

JFD Capital

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of JFD Capital. If you have any questions about the contents of this brochure, please contact us at (415) 637-6664 or by email at: john@jfdcapital.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 JFD Capital is also available on the SEC's website at www.adviserinfo.sec.gov. JFD Capital's CRD number is: 334762.

15 WILLOW LN
SAUSALITO, CA 94965
(415) 637-6664
john@jfdcapital.com
<https://jfdcapital.com/>

Registration as an investment adviser does not imply a certain level of skill or training.

Version Date: 2/3/2025

Item 2: Material Changes

JFD Capital has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore, there are no material changes to report.

Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes.....	ii
Item 3: Table of Contents.....	iii
Item 4: Advisory Business	2
Item 5: Fees and Compensation.....	4
Item 6: Performance-Based Fees and Side-By-Side Management	6
Item 7: Types of Clients	6
Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss	7
Item 9: Disciplinary Information.....	9
Item 10: Other Financial Industry Activities and Affiliations.....	9
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	10
Item 12: Brokerage Practices	11
Item 13: Review of Accounts.....	12
Item 14: Client Referrals and Other Compensation.....	13
Item 15: Custody	14
Item 16: Investment Discretion.....	14
Item 17: Voting Client Securities (Proxy Voting)	15
Item 18: Financial Information.....	15
Item 19: Requirements For State Registered Advisers	15

Item 4: Advisory Business

A. Description of the Advisory Firm

JFD Capital (hereinafter "JFDC") is a Limited Liability Company organized in the State of California. The firm was formed in December 2024, and the principal owner is John F Dowling.

B. Types of Advisory Services

Portfolio Management Services

JFDC offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. JFDC creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

JFDC evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. JFDC will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

JFDC seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of JFDC's economic, investment or other financial interests. To meet its fiduciary obligations, JFDC attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, JFDC's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is JFDC's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

Services Limited to Specific Types of Investments

JFDC generally limits its investment advice to fixed income securities and equities. JFDC may use other securities as well to help diversify a portfolio when applicable.

Written Acknowledgement of Fiduciary Status

When we provide investment advice to you regarding your 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 your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

C. Client Tailored Services and Client Imposed Restrictions

JFDC will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by JFDC on behalf of the client. JFDC may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent JFDC from properly servicing the client account, or if the restrictions would require JFDC to deviate from its standard suite of services, JFDC reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees and transaction costs. JFDC does not participate in wrap fee programs.

E. Assets Under Management

JFDC has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$4 million	\$0	March 2025

Item 5: Fees and Compensation

A. Fee Schedule

Lower fees for comparable services may be available from other sources.

Portfolio Management Fees

Total Assets Under Management	Annual Fees
All Assets	1.00%

JFDC uses the value of the account as of the last business day of the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

The fee schedule is a single tier schedule. Please see below for example.

Fee formula description: For purposes of calculating the client's portfolio management fees described above, an example is offered below for a sample \$1,000,000 account:

- *For the client's account(s) of \$1,000,000 the adviser will charge an annual fee of 1.00% as described above, resulting in an annual fee of \$10,000.*

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of JFDC's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

Performance-Based Fees for Portfolio Management

Qualified clients will pay an annual fee of 1.00% of assets under management along with a 10.00% performance fee based on capital appreciation. The performance fee is contingent upon returns for the applicable client account exceeding a certain threshold; this is known as a hurdle rate. Specifically, performance fees are only assessed on returns (capital appreciation, including dividends and interest, but net of JFDC's advisory fee) greater than the return on a mutually agreed up market index, either the S&P 500 index, the Russell 2000 index, or the blended return of the two indices. Custodial fees, transaction fees, and certain other third-party fees are assessed to the client and are not a reduction of returns for the purposes of the hurdle rate. The hurdle is otherwise pre-tax.

In general, a “Qualified Client” is:

- (1) a natural person or company who at the time of entering into such agreement has at least \$1,100,000 under the management of the investment adviser;
- (2) a natural person or company who the adviser reasonably believes at the time of entering into the contract: (A) has a net worth of jointly with his or her spouse of more than \$2,200,000 excluding the value of the client’s primary residence; or (B) is a qualified purchaser as defined in the Investment Company Act of 1940, §2(a)(51)(A) (15 U.S.C. 80a-2(51)(A)); or
- (3) a natural person who at the time of entering into the contract is: (A) An executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or (B) An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser), who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar function or duties for or on behalf of another company for at least 12 months.

Performance fees will only be charged in accordance with the provisions of California Code of Regulations Section 260.234.

These fees are generally negotiable and the final fee schedule will be memorialized in the client’s advisory agreement. This service may be canceled with 30 days’ notice. Clients must pay the prorated performance-based fees for the billing period in which they terminate the Investment Advisory Contract up to and including the day of termination.

B. Payment of Fees

Payment of Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client’s accounts with client’s written authorization on a quarterly basis, or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in arrears.

Payment of Performance-Based Portfolio Management Fees

Performance-based portfolio management fees are withdrawn directly from the client’s accounts with client’s written authorization on an annual basis, or may be invoiced and billed directly to the client on an annual basis. Clients may select the method in which they are billed. Fees are paid in arrears.

C. Client Responsibility For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by JFDC. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

JFDC collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

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

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

JFDC manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) and may as well manage accounts that are not billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because JFDC and/or its supervised persons have an incentive to favor accounts for which JFDC receives a performance-based fee. JFDC addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. JFDC seeks best execution and upholds its fiduciary duty for all clients.

Performance fees will only be charged in accordance with the provisions of California Code of Regulations Section 260.234.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

Item 7: Types of Clients

JFDC generally provides advisory services to High-Net-Worth Individuals.

There is an account minimum of \$1,000,000, which may be waived by JFDC in its discretion.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

Methods of Analysis

We make our investment decisions based on a rigorous analysis of the risk and potential for return presented by the various opportunities available in the securities markets. To perform our role, we review information provided from a wide range of sources, including Bloomberg, Wall Street brokerage research departments, the SEC's EDGAR website, research tools such as Morningstar, business and other journals, and trade press among other respected sources available online or in print format. We also speak directly with third-party investment analysts and members of management teams of companies we wish to consider for investment.

While investment decisions are made within the context of an overall view as to global economic conditions, ultimately it is the strength of individual investments and the perceived attractiveness of the price of these individual investments that determines whether they are acquired for our clients, and in what quantity they are maintained in our portfolios.

For fixed income investments highly liquid bond ETFs or money market funds are typically utilized.

We use essentially the same analytical approach to determine when and whether to sell securities that are held in client accounts. We often sell when the price of the underlying security has risen to the point where it trades at a premium to our estimate of intrinsic value. We sell securities in the account to achieve a diversification goal, i.e., trim an individual position to make room for another that is perceived to be more attractive. We also sell when conditions detrimental to the security put into question our estimate of its intrinsic value.

Investment Strategies

We focus on a core portfolio of 10-20 high-quality marketable equities with an eye towards long-term growth, occasionally adding 0-5 marketable equities that are high-quality in nature but have higher return potential and risk. We purchase securities that we judge to be materially undervalued by the market based on our estimates of intrinsic value.

As long-only investors, we may purchase put options as a hedge to the portfolio or to benefit from a decline in the price a marketable equity that we deem to be materially overvalued. On occasion, we may employ a covered call strategy. We also invest in fixed income securities and avoid investing in securities for which there is no active trading market, such as partnerships, hedge funds and private placements.

In general, we are bottom-up investors. We begin our investment process by identifying companies that meet our strict investment criteria. We seek to understand the value drivers of the underlying business by conducting industry and competitive analysis, measuring operating performance, analyzing company financial statements, and evaluating company management. In the end, we look for businesses that exhibit:

- Durable competitive advantages;
- Strong cash flow;
- Solid balance sheet;
- A strong probability of growing profitability;
- High returns on capital employed;
- A successful and proven management team;
- Honest and forthright reporting of financial results.

Our fixed income investments serve to earn a return funds when a suitable number of undervalued equity investments are not available in the marketplace. Fixed income investments are also utilized to add stability and income to accounts based on an individual client's needs. As a general policy, we fulfill fixed income needs with highly liquid bond ETFs or money market funds.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

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

Neither JFDC nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither JFDC nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Neither JFDC nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

All material conflicts of interest under California Code of Regulations Section 260.238(k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonable expected to impair the rendering of unbiased and objective advice.

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

JFDC does not utilize nor select third-party investment advisers.

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

A. Code of Ethics

JFDC 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. JFDC's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

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

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of JFDC may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of JFDC to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. JFDC will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage 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 JFDC may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of JFDC to buy or sell securities before or after recommending securities to clients resulting

in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, JFDC will never engage in trading that operates to the client's disadvantage if representatives of JFDC buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

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

Custodians/broker-dealers will be recommended based on JFDC's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and JFDC may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in JFDC's research efforts. JFDC will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

JFDC will require clients to use Schwab Institutional, a division of Charles Schwab & Co., Inc..

1. *Research and Other Soft-Dollar Benefits*

While JFDC has no formal soft dollars program in which soft dollars are used to pay for third party services, JFDC may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). JFDC may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and JFDC does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. JFDC benefits by not having to produce or pay for the research, products or services, and JFDC will have an incentive to utilize a broker-dealer based on receiving research or services. Clients should be aware that JFDC's acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. *Brokerage for Client Referrals*

JFDC receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

JFDC will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

B. Aggregating (Block) Trading for Multiple Client Accounts

If JFDC buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, JFDC would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. JFDC would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution.

Item 13: Review of Accounts

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

All client accounts for JFDC's advisory services provided on an ongoing basis are reviewed at least monthly by John F Dowling, Managing Member and Chief Compliance Officer, with regard to clients' respective investment policies and risk tolerance levels. All accounts at JFDC are assigned to this reviewer.

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 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 of JFDC's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and fees. This written report will come from the custodian. JFDC will also provide at least quarterly a separate written statement to the client.

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)

Other than soft dollar benefits as described in Item 12 above, JFDC does not receive any economic benefit, directly or indirectly from any third party for advice rendered to JFDC's clients.

With respect to Schwab, JFDC receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab retail investors. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For JFDC client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to JFDC other products and services that benefit JFDC but may not benefit its clients' accounts. These benefits may include national, regional or JFDC specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of JFDC by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist JFDC in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of JFDC's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of JFDC's accounts. Schwab Advisor Services also makes available to JFDC other services intended to help JFDC manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to JFDC by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to JFDC. JFDC is independently owned and operated and not affiliated with Schwab.

B. Compensation to Non - Advisory Personnel for Client Referrals

JFDC does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, JFDC will be deemed to have limited custody of client's assets. Because client fees will be withdrawn directly from client accounts, in states that require it, JFDC will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.
- (C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients are urged to compare the account statements they received from custodian with those they received from JFDC.

Item 16: Investment Discretion

JFDC provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, JFDC generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, JFDC's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to JFDC. Clients with discretionary accounts will execute a limited power of attorney to evidence discretionary authority.

JFDC will also have discretionary authority to determine the broker dealer to be used for a purchase or sale of securities for a client's account.

Item 17: Voting Client Securities (Proxy Voting)

JFDC 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. Neither JFDC nor clients are required to complete proxy votes.

Item 18: Financial Information

A. Balance Sheet

JFDC neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

Neither JFDC nor its management has any financial condition that is likely to reasonably impair JFDC's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

JFDC 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

JFDC currently has only one management person: John F Dowling. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

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

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

C. Calculation of Performance-Based Fees and Degree of Risk to Clients

JFDC accepts performance-based fees, fees based on a share of capital gains on or capital appreciation of the assets of a client.

Qualified clients will pay an annual fee of 1.00% of assets under management along with a 10.00% performance fee based on capital appreciation. The performance fee is contingent upon returns for the applicable client account exceeding a certain threshold; this is known as a hurdle rate. Specifically, performance fees are only assessed on returns (capital appreciation, including dividends and interest, but net of JFDC's advisory fee) greater than 5% per year. Custodial fees, transaction fees, and certain other third-party fees are assessed to the client and are not a reduction of returns for the purposes of the hurdle rate. The hurdle is otherwise pre-tax.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

D. Material Disciplinary Disclosures for Management Persons of this Firm

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

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

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