Statement ("IPS") for each Client, which outlines the Client's current situation (including, for example, income, tax levels, and risk tolerance levels). Using the IPS, JGF then constructs a plan to aid in the selection of a portfolio that matches each Client's specific situation. In constructing the Client's portfolio,

JGF gives due consideration to asset allocation and specific security selection. JGF monitors each Client's portfolio, unless the agreement between JGF and the Client provides otherwise.

Most Clients then hire and appoint JGF to act as his or her investment adviser of record to perform Portfolio Management Services on specified accounts (collectively, the "Account"). The Account consists only of separate account(s) held by qualified custodian(s) under the Client's name. The qualified custodians maintain physical custody of all funds and securities of the Account, and the Client retains all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by JGF based upon the Client's financial situation, investment objectives and risk tolerance contained in the Account's IPS. JGF actively monitors the Account and provides advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

JGF will obtain certain information from the Client to determine their financial situation and investment objectives. The Client is responsible for notifying JGF of any updates regarding their financial situation, risk tolerance or investment objective and whether the Client wishes to impose or modify existing investment restrictions; however, JGF will contact the Client at least annually to discuss any changes or updates regarding the Client's financial situation, risk tolerance or investment objectives. JGF is reasonably available to consult with the Client relative to the status of the Client's Account. The Client has the ability to impose reasonable restrictions on the management of their Account(s), including the ability to instruct JGF not to purchase or sell certain securities.

Client acknowledges that JGF shall be free to render investment advice to others and JGF does not make its portfolio management services available exclusively to the Client. Client also understands that JGF provides investment advisory services to multiple clients with different economic needs and agrees that JGF may give advice and take action with respect to any of its other clients, which may differ from the advice given or the timing or action taken regarding Client's Account.

JGF performs Portfolio Management Services pursuant to a written, signed Investment Advisory Agreement ("IAA"). The IAA describes many of the terms and conditions discussed in this section, including JGF's annual investment advisory fee ("Advisory Fee"), among other things.

Nothing in the IAA shall impose on JGF any obligation to Client to purchase, sell or recommend for purchase or sale any security that JGF, its principals, affiliates, officers, members or employees may purchase or sell for their own accounts or for the account of any other client if in the sole and absolute discretion and reasonable opinion of JGF it is not for any reason practical or desirable to acquire a position in such security for Client's account.

Client understands that conflicts of interest could exist between Client's Account and other clients including with respect to the allocation of investment opportunities, time, and resources between Client and other clients. Among other things, JGF can be compensated differently by different Clients. Please see Item 5 - Fees and Compensation - below.

JGF will regularly monitor the performance and investment portfolio of Client while also fulfilling its duty to manage other client accounts. JGF may determine in its sole discretion to allocate certain investment opportunities to its other clients and not the Client and vice versa. JGF may also pursue and execute trades in the same or different securities for the Client and other clients at different times and it may purchase or hold securities for the Client at the same time as it sells such securities for other clients or sell securities for the Client at the same time that it purchases or holds them for other clients. Although JGF will use its best efforts to manage all client accounts consistently, factors including date of account opening, account additions, withdrawals, and different investment choices may lead to different investment performances for similarly situated clients. The Client also acknowledges that transactions in a specific security may not be accomplished for all clients at the same time or at the same price.

### ***Selection of Other Advisors***

JGF may, on a non-discretionary basis and only after securing the Client's consent, direct Client to one or both of these third-party money managers: CLS Investments and SEI Investments. JGF's Advisory Fees are collected by the third-party managers and remitted to JGF. This relationship will be disclosed in each contract between JGF and these third-party advisors. Any fee charged by any such Sub-Adviser will be fully disclosed to Client on a separate disclosure document or agreement. Before selecting other advisors for the Client, JGF will ensure those other advisors are properly licensed or registered as investment advisor.

### ***Qualified Plan Services***

JGF may, on a non-discretionary basis and only after securing Client consent, direct certain Clients to various qualified plan record keeper platforms. JGF's Advisory Fees are collected by the qualified plan record keepers and remitted to JGF. This relationship will be disclosed in each contract between JGF and these record keepers. The fees shared will not exceed any limit imposed by any regulatory agency. Before selecting other advisors for the Client, JGF will ensure those other advisors are properly licensed or registered as investment advisor.

For qualified plans, we perform some or all of the following fiduciary services:

- Assist the Client in the development or review of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- With respect to plans as to which JGF serves as a Section 3(21) adviser under ERISA, JGF will provide the Client with general, non-discretionary investment advice regarding the investments of the Plan in accordance with the investment objectives of Client as listed on the IPS, and as communicated hereafter in writing to Adviser from time to time. Client shall have the final decision-making authority regarding the selection, retention, removal and addition of any investment options.
- With respect to plans as to which JGF serves as a Section 3(38) adviser under ERISA, JGF will provide the Client with discretionary investment advice regarding the investments of the Plan in accordance with the investment objectives of Client as listed on the IPS, and as communicated hereafter in writing to Adviser from time to time.



- Provide the Client with general, non-discretionary investment advice regarding the investments of the Plan in accordance with the investment objectives of Client as listed on the IPS, and as communicated hereafter in writing to Adviser from time to time. Client shall have the final decision-making authority regarding the selection, retention, removal and addition of any investment options.
- Appraise and review, at least semi-annually during the period of this Agreement the investments of the Plan and make recommendations to maintain or remove and replace investment options as appropriate. Client retains the ultimate responsibility to comply with the requirements of Section 404(c), to monitor Section 404(c) compliance, and to follow the terms of the Plan document.
- Render to Client at least quarterly a written statement of the investments of the Plan. This statement may come directly from a record-keeper or custodian. It is understood and agreed that Adviser, in the maintenance of records for its own purposes, or in making such records or the information contained therein available to Client or any other person at the direction of Client, does not assume responsibility for the accuracy of information furnished by Client or any other person, firm or corporation.
- Construct an annual Fiduciary Review that examines the administration, the investment options and the record-keeper performance.
- Assist in the compliance of the Plan from a Fiduciary perspective by following the Annual Qualified Plan Service Schedule constructed for the Plan.

For qualified plans, we perform some or all of the following non-fiduciary services:

- Perform educational events for the benefit of Plan participants. Such educational events may include the preparation of materials regarding general investment principles and the investment alternatives available under the Plan. Education services do not take into account the individual circumstances of each participant and do not refer to the appropriateness of any specific investment alternatives or options for the participants.
- Perform enrollment events designed to increase Plan participation among employees. These meetings do not take into account the individual circumstances of each participant and do not include recommendations with respect to any specific investment alternatives or options available to the participants.
- Arrange for the Plan's other third-party service providers to provide these services or other general plan maintenance services. In such cases, Adviser acts only in accordance with instructions from the Client, and shall not exercise any independent judgment or discretion.

### ***Retirement Plan Rollovers***

When we provide investment advice to clients regarding their retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with our client's interests, so we operate under a special rule that requires us to act in our client's best interest and not put our interest ahead of our clients.

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the

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former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If we recommend that a client roll over their retirement plan assets into an account to be managed by the Firm, such a recommendation creates a conflict of interest as we will earn a new (or increase Our current) advisory fee as a result of the rollover. We address this conflict of interest by reviewing any such recommendation to ensure it is in the best interest of the client. No client is under any obligation to roll over retirement plan assets to an account managed by Us.

### ***Services Limited to Specific Types of Investments***

JGF limits its investment advice and/or money management to securities, including but not limited to, common or preferred stock, warrants, rights, corporate, municipal or U.S. Treasury bonds or notes, and mortgage-backed securities as well as mutual funds, ETFs, REITs and insurance products including annuities, so long as such investments are consistent with the investment objectives set forth in the IPS. JGF limits its offering of securities according to the limitations placed upon our licenses. JGF may hold all or a portion of Client's account in cash.

JGF charges a fee for these services that are disclosed in the IAA. See Item 5 - Fees and Compensation - below.

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

JGF tailors its advisory services to the individual needs of its clients. In providing Portfolio Management Services, JGF constructs the portfolio consistently with each client's IPS.

The Client may impose reasonable restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent JGF from properly servicing the Client account, or if the restrictions would require JGF to deviate from its standard suite of services, JGF reserves the right to end the relationship.

### **D. Wrap Fee Programs**

A "wrap fee program" is an investment management structure whereby the client pays a single fee for investment management and the execution of transactions in the client's account. JGF recommends to its clients wrap fee programs sponsored by CLS Investments and SEI Investments. The Advisory Fee you pay is included in the total wrap fee.

### **E. Amounts Under Management**

JGF has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 27,068,695	\$ 43,129,412	12/31/2021

JGF only provides non-discretionary investment advice to retail clients. The discretionary amount above relates to advice provided to 401(k) and other qualified retirement plans. In addition, JGF has assets under advisement totaling \$37,426,882.

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Financial Planning and Consulting Fees*

##### *Fixed Fees for Planning*

New clients are charged a flat fee of \$5,000 for our standard financial planning services. This fee must be paid in advance. If additional financial planning services are desired, JGF charges \$400 per hour for such services. These fees may be waived at JGF's sole discretion. The financial review and planning process takes a minimum of 12 hours of information gathering, analysis, review and presentation. A financial plan will either be delivered to the client or reviewed with the client in a meeting as soon as practicable but in no event later than six months after payment.

##### *Fixed Fees for Consulting*

JGF consulting services are distinct from financial planning and may include, but are not limited to, real estate investing, business succession planning, business mergers and acquisition, ESOPs, business consulting, cash flow analysis, debt structuring and any other financial consulting for which its team is qualified to provide. Consulting services will usually conclude with the issuance of a report on the subject for which JGF was retained to consult, which may either be delivered to the client or reviewed with the client in a meeting.

A Client who wishes to engage JGF for consulting will be required to pay a flat fee of \$6,000, paid in advance. If a client desires additional consulting services, fees of \$400 per hour will be charged. Consulting fees may be waived by JGF at its sole discretion. The consulting process, including business succession planning, takes a minimum of 18 hours of information gathering, analysis, review and presentation.

Financial planning or consulting Fees that are charged in advance will be refunded minus the hourly rate for the prorated amount of work completed at the point of termination. The hourly fee is \$400. Clients may terminate their agreement without penalty, for full refund, within 5 business days of signing the financial planning agreement. If the contract is terminated after the 5 business day termination window, fees that have been paid in advance will be refunded minus the hourly rate for the prorated amount of work completed at the point of termination.

### ***Hourly Fees for Planning or Consulting***

Depending upon the complexity of the situation and the needs of the Client, the Client may be requested to pay an hourly planning or consulting fee. The hourly fee is \$400. The fees are negotiable and the final fee will be described in the Financial Planning or Consulting Agreement. Fees may be required to be paid either in arrears or in advance, but never more than six months in advance. For fees charged in arrears, no refund is necessary. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

### ***Investment Supervisory Services (Portfolio Management Services) Fees***

Portfolio Management Services may also be called solicitor services, advisory services, sub-advisory services or co-advisory services according to the relationship with the money management firm. Fees for these services will be based on a percentage of Assets Under Management as follows:

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$100,000 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
\$1,000,001 - \$2,500,000	1.00%
\$2,500,001 - \$5,000,000	.75%
\$5,000,001 - \$10,000,000	.50%
\$10,000,001 +	.35%

These fees are negotiable and the final fee to be charged to the client is described in the IAA. Fees are charged either quarterly or monthly, depending on the custodian or subadvisor selected. Some fees are charged at the beginning of the quarter/month in which the services to be provided, while others are charged in arrears. Fees are based on the assets under management on the last day of the previous quarter. For fees charged in arrears, no refund policy is necessary. For fees charged in advance, refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. The Client may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Investment Advisory Fees are withdrawn directly from the Client's accounts with Client's written authorization. Each Client's exact billing method is described in their IAA.

Except for clients participating in a Wrap Fee program, Account and trading fees instituted by the Custodian are the responsibility of the Client. JGF is neither responsible for nor liable for any fees that are instituted by the Custodian upon the Client's accounts. Custodian Fees include but are not limited to trading fees, account fees, and withdrawal fees. Wrap Fee program clients should refer to Form ADV Part 1A, Appendix 1 ("Wrap Brochure") for additional information.

If the IAA is executed at any time other than the first day of a calendar quarter, one of the parties terminates the Agreement, or Client prepays advisory fees or withdraws or adds assets to the account, the Investment Advisory Fee will be prorated based on the number of days in the quarter or month that the Client was a client of Advisor or the assets were under JGF's management.

At JGF's discretion, JGF may combine the account values of family members living in the same household to determine the applicable advisory fee. For instance, JGF may combine account values for the Client, his/her minor children, joint accounts with his/her spouse, and other types of related accounts. Combining account values may increase the asset total, ultimately resulting in the Client(s) paying a reduced advisory fee based on the available breakpoints in the fee schedule laid out above. If the Client authorizes JGF to use margin in managing the account, the market value of the account and the corresponding fee payable to JGF will be increased.

When JGF is responsible for calculating and debiting the advisory fee, the investment advisory fees will typically be deducted from the Client's account and paid directly to JGF by the qualified custodian(s) of the Account. The Client hereby authorizes the qualified custodian(s) of the Account to deduct fees from the Account and pay such fees directly to JGF. JGF will send the Client a billing statement prior to the fee deduction instruction sent to the qualified custodian(s) of the Account. The billing statement will detail the formula used to calculate the fee, the assets under management and the time period covered. See Item 15 - Custody for more details.

The Client should review their account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Clients that choose not to pay advisory fees by direct fee debit will need to remit their fees directly to our firm upon receipt of our billing statement.

JGF will not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the Client.

### ***Selection of Other Advisors Fees***

JGF may, on a non-discretionary basis and only after securing the Client's consent, direct the Client to third-party money managers. Currently, we generally direct clients to either CLS Investments and SEI Investments. JGF's Advisory Fees are collected by the third-party managers and remitted to JGF. This relationship will be disclosed in each contract between JGF and these third-party advisors, as disclosed in a separate agreement. Fees are typically paid quarterly, either in advance or in arrears. The Client may terminate their contracts with ten days' written notice. For fees charged in advance, refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. For fees charged in arrears, no refund is necessary.

### ***Qualified Plan Service Fees***

Fees for these services will be based on a percentage of Assets Under Management as follows:

Total Assets Under Management	Annual Fee
\$1 - \$500,000	1.00%
\$500,001 - \$1,000,000	0.75%
\$1,000,001 - \$5,000,000	0.50%
\$5,000,001	Negotiable

These fees are negotiable and the final fee will be described in the Retirement Plan Consulting Agreement. Fees are paid monthly or quarterly in arrears and the Client may terminate the Account with written notice. Payment of fees either monthly or quarterly is negotiable when possible through the record keeper. Because fees are charged in arrears, no refund policy is necessary. The Client may terminate the Account without penalty, for full refund, within 5 business days of signing the advisory contract. The exact method and timing of payment are reflected in the Retirement Plan Consulting Agreement.

### ***Selection of Qualified Plan Record Keeper Platform Services Fees***

JGF may, on a non-discretionary basis and only after securing the consent of the Client, direct the Client to various Qualified Plan Record Keeper Platforms. JGF's Advisory Fees are collected by the qualified plan record keepers and remitted to JGF. This relationship will be disclosed in each contract between JGF and these Qualified Plan Record Keeper Platforms. Fees are paid quarterly in advance or in arrears, and the Client may terminate the contracts with ten days' written notice. For fees charged in advance, refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. For fees charged in arrears, no refund is necessary.

## **B. Payment of Fees**

### ***Payment of Investment Supervisory (Portfolio Management) Fees***

Advisory fees are withdrawn directly from the Client's account monthly or quarterly either in advance or in arrears, depending upon the asset manager selected. The specific billing method is described in the Client's Agreement.

### ***Payment of Qualified Plan Fees***

Qualified Plan Fees are either withdrawn directly from the qualified plan's accounts with the plan sponsor's written authorization or are billed to the Plan. Fees are paid monthly or quarterly in advance or in arrears, depending upon the record keeper selected.

### ***Payment of Financial Planning Fees***

Hourly Financial Planning fees are paid via check. Fees are paid in arrears or in advance, but never more than six months in advance. For fees charged in arrears, no refund is necessary. Upon termination of the Financial Planning Agreement, fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

Fixed Financial Planning fees are paid via check in advance, but never more than six months in advance. Upon termination of the Financial Planning Agreement, fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

### **C. Clients Are Responsible for Third Party Fees**

Other than in Wrap Fee accounts, Clients are responsible for the payment of all third-party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). This includes payment for charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses). Those fees are separate and distinct from the fees and expenses charged by JGF. See the Wrap Fee brochure of the appropriate wrap sponsor for further information.

### **D. Prepayment of Fees**

JGF collects fees both in advance and in arrears. Upon termination of the Client Agreement, Advisory Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the Client via check or re-deposited into the appropriate investment account. For fees collected in arrears, no refund policy is necessary.

### **E. Outside Compensation for the Sale of Securities to Clients**

Neither JGF nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds or ETFs.

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

JGF does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client (so-called performance-based fees). In addition, JGF does not engage in side-by-side management.

## Item 7: Types of Clients

JGF generally provides investment advice and/or management supervisory services to the following Types of Clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Defined Contribution and Defined Benefit Plans
- ❖ Corporations or Business Entities

### *Minimum Account Size*

There is \$100,000 minimum household investment level, waivable at JGF's sole discretion.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

JGF's methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis.

**Charting Analysis** involves the use of patterns in performance charts. JGF uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Fundamental Analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical Analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical Analysis** involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

#### *Investment Strategies*

JGF uses long term and short-term trading strategies.

**Investing in securities involves a risk of loss that the Client should be prepared to bear.**

### B. Material Risks Involved



## ***Methods of Analysis***

**Charting Analysis** strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Fundamental Analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical Analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical Analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

## ***Investment Strategies***

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally hold greater risk and the Client should be aware that there is a chance of material risk of loss using any of those strategies.

**Investing in securities involves a risk of loss that the Client should be prepared to bear.**

General risks associated with investing include:

- ***Currency Risk*** – Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- ***Interest Rate Risk*** – Movements in interest rates may directly cause prices of fixed income securities fluctuate. For example, rising interest rates can cause "high quality, relatively safe" fixed income investments to lose principal value.
- ***Credit Risk*** – If debt obligations held by an account are downgraded by ratings agencies or go into default, or if management action, legislation or other government action reduces the ability of issuers to pay principal and interest when due, the value of those obligations may decline, and an account's value may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation (including particularly "junk" or "high

yield” bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher-rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, to ratings downgrades, and to liquidity risk.

- Purchasing Power Risk - Purchasing power risk is the risk that an investment’s value will decline as the price of goods rises (inflation). The investment’s value itself does not decline, but its relative value does. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- Maturity Risk - The value of bonds or notes may change from the time of issuance to the time of maturity. Generally speaking, maturity risk increases as the length of time until maturity increases.
- Liquidity Risk - Liquidity is the ability to readily convert an investment into cash. For example, Treasury Bills are highly liquid, while real estate properties are not. Some securities are highly liquid while others are highly illiquid. Illiquid investments carry more risk because it can be difficult to sell them.
- Political Risk - Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- Regulatory Risk - Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- Investment Term Risks - If the client requires a liquidation of their portfolio during a period in which the price of the security is low, the client will not realize as much value as they would have had the investment had the opportunity to regain its value, as investments frequently do, or had it been able to be reinvested in another security.
- Financial Risk - Many investments contain interests in operating businesses. Excessive borrowing to finance a company’s business operations decreases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- Default Risk - This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.

### C. Risks of Specific Securities Utilized

JGF generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that the Client should be prepared to bear.**

Risk of Loss Associated with Specific Securities

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There are also risks related to recommendation of specific types of securities. A portfolio may be comprised of stocks, bonds, preferred securities, publicly traded partnerships, ETFs, mutual funds, separately managed accounts, listed options on ETFs and stocks, cash or cash equivalents and select alternative investments. Among the risks are the following:

- *Bond/Fixed-Income Risk* – We may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks, credit risks, or maturity risks (as discussed above). Economic and other market developments can adversely affect fixed-income securities markets in Canada, the United States, Europe and elsewhere. At times, participants in debt securities markets may develop concerns about the ability of certain issuers to make timely principal and interest payments, or they may develop concerns about the ability of financial institutions that make markets in certain debt securities to facilitate an orderly market, which may cause increased volatility in those debt securities and/or markets.
- *ETF and Mutual Fund Risk* – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs. The returns from the types of securities in which an ETF invests may underperform returns from the various general securities markets or different asset classes. The securities in the underlying indexes may underperform fixed-income investments and stock market investments that track other markets, segments and sectors. Different types of securities tend to go through cycles of out-performance and underperformance in comparison to the general securities markets.
- *Large-Cap Stock Risk* – Investment strategies focusing on large-cap companies may underperform other equity investment strategies as large cap companies may not experience sustained periods of growth in the mature product markets in which they operate.
- *Small/Mid-Cap Stock Risk* – Investment strategies focusing on small- and mid-cap stocks involve more risk than strategies focused on larger more established companies because small- and mid-cap companies may have smaller revenue, narrower product lines, less management depth, small market share, fewer financial resources and less competitive strength.
- *Municipal Bonds* – The firm may use municipal bonds or municipal bond funds owing to the tax-advantaged nature of the income and relatively low incidences of default. However, municipal bonds do have risks including call risk, credit risk, interest rate risk, inflation risk, liquidity risk, among other possible risks.

- U.S. Treasury Notes and Bonds – The firm may use U.S. Treasury Notes and Bonds owing to the relatively low credit risk. However, Treasury securities do have risks including interest rate risk and inflation risk.
- Mortgage-Backed Securities Risk – Mortgage-backed securities are affected significantly by the rate of prepayments and modifications of the mortgage loans backing those securities, as well as by other factors such as borrower defaults, delinquencies, realized or liquidation losses and other shortfalls. Additional risks of mortgage-back securities include risk of credit risk, default risk, interest rate risk and extension rate risk.
- Insurance Product Risk – The Firm’s representatives may offer you insurance products in their individual capacities as insurance agents. There is no guarantee that you will earn any return on your investment and there is a risk that you will lose money. Before you consider purchasing an insurance product, make sure you fully understand and weigh the risks. These risks include:
  - Liquidity and Early Withdrawal Risk - There may be a surrender charges for withdrawals within a specified period, which can be as long as six to eight years. Any withdrawals before a client reaches the age of 59 ½ are generally subject to a 10 percent income tax penalty in addition to any gain being taxed as ordinary income.
  - Sales and Surrender Charges - Asset-based sales charges or surrender charges. These charges normally decline and eventually are eliminated the longer you hold your shares. For example, a surrender charge could start at 7 percent in the first year and decline by 1 percent per year until it reaches zero.
  - Fees and Expenses - There are a variety of fees and expenses which can reach 2% and more, such as: mortality and expense risk charges, administrative fees, underlying fund expenses, and charges for any special features or riders.
  - Bonus Credits - Some products offer bonus credits that can add a specified percentage to the amount invested ranging from 1 percent to 5 percent for each premium payment. Bonus credits, however, are usually not free. In order to fund them, insurance companies typically impose high mortality and expense charges and lengthy surrender charge periods.
  - Guarantees - Insurance companies provide a number of specific guarantees. For example, they may guarantee a death benefit or an annuity payout option that can provide income for life. Insurance products guarantees are subject to the financial strength and claims-paying ability of the issuing company and are only as good as the insurance company that gives them.
  - Principal Risk - The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

## Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a Client’s or Prospective Client’s evaluation of this advisory business or the integrity of our management.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither JGF nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither JGF nor its representatives are registered as a FCM, CPO, or CTA.

### **C. Registration Relationships Material to this Advisory Business and Conflicts of Interests**

Andrew Erwin Norman Jones is a licensed insurance agent of JGF. Andrew Erwin Norman Jones may offer the Client advice or products from those activities. The Client should be aware that Mr. Jones receives commissions. Commissionable products create conflict of interests, in that JGF and its representative(s) have an incentive to recommend the sale of a commissionable products. JGF manages this conflict of interest by requiring all representatives who are licensed to offer insurance products to assure that the recommendation to purchase insurance is in the best interest of the Client; including in the sale of commissionable products to Advisory Clients. Clients are in no way required to implement the plan or buy any product through any representative of JGF in their capacity as an insurance agent.

Mr. Jones is also a business consultant. These services include but are not limited to: employee compensation structures, taxation issues, financial statement analysis, cash flow analysis, management team structures, board advisory services and all other services required by the Client of which Mr. Jones is qualified through education, experience and training to provide. Mr. Jones can offer the Client advice or products from those activities. JGF always acts in the best interest of the Client and the Client is in no way required to utilize the services of any representative of JGF in such individual's outside capacities.

JGF does refer Corporate Clients to employee benefits brokers for which a referral fee will be paid to JGF. JGF has vetted and selected employee benefits brokers for their knowledge, experience and customer service levels. This also creates a conflict of interest in that we have an incentive to refer clients to the employee benefits broker. We ameliorate this conflict by making this disclosure and limiting any referrals to those that are in the best interests of our client. Clients are in no way required to utilize the services of the employee benefits brokers.

Katherine Page Hannon ("Page Hannon" or "Ms. Hannon") is a licensed insurance agent of JGF. Ms. Hannon may offer the Client advice or products from those activities. The Client should be aware that Ms. Hannon receives commissions. Commissionable products create conflict of

interests, in that JGF and its representative(s) have an incentive to recommend the sale of a commissionable products. JGF manages this conflict of interest by requiring all representatives who are licensed to offer insurance products to assure that the recommendation to purchase insurance is in the best interest of the Client; including in the sale of commissionable products to Advisory Clients. Clients are in no way required to implement the plan or buy any product through any representative of JGF in their capacity as an insurance agent.

#### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

Mr. Jones receives portions of sales commissions on insurance products sold by agents that are not associated with JGF. This also creates a conflict of interest in that there is an incentive to refer clients to these other agents. We ameliorate this conflict by making this disclosure and limiting our referrals to those that are in the best interest of our clients.

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

#### **A. Code of Ethics**

JGF has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients or prospective clients may request a copy of our Code of Ethics from management.

#### **B. Recommendations Involving Material Financial Interests**

JGF does not recommend that Clients buy or sell any security in which a related person to JGF has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of JGF will buy or sell securities for themselves that they also recommend to the Client. JGF will always document any transactions that could be construed as conflicts of interest and will always transact Client business before their own when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of JGF will buy or sell securities for themselves at or around the same time as the Client. JGF will not trade non-mutual fund or non-ETF securities 5 days prior to or 5 days after trading the same security for Clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

If you choose to hire JGF for Investment Supervisory (Portfolio Management) Services, JGF will recommend the use of one or more custodians selected by JGF. If JGF and you choose a third-party money manager program for investing, the third-party money manager will offer custodian options from which to choose.

If JGF directly provides the portfolio management service, securities transactions are generally executed through Interactive Brokers LLC ("Interactive Brokers"), which is an SEC-registered broker-dealer / custodian, FINRA member and member of SIPC that provides a global online trading platform. Interactive Brokers maintains custody of our clients' assets and executes and clears customer trades. JGF is independently owned and operated, and is not affiliated with or a related person of, Interactive Brokers.

Although the brokerage transaction fees charged by Interactive Brokers may be higher or lower than those charged by other broker-dealers, we seek best execution for our clients and strive to ensure that our clients pay brokerage transactions fees which we have determined, in good faith, to be reasonable in relation to the value of the brokerage and other services provided by Interactive Brokers.

JGF considers a number of factors before recommending a particular custodian to our clients, including but not limited to, their familiarity with the securities to be sold or purchased, their execution skills, order-flow capabilities, access to markets, overall knowledge of the market, responsiveness, their commission rates or other fee schedules, their custodial services, reputation within the industry, their level of net capital (financial strength) and excess SIPC and other insurance coverage. The fees charged by Interactive Brokers are competitive with similarly situated retail broker-dealers / custodian offering the same variety of securities to clients. Clients are advised, however, that they may be able to effect transactions in securities through other broker-dealers at lower fee rates, particularly with respect to securities listed on a national securities exchange or in the over-the-counter market.

**Research and Other Soft Dollar Benefits.** Other than the description of services described above, JGF has not entered into a formal soft dollar agreement with a broker/dealer or custodian. Interactive Brokers offers products or services other than execution that assist our firm in managing and administering client accounts. These can include software and other technology that provide access to client account data (such as trade confirmations and account statements), pre-trade allocation tools that facilitate trading for multiple clients at once, facilitating payment

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of our fees from clients' accounts, assisting with back office functions, record keeping and client reporting. These services may be used to service all or a substantial number of client accounts, including (in some cases) accounts not maintained at Interactive Brokers.

JGF will also receive services from Interactive Brokers or its affiliates that are intended to help our firm manage and further develop our business. Interactive Brokers also has arrangements with various product vendors, which enable our firm to purchase their products at a discount. These products can include such items as: client reporting and consolidated statement software; client communication software; client relationship management software; compliance assistance; and investment research.

JGF does not participate in any revenue-sharing arrangements with Interactive Brokers or receive soft dollar credits. As a fiduciary to our clients, we are required to disclose that there is an inherent conflict of interest when our firm recommends that clients maintain their assets at Interactive Brokers. These recommendations are not based in part on the benefits we receive from Interactive Brokers, such as the availability of the above-mentioned products and services, and are solely on our clients' interest in receiving the most favorable execution. We seek to ensure that the securities transactions effected for our clients represent the best qualitative execution, not just the lowest possible cost.

Clients are responsible for the payment of all custodian fees. Those fees are separate and distinct from the fees and expenses charged by JGF. Clients are also responsible for all trading fees.

JGF will periodically review alternative custodians in the marketplace for comparison to the currently used broker/dealer-qualified custodian, evaluating criteria such as overall expertise, cost competitiveness, and financial condition. Quality of execution for custodians will be reviewed through trade journal evaluations. JGF also receives benefits that would not be received if the firm did not use the services of a firm recommended broker/dealer to implement the investment advice provided. These benefits include, but not necessarily be limited to: receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk; the ability to have investment Advisory Fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; receipt of compliance publications; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors. No single criteria will validate nor invalidate a custodian or service provider used, but rather, all criteria taken together will be used in evaluating the currently utilized custodian.

### ***1. Brokerage for Client Referrals***

JGF receives no referrals from a custodian in exchange for using that custodian or third party.

### ***2. Clients Directing Which Custodian to Use***

Although we recommend, and in some cases, require, the use of particular custodian, the Client may be able to select the custodian that will be used for their accounts. Clients directing the use of a particular custodian must understand that we may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, Clients may receive



less favorable prices than would otherwise be the case if the Client had not designated a particular custodian. Directed brokerage account trades are generally placed by JGF after effecting trades for other Clients of JGF. In the event that a Client directs JGF to use a particular custodian, JGF may not be authorized to negotiate fees and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in fee charges may exist between the fees charged to Clients who direct JGF to use a particular custodian versus Clients who do not direct the use of a particular custodian.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

JGF maintains the ability to block trade purchases across accounts and does so when it's advantageous to Clients.

# **Item 13: Reviews of Accounts**

## **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least quarterly only by Andrew Erwin Norman Jones, Managing Member. Andrew Erwin Norman Jones is the chief advisor and is instructed to review Clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at JGF are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery, if applicable, by Andrew Erwin Norman Jones, Managing Member. There is only one level of review and that is the total review conducted to create the financial plan. If the financial plan is not complete within 6 months, the financial planning agreement automatically terminates with the regular hourly rate to be charged against the prepaid fee with any remainder balance to the clients favor to be refunded within 30 days of termination. Clients who hire JGF solely for financial planning services and do not appoint JGF to act as his or her investment adviser receive a written financial plan within six months of their Financial Planning Contract.

## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in the Client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each Client will receive at least quarterly a written report detailing the Clients account which comes from the custodian.

Clients are provided a one-time financial review concerning their financial situation. After the review, there are no further reports. Clients can choose to engage in full financial planning or reporting for a fee.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

JGF does not receive any economic benefit, directly or indirectly from any third party for advice rendered to JGF Clients.

### **B. Compensation to Non-Advisory Personnel for Client Referrals**

JGF does not directly or indirectly compensate any person who is not advisory personnel for Client referrals.

## **Item 15: Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over Client funds and/or securities. In other words, custody is not limited to physically holding Client funds and securities. If an investment adviser has the ability to access or control Client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

JGF is deemed to have custody of Client funds and securities whenever JGF is given the authority to have fees deducted directly from Client accounts. However, this is the only form of custody JGF will ever maintain. It should be noted that authorization to trade in Client accounts is not deemed by regulators to be custody.

For accounts in which JGF is deemed to have custody, we have established procedures to ensure all Client funds and securities are held at a qualified custodian in a separate account for each Client under that Client's name. Clients or an independent representative of the Client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each Client, or the Client's independent representative, at least quarterly. Clients should carefully review those statements. When Clients have questions about their account statements, they should contact JGF or the qualified custodian preparing the statement.

When fees are deducted from an account, money managers and Interactive Brokers are responsible for calculating the fee. JGF provides the agreed upon fee structure for each account at the opening of the account and instructs the custodian to calculate the fee according to the

structure and to deduct the fee according to the specified timetable. The money manager or Interactive Brokers will document the fee on the client statement.

## Item 16: Investment Discretion

When providing investment management services, JGF maintains trading authorization over the Client's Account and can provide management services on a **discretionary basis**. Discretion must be authorized by the Client, in writing, in our client services agreement. The firm does not take discretion on any retail client accounts. Discretionary authority is limited to other 401(k) and other qualified retirement plans.

JGF offers only non-discretionary investment advice to retail client accounts. When **non-discretionary** authority is granted, JGF will be required to contact the Client prior to implementing changes in the account. Therefore, the Client will be contacted and required to accept or reject JGF's investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, JGF will make the decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. Because the Client's accounts are managed on a non-discretionary basis, the Client needs to know that if JGF is not able to reach the Client or there is a delay to respond to JGF's request, it could have an adverse impact on the timing of trade executions and JGF may not achieve the optimal trading price.

The Client will have the ability to place reasonable restrictions on the types of investments that may be purchased in their Account. The Client may also place reasonable limitations on the discretionary power granted to JGF so long as the limitations are specifically set forth or included in the client agreement.

## Item 17: Voting Client Securities (Proxy Voting)

JGF will not ask for, nor accept voting authority for Client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

JGF does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure. JGF offers discretionary managed accounts to 401(k) and other qualified retirement plans and therefore posts its balance sheet with the North Carolina Secretary of State annually.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

In order to avoid any potential business interruption due to the COVID-19 Pandemic, we elected to participate the Economic Injury Disaster Loan (EIDL) program administered through the Small Business Association. As part of the EIDL program we received funds to use as working capital to alleviate the economic injury caused by the COVID-19 Pandemic. In view of the uncertainty caused by the pandemic, we wanted to make sure that we were in the best position to retain our employees and continue to serve our valued customers. We do not currently anticipate any need to access capital in the near future, and at this time we anticipate that the loan will allow us to retain our employees, eliminate the risk of business interruption, and prevent any decline in the level of service we provide to our clients.

Neither JGF nor its management has any financial conditions that will impair its ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in the Previous Ten Years**

JGF has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19: Requirements for State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

JGF currently has only one management person/executive officer; Andrew Erwin Norman Jones. Andrew Erwin Norman Jones's education and business background can be found on the Supplemental ADV Part 2B form.

**B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

The other business activities of JGF are listed in Item 10. The other business activities of JGF personnel are listed in Item 10 and on the Supplemental ADV Part 2B for the individual personnel.

**C. How Performance-Based Fees are Calculated and Degree of Risk to Clients**

JGF does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

**D. Material Disciplinary Disclosures for Management Persons of this Firm**

No management person at JGF has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the Client's evaluation of the firm or its management.

**E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Neither JGF, nor its management persons, has any relationship or arrangement with issuers of securities.