

## **JSK ASSOCIATES INC.**

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**This brochure provides information about the qualifications and investment advisory business practices of JSK Associates Inc. If you have any questions about the contents of this brochure please contact us at 800-259-7130 and/or group@investtowin.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.**

Additional information about our investment advisory business is also available on the internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our information on this website by searching for "JSK Associates Inc." by name or by using the Firm's CRD number. The CRD number for the Firm is **104955**.

\*Registration as an investment advisor does not imply a certain level of skill or training.

## **Item 2 Material Changes**

Since our last annual updating amendment dated March 20, 2017, we have no material changes to report.

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## Item 4 Advisory Business

### 4(A) Description of Advisory Firm

JSK Associates Inc. ("JSK" or "Firm") is an investment advisor registered with the United States Securities and Exchange Commission ("SEC") and is a Corporation formed under the laws of the State of New York. The following bullets provide general background of our Firm.

- Jerome S. Keenan and Paul dos Santos are the controlling owners of the Firm each equally owning 50% of the Firm.
- Our Firm has been registered as an investment advisor since November 6, 1984.
- We provide fee-based investment advisory services through JSK Associates Inc. The nature and extent of the specific services provided to clients, including you, will always depend on each client's financial status, objectives and needs, time horizons, concerns, expectations and risk tolerance.
- The advisor representatives of JSK Associates Inc. are also licensed as registered representatives with our Firm's affiliated broker/dealer, International Equity Services Inc. ("IES"), member FINRA/SIPC. Our advisor representatives are also sub-licensees of International Equity Services Inc. in its capacity as an insurance agency. When acting in these capacities, IES earns commissions. The fact that our advisor representatives are also registered representatives of International Equity Services Inc. and sub-licensees of International Equity Services Inc. creates conflict of interest situations discussed in more detail at Item 5, Item 10, Item 12, and Item 14 of this Disclosure Brochure.
- International Equity Services Inc. is a wholly-owned company of Jerome S. Keenan and Paul dos Santos.
- More information about our investment advisor representatives' business and education background can be found in the respective investment advisor representative's Information Required by Part 2B of Form ADV: Brochure Supplement located at the end of this brochure.
- Through JSK Associates Inc., we offer and consider ourselves to specialize in providing personalized Investment Management Services. JSK believes in proactive asset management, this means to be willing to exit the markets when we believe that a significant decline is a likely scenario within the near future. To help guide us we use a variety of tools including fundamental information and technical analysis.

Clients are advised that the investment recommendations and advice offered by JSK Associates Inc. do not constitute legal or accounting advice. Therefore, you should coordinate and discuss the impact of financial advice with your attorney and/or accountant. Clients are advised that it is necessary to inform JSK Associates Inc. promptly with respect to any changes in their financial situation, investment goals and objectives. Failure to notify JSK Associates Inc. of any such changes could result in investment recommendations not meeting the needs of the client.

## **4(B) Description of Advisory Services**

### **4(B)1 Financial Planning Services**

JSK Associates Inc. provides advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focuses on a client's overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of a financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

If you decide to engage us for our financial planning services we begin by assessing your current financial situation and may take into consideration each issues such as investment objectives, risks you are willing to undertake, investment knowledge, net worth, income, age, projected retirement, unusual or material funding requirements, inheritance possibilities, pensions, social security, children/relative funding issues, estate issues, and living expenses expressed in today's dollars requested for retirement. Based on the information and date you provide, we attempt to develop suitable investments that may be selected for your portfolio construction process as part of the complete financial plan.

You need to recognize that our planning services involve our Firm's judgment and views regarding the economy, and the securities markets. Like all predictions of future events, these cannot be guaranteed either orally or in written form, nor can we guarantee that your investment goals will be achieved. We will not be liable for any action performed or omitted, errors of judgment, or mistakes in preparing a financial plan, in the absence of malfeasance, negligence or violation of applicable law. However, do not confuse this with a waiver or limitation of any rights you may have under applicable state or federal law, including without limitation, state and federal securities laws.

Financial plans can be holistic in nature (covering the totality of your situation) or modular in their preparation (covering only selected topics agreed upon). Topics covered in a financial plan may generally include, but are not limited to,

- Identifying goals and risk tolerance
- Risk management through insurance
- Tax reduction
- Retirement planning
- Efficient wealth transfer through proper estate planning that may include at no additional cost the preparing of example wills and trusts, as well as, certain legal documents such as living wills, health care proxies and others. JSK Associates Inc. may engage, as needed, counsel to prepare these documents at no additional cost to you, beyond the cost of our financial planning fee stated below.

(As a reminder, we are not a law firm or an accounting firm and will not be rendering legal, tax or accounting advice. We will recommend you work with competent licensed professionals in this area in providing a financial plan and you are always advised to seek competent advice in these areas).

Please refer to Item 5 - Fees and Compensation for a description of our financial planning fees.

#### **4(B)2 Investment Management Services**

We provide investment management services which involve providing clients with continuous and on-going supervision over client accounts. This means we will continuously monitor a client's account and make trades in client accounts when necessary. All trades in client accounts are performed on a **non-discretionary** basis. Please refer to Item 16 - Investment Discretion for more information regarding our trading procedures.

This service is designed for high net-worth clients. We define high net-worth clients as those individuals with assets of at least \$200,000.00 (excluding primary residence). Through this service, we offer a customized and individualized investment program for each client. If you engage us for this service, your investment program may take into consideration, but is not necessarily limited to, your investment objectives, risks you are willing to undertake, investment knowledge, net worth, income, and age. A specific investment strategy and investment policy is crafted to focus on your specific goals and objectives.

Clients will generally establish an account through International Equity Services Inc. (our affiliated broker/dealer) unless the client decides to use a different broker/dealer. For International Equity Services Inc. accounts, all brokerage transactions are processed by International Equity Services Inc., in its capacity as a full service introducing broker/dealer, and then cleared through Hilltop Securities Inc., a registered broker/dealer, member FINRA/SIPC. Hilltop Securities Inc. is not affiliated with International Equity Services Inc. and JSK Associates Inc. In addition to serving as the clearing broker/dealer, Hilltop Securities Inc. maintains physical custody of all accounts managed through this service.

- Please refer to Item 5 - Fees and Compensation for a description of the brokerage compensation earned by International Equity Services Inc.
- Please refer to Item 12 - Brokerage Practices for more information regarding our arrangement with International Equity Services Inc. and Hilltop Securities Inc.
- Please refer to Item 15 - Custody for more information.

Clients are always responsible for notifying us of any changes to their financial situation or investment objectives. At least annually, we will contact each client for the specific purpose to determine whether the client's financial situation or investment objectives have changed, or if the client would like to impose and/or modify any reasonable restrictions on the management of their accounts. We are always reasonably available to consult with clients relative to the status of their accounts. A client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the accounts. Separate accounts always maintained for each client with the custodian. The client retains all rights of ownership to their accounts (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

It is important that you understand that we manage investments for other clients, for JSK Associates Inc.'s accounts and for accounts of persons related to JSK Associates Inc., and may give advice or take actions for them that differ from the advice that we provide to you or actions we take for you. JSK Associates Inc. is not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients, for JSK Associates Inc.'s accounts or for the accounts of persons related to JSK Associates Inc.

Conflicts may arise in the allocation of investment opportunities among accounts that JSK Associates Inc. manages. However, we will seek to allocate investment opportunities believed appropriate for each client's account(s) and other accounts advised by JSK Associates Inc., among such accounts equitably and consistently with the best interests of all accounts involved. There can be no assurance that a particular investment opportunity that comes to JSK Associates Inc.'s attention will be allocated in any particular manner. If JSK Associates Inc. obtains material, non-public information about a security or its issuer that JSK Associates Inc. may not lawfully use or disclose, JSK Associates Inc. will have no obligation to disclose the information to any client or use it for any client's benefit.

Please see Item 5 - Fees and Compensation for a description of the fees we charge for this service.

#### **4(B)3 Termination of Services**

Clients can terminate our services without penalty within five business days from the executed date of the agreement for services, via written notice. Services may be canceled at any time by either party for any reasons upon receipt of written notice from the other party. Upon such a request, a client's files will be reviewed and the client will be responsible for all unpaid fees through the date of termination or a pro-rated refund of any fees paid in advance will be provided.

#### **4(C) Tailor Advisory Services to Individual Needs of Clients**

Our services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each client on a one-on-one basis through interviews and questionnaires to determine the client's investment objectives and suitability.

We provide investment advice on the following types of investments.

- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Foreign Issuers
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities

We do not provide advice on warrants, commercial paper, municipal securities, futures contracts on tangibles or intangibles, interests in partnerships investing in real estate, or interests in partnerships investing in oil and gas interests.

When providing Investment Management Services, JSK Associates Inc. primarily provides recommendations and investment strategies using mutual funds, fixed income positions (e.g. bonds) and other general securities positions such as stocks and Exchange Traded Funds (ETFs). It is not our typical investment strategy to attempt to time the market but we may increase cash holdings modestly as deemed appropriate, based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations like: low basis stock, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations. Also, you may choose to engage some portion of your assets in a more active shorter-term investment strategy and in that case additional costs will apply as well as increased investment risks.

(Please refer to Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss for more

information.)

4(D) The firm does not offer any wrap fee programs

**4(E) Client Assets Managed by JSK Associates Inc.**

The amount of client assets managed by JSK Associates Inc. totaled \$63,634,746.19 as of December 31st, 2017. The entire portion is managed on a non-discretionary basis (see Item 16 - Investment Discretion for more information).

**Item 5 Fees and Compensation**

In addition to the information provided in Item 4 - Advisory Business, this section provides details regarding JSK's fees and compensation arrangements.

**5(A) Fees for Financial Planning Services**

For financial planning services, we may require a retainer at the time our services are engaged. This retainer will be credited towards work completed by us on behalf of the Client.

All work pertaining to the Financial Plan will be billed at the rate of \$350.00 per hour. Clients will typically be billed monthly for hourly fees and any expenses. We will also accept a flat rate which will be agreed upon in advance by the client for providing a completed Financial Plan in the areas specified above.

The fee will be billed and due upon completion and delivery of the Financial Plan addressing each of the covered items and considered earned at that time. Any follow up reports or materials needed, will be completed during the first year's maintenance phase for which there is no additional charge to the client.

In most cases we will waive our financial planning fees to offset earned 12b-1 fees and other earnings for both IRA and non-IRA accounts.

We recommend financial plans be reviewed and updated annually.

While financial planning services are prepared with the intention of the client implementing recommendations made within the plan through JSK, clients are not obligated to do so. If clients elect to have an associated person of the Firm implement the advice provided as part of the financial planning services, implementation will be made through the Firm's services described below or through an investment advisor representative in his capacity as a registered representative of International Equity Services Inc. When implementing financial planning services, the client will incur fees and expenses. In addition to the planning fees described above, if you decide to implement recommendations through our Firm or our affiliated broker/dealer, our Firm and/or our affiliated broker/dealer will receive the fees and charges outlined in this brochure.

### **Annual Financial Planning Maintenance Agreement**

This service provides individuals with on-going financial advisory services. JSK Associates provides individualized reports, advice on individual investments, insurance and tax planning. Clients are encouraged to contact us when their financial situation materially changes to re-evaluate any financial advisory services being provided. Fees are negotiable and are charged on an estimated hourly rate of \$350.00 per hour. The fee shall be payable and due upon receipt of billing statement.

**In most cases, we waive our financial planning fees to offset IES earned 12b-1 fees and other earnings for both IRA and non-IRA accounts.**

### **5(A) Fees for Investment Management Services**

Clients are charged for our Investment Management Services based on a percentage of assets under management. An annual management fee of 3.00% or less of the fair market value of the assets in the "Managed Account" will be divided and payable quarterly in arrears equal to one quarter of the annual percentage of the fair market value of such assets as of the last day of each quarter. Please note that our fees may be **higher** than fees charged by other financial professionals providing similar services.

The exact services and fees will be agreed upon and disclosed in the agreement for services prior to services being provided. Fees are negotiable based on factors such as the amount of assets under management, the number of accounts being managed, and the type of investment program developed for the client.

#### **5(B) Fee Deduction**

All work pertaining to the Financial Plan will be billed at the rate of \$350.00 per hour. Clients will typically be billed monthly for hourly fees and any expenses. We will also accept a flat rate which will be agreed upon in advance by the client for providing a completed Financial Plan in the areas specified above.

The fee will be billed and due upon completion and delivery of the Financial Plan addressing each of the covered items and considered earned at that time. Any follow up reports or materials needed, will be completed during the first year's maintenance phase for which there is no additional charge to the client.

Fees related to Investment Management Services will be debited directly from client accounts on a quarterly basis. Clients must provide the custodian with written authorization to have fees deducted from the account and paid to Advisor. The custodian will send to the client account statements. Such statements are sent at least quarterly and show, among other details, all disbursements for the account including the amount of the advisory fee, if deducted directly from the account. Please refer to Item 13-Review of Accounts and Item 16-Custody for more information.

#### **5(C) Other Fees and Expenses**

### **Brokerage Fees (International Equity Services)**

As stated in Item 4-Advisory Services, most clients will establish a brokerage account through IES. Please refer to Item 12-Brokerage Practices for a description of arrangements with IES and the reasons we recommend IES. The information below provides details regarding the compensation earned by IES.

IES is a duly registered broker/dealer and can receive such forms of compensation as clearing and processing fees, trailer commissions, rebates, i.e. credit balance interest (interest from money market accounts), margin interest and a portion of IRA account custodial fees and other revenues which Broker Dealers normally receive in the course of doing business. Through its affiliated broker/dealer IES, JSK provides its clients with additional services not covered under the investment advisory fee. These services include but are not limited to: research, product implementation, clearing services (through its clearing firm Hilltop Securities, Inc.), account statements, online access to client accounts, cost basis reports and many other services. For those services IES is compensated by receiving its normal broker/dealer commission or fees.

Brokerage, custodian, and transaction ticket fees that will be charged by the broker/dealer will be billed directly to the client's account. These fees are sometimes referred to as commissions earned by the broker/dealer. It should be noted that a commission is not paid to the advisor representative in charge of the account. Fees and commissions charged by IES are billed to clients to cover IES's brokerage transaction services and allow for a profit to IES in the form of commissions. JSK will not receive any portion of such fees from the custodian or the client. However, for IES /Hilltop Securities, Inc. accounts, IES will receive typical and normal brokerage and transactions fees described below. In fact the amount of revenue received by IES in fee-based accounts managed by JSK may be more and may be as much as 50% more in some years than the actual advisory fee charged by JSK Associates.

- Mutual fund trades are charged a transaction fee of \$35 per trade.
- Fixed income trades are charged a transaction fee of \$17.50 per trade.
- Stocks traded on an individual basis (not part of Equity Trading Stock Allocation Program) are charged \$10 per trade
- When JSK implements a trade as part of its Equity Trading Stock Allocation Program, the cost will be \$10 per trade plus \$.07 per share not to exceed 1/2 of 1.0% of the total investment amount and not to be less than 0.25% of the total investment amount.
- When JSK/IES implements a Bond trade either as principal or as agency the cost (in the case of an agency trade) or the markup up or mark down (in the case of a principal trade) will range from \$0 to a maximum of \$20 per bond. Please refer to Item 11 - Code of Ethics, Participation in Client Transactions and Personal Trading for more information regarding principal trades.

Commissions on all security brokerage transactions will be charged under the guidelines of FINRA's Rules of Fair Practice and the standards provided by the Broker Dealer- IES

Custodians, clearing firms and broker dealers have their own separate charges. For a list of these charges please see the following items:

Principal and Agency Disclosure: [IES-Principal-and-Agency-Disclosure.pdf](#)

Principal and Agency Trading Agreement: [IES-Principal-and-Agency-Disclosure.pdf](#)

Equity Trading Agreement: [EquityTradingAgreement.pdf](#)

Hilltop Customer Information Brochure: [HTSCustomerInformationBrochure.pdf](#)

Each of these above items have also been provided to you along with this form ADV.

Because of the brokerage services provided by our affiliated broker/dealer, IES, the total compensation received by both firms combined may or may not be larger than the fees of other investment advisors and broker/dealers who may or may not provide a comparable level of service. The total compensation to JSK (in the form of management fees) and IES (in the form of brokerage commissions and transaction fees) could potentially exceed 3.00% of the client's total assets under management and

must therefore be disclosed as potentially **excessive** when compared with other investment advisors and broker/dealer programs. We do **not** reduce our advisory fees to offset commissions, markups and other expenses received by IES, **beyond what is specified in our investment advisory agreement.**

IES retains any 12b-1 fees received in fee-based, advisory accounts. In addition, clients may incur certain charges imposed by third parties other than JSK in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges, IRA and qualified retirement plan fees. Management fees charged by JSK are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

**Class C Mutual Fund Shares:** Class C mutual fund shares pay the broker dealer a 12-b1 fee of up to 1%. For that reason, Class C shares could be more expensive for you to purchase than A or B Class shares which might be less expensive depending on how long you hold them. If held longer than 3-5 years, it may be cheaper for you to buy A shares at full load, since Class C shares pay a higher 12-b1 fee to the broker dealer. A, B, or C shares would also be cheaper if the broker dealer waived its right to receive commissions and 12-b1 fees.

There are still more types of shares. Some are cheaper than others, but none are free. Some examples are:

**Class D Share Funds:** Class D mutual funds are often similar to no-load funds in that they are a mutual fund share class that was created as an alternative to the traditional and more common A share, B share and C share funds that are either front-load, back-load or level-load, respectively.

**Class Adv Share Funds:** Adv share class mutual funds are only available through an investment advisor, hence the abbreviation "Adv." These funds are typically no-load (or what is called "load waived") but can have 12b-1 fees up to 0.50%. If you are working with an investment advisor or other financial professional, the Adv shares can be your better option, because expenses are often lower.

**Class Inst Share Funds:** Inst funds (Class I, Class X, Class Y or Class Y) are generally only available to institutional investors with minimum investment amounts, which can be US\$1million.

**Load-Waived Funds:** Load-waived funds are mutual fund share class alternatives to loaded funds, such as A share class funds. As the name suggests, the mutual fund load is waived (not charged). Typically, these funds are offered in 401(k) plans where loaded funds are not an option. Load-waived mutual funds are identified by an "LW" at the end of the fund name and at the end of the ticker symbol.

**Class R Share Funds:** R share mutual funds do not have a load (i.e. front-end load, back-end load or level load) but they do have 12b-1 fees that typically range from 0.25% to 0.50%. If your 401(k) provides R share class funds, your expenses may be higher than if the investment choices included the no-load (or load-waived) version of the same fund.

Sources: <https://www.thebalance.com/key-mutual-fund-terms-defined-2466595>

<https://www.thebalance.com/understanding-mutual-fund-fees-2466614>

<https://www.thebalance.com/is-it-best-to-buy-a-b-or-c-shares-4039035>

And more: As an example 'No Load' mutual fund shares are generally intended for investors who manage their own portfolios. Sometimes these shares are referred to as 'no help' shares within the industry because the investor is left to make all the decisions without the benefit of an advisor. Although, these shares are considered among the cheapest, they are not free. Even a 'no load' mutual

fund company has to advertise, pay salaries to its fund managers and support personnel, pay for compliance expense. These companies have costs associated with being a large financial institution. These are all costs that come from the monies invested in mutual funds and are noted as internal costs of the mutual fund.

For a robust description, please see [IES-Principal-and-Agency-Disclosure.pdf](#)  
[MutualFunds101:ClassShareDisclosure.pdf](#) initially provided with this Form ADV Part 2A & 2B.

In our case and under the terms of our Investment Advisory Agreement (IAA), our compensation is composed of an investment advisory fee, 12b-1 fees, commissions, mark-ups and mark downs, credit interest and other forms of compensation, in lieu of a higher investment advisory fee.

Given that Class C shares pay a higher 12-b1 fee to the broker dealer, it might be cheaper for you to buy A shares at full load.

Some broker dealers and or investment advisors may also offer you the ability to purchase A shares at NAV (Net Asset Value), or no upfront load, but in the case of IES and under the terms of our investment advisory agreement, we are entitled to earn these 12b-1 fees and commissions. For that reason, there may be a conflict between our duty to seek best execution for you and the purchase of these shares, if you were to hold the funds for a period lasting longer than 3 to 5 years. Since we do not know the length of time we will hold these shares, and since you expect pro-active investment management from us, we believe it is unlikely we will recommend holding any one position for prolonged periods of time especially given the volatility in the markets with the advent of internet communications.

Therefore, we believe we meet to the best of our ability, our duty to seek best execution (Please see Item 20 below). We also remind you that you always have the option to implement our advice with another broker dealer of your choice that may be able to offer you lesser costs.

The fund class shares we recommend are C-shares that pay International Equity Services Inc, its principals and registered representatives an annual payment called a 12b-1 fee of 1% (one percent) of the mutual fund holding value, as agreed by you and us under the terms of our Investment Advisory Agreement (IAA), and disclosed yearly (usually quarterly) within Form ADV 2A & 2B.

These funds have shares available that either, do not pay 12b-1 fees, or pay lesser 12b-1 fees, and you could buy these shares through another firm. As agreed under the terms of our IAA and disclosed on our Form ADV Part 2A & 2B, we earn these 12b-1 fees as part of our total compensation that enables us (and boutique firms like us) to provide you with the very personal and individualized service. Without this compensation we would not be able to sustain our own broker-dealer to implement our independent advice to you without interference from outside firms.

**Earning these fees is a conflict of interest under SEC Rule 12b-1 and Section 206(2) of the Investment Advisers Act of 1940**, requiring us to disclose to you that you can choose to buy a lower-cost share class. As always you are free to implement our advice with any other firm of your choosing.

Source: <https://www.sec.gov/enforce/announcement/scsd-initiative>

If this link longer functions, you can find a copy here:

PDF: [SEC.govShareClassSelectionDisclosureInitiative.pdf](#)

For more details about the different types of mutual fund shares available, and the way we are compensated for our services to you, please read these links to our [Form ADV Part 2A & 2B](#), [Best](#)

[Execution & Our Fiduciary Duty to You](#) , and [MutualFunds101:ClassShareDisclosure.pdf](#), and [Investment Advisory Agreement](#) documents we have previously provided to you.

The SEC and Morningstar have comprehensive publications on the pros and cons of different mutual fund share classes. See links here:

**Morningstar-Getting the Best Deal on Fund Share Classes:**

Link: <http://news.morningstar.com/articlenet/article.aspx?id=269384>

If this link longer functions, you can find a copy here:

PDF: [MorningstarGettingTheBestDealOnFundShareClasses.pdf](#)

**SEC-Investor Bulletin: Mutual Fund Classes:**

Link: [https://www.sec.gov/oiea/investor-alerts-bulletins/ib\\_mutualfundclasses.html](https://www.sec.gov/oiea/investor-alerts-bulletins/ib_mutualfundclasses.html)

If this link longer functions, you can find a copy here:

PDF: [SEC.govInvestorBulletinMutualFundClasses.pdf](#)

We generally recommend and, depending on the investment strategy, require the use of our affiliated broker/dealer (IES). IES receives compensation, in addition to our investment advisory fees, which creates a conflict of interest and can incentivize us to recommend investment products based on the compensation our firms receive rather than what is in the client's best interest. We control for this conflict of interest by fully disclosing our brokerage arrangement to clients. Further, all of our trades are implemented on a **non-discretionary** basis (please refer to Item 16 - Investment Discretion for more information).

Unless certain strategies (for example our Equity Trading Stock Allocation Program) are used by our Firm, clients are **not required** to use IES In cases where a client chooses to use an alternative broker/dealer, the client will still be charged regular and customary brokerage fees, expenses, and commissions. However, we will not receive any portion of such fees, expenses and commissions.

You are never obligated to work with our Firm and are never obligated to purchase investment products through our investment advisor representatives. You have the option to purchase investment products through other brokers or agents that are not affiliated with JSK

5(D) The firm does not require payment in advance for any fees. Financial Planning fee and are billed monthly. Investment management fees are billed quarterly in arrears.

5(E) As previously stated in section 5(C) the Firm does accept compensation for the sale of securities. We have detailed not only the conflict of interest involved this practice, but the fact that the firm does retain 12b-1 fees through its associated broker dealer, International Equity Services. The amount of revenue received by IES in fee-based accounts managed by JSK may be more and may be as much as 50% or more. The firm does not reduce advisory fees to offset commissions or markups.

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

The Firm does not charge or accept performance-based fees.

## **Item 7 Types of Clients**

JSK Associates Inc. generally provides investment advice to individual clients including trusts and estates.

## Minimum Investment Amounts Required

1. A minimum of \$10,000.00 is required to open a regular brokerage account (i.e. a non-JSK Associates Inc. managed account through International Equity Services Inc.) to invest in any security.
2. A minimum of \$100,000.00 is required to open an investment management trading account (i.e. a JSK Associates Inc. managed account through our Investment Management Services program).

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

8(A) Our Firm primarily uses a fundamental approach to investment analysis. This is a method of evaluating a company or security by attempting to measure its intrinsic value. It is a way of trying to determine its true value by looking at all aspects of the business, including both tangible factors (e.g., growth rate, machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). It involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., dividends, company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

An important sub-category of fundamental analysis is **cyclical** analysis which is used to analyze the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. One of the most important cyclical considerations is whether the economy is being subjected primarily to inflationary or deflationary forces. This consideration influences JSK Associates Inc.'s asset selections, many of which are sector plays that perform based on whether inflationary or deflationary forces are dominant. Stocks of individual companies tend to move based on cyclical factors as well. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the

bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

In addition to **Fundamental** and **Cyclical** analysis, our Firm will use **Technical** and **Charting** methods to determine the timing for trading securities and fine-tuning our recommendations. **Technical** analysis is a method of evaluating securities by reviewing statistics generated from market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical movements of stocks and markets are indications of future movements.

**Charting** is a technique in technical analysis in which price movements, volume, settlement prices, and other indicators are used in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

Charting is likely the most subjective analysis of all since it relies on proper interpretation of candlesticks and chart patterns. The risk of reliance upon candlestick data is that the next day's data can always negate the conclusions reached from prior days' candlesticks. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Given the risks inherent in each method of analysis, JSK Associates Inc. seeks to employ most of these analyses simultaneously. Risk is minimized when one is able to draw the same conclusion from multiple methods of analysis.

**8(B)** JSK Associates Inc.'s decision to recommend changes within client accounts will always include an evaluation of the prevailing market situation. When selecting stock positions, some securities may be held for short periods (sometimes even less than 30 days) with the intent to earn short term capital gains. JSK Associates Inc. is also focused on long-term capital gains. However, JSK Associates Inc.'s management style is not designed to be tax efficient and tax implications may not be taken into account by JSK Associates Inc. when managing client accounts. Therefore, clients need to consult with their tax professional.

As advisors we engage in different investment strategies, which include sector and or asset class asset allocation. In as much as each client's portfolio will take into consideration individual client's needs, personal philosophies and risk tolerances, there may also be similarities in client's portfolios. Clients' portfolios may receive similar or the same recommendations and may contain the same or similar investments due to the overall process of asset allocation process.

The following are some of the general investment strategies we may use when managing client accounts.

- Long term purchases - Investments held at least a year.
- Short term purchases - Investments sold within a year.
- Trading - Investments sold within 30 days.
- Margin transactions - When an investor buys a stock on margin the investor pays for part of the purchase and borrows the rest from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from JSK Associates Inc.

Clients must understand the risks involved in investing and that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should **never** assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss, including loss of original principal. Because of the inherent risk of loss associated with investing, JSK Associates Inc. is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through JSK Associates Inc.'s management program.

- Market Risk. Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as **systemic risk**.
- Equity (stock) market Risk. Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value, as market confidence in and perceptions of their issuers change. If you held common stock or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer, or a more diversified portfolio including Mutual Funds.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as **unsystematic risk** and can be reduced through appropriate diversification. There is the risk

that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- Fixed Income Risk. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- ETF and Mutual Fund Risk. When JSK Associates Inc. invests in an ETF or mutual fund, it will bear additional expenses based on its 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. Clients will also incur brokerage costs when purchasing ETFs.
- Management Risk. Your investment with JSK Associates Inc. varies with the success and failure of JSK Associates Inc.'s investment strategies, research, analysis and determination of portfolio securities. If JSK Associates Inc.'s investment strategies do not produce the expected returns, the value of the investment will decrease.
- Margin Risk - When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your broker/dealer. If you intend to borrow funds in connection with your account, you will be required to open a margin account, which will be carried by the broker/dealer of your account. The securities purchased in such an account are the broker/dealer's collateral for its loan to you.

If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any Margin Account that may be established as a part of our Investment Management Services and held by your broker/dealer. These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The broker/dealer can force the sale of securities or other assets in your account.
- The broker/dealer can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your margin account that may be liquidated or sold to meet a margin call.
- The broker/dealer may move securities held in your cash account to your margin account and pledge the transferred securities.
- The broker/dealer can increase its "house" maintenance margin requirements at any time and are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

## Item 9 Disciplinary Information

JSK Associates Inc. and its owners, Jerome S. Keenan and Paul dos Santos, were the subject of an administrative proceeding before the United States Securities and Exchange Commission (SEC).

The SEC proceeding claimed JSK Associates Inc., Mr. Keenan and Mr., Dos Santos failed to disclose adequately, on the Form ADV Part 2, to their advisory clients the financial benefits that International Equity Services Inc., a broker-dealer under common control with JSK Associates Inc., derived in the form of payments received from SWS Securities Inc. based on the value of the cash holdings in advisory client accounts.

The proceeding further claimed that JSK Associates Inc. failed to adopt and implement written policies and procedures reasonably designed to prevent violation of the Investment Advisers Act of 1940 and rules thereunder. Further, it was claimed the Firm failed to establish, maintain and enforce a written code of ethics satisfying the requirements of Rule 204A-1 under the Investment Advisers Act of 1940.

As a result of the above proceedings and without admitting or denying the findings, JSK Associates Inc. agreed to pay a civil monetary penalty to the U. S. Treasury Department in the amount of \$60,000 and \$64,155 in disgorgement. While Mr. Keenan and Mr. Dos Santos individually paid \$10,000 each and agree to have been censured.

## Item 10 Other Financial Industry Activities and Affiliations

Broker Dealer Affiliation:

10(A) International Equity Services is a FINRA registered broker dealer and insurance agency owner by Jerome S. Keenan and Paul dos Santos. The affiliated firm offers a variety of insurance and investment products to its clients. An advisory client is under no obligation to follow the recommendation or use the recommended firm.

**(B) Neither JSK & Associated nor any of its management persons are registered as a futures commission merchant, commodity pool operator, a commodity-trading adviser, or an associated person of any of these entities named here. Furthermore, neither the firm nor any management persons have such a registration pending.**

(C) As previously disclosed in Item 10(A), JSK and Associates is affiliated with International Equity Services through common control and ownership. The affiliate is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Persons providing investment advice on behalf of JSK may also be registered representatives with the affiliated broker dealer. In their capacity as registered representatives, these persons if they are not salaried may receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate from the firm's advisory fees. This practice presents a potential conflict of interest because persons providing investment advice on behalf of JSK who are registered representatives may have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on the client's needs.

(D) JSK generally does not recommend or select other investment advisers for clients. If an adviser selects or recommends other advisers for clients, the adviser must disclose any compensation arrangements or other business relationships between the advisory firms that create material conflicts

of interest between the adviser and its clients along with a discussion of the conflicts and how they are addressed.

JSK does not receive compensation from those other advisers for our referrals. The compensation advisers may receive, clients should note, creates an incentive to make the recommendation and thereby an inherent risk for a conflict of interest. The firm addresses this possible conflict of interest first by bringing it to clients' attention and by disclosing that this does not apply to JSK.

JSK does not have any other business relationships with these advisers that could potentially cause a conflict of interest.

### **Insurance Affiliation**

International Equity Services Inc. is also licensed as an insurance agency through various insurance companies. Both Paul dos Santos and Jerome S. Keenan are sub-licensed with International Equity Services Inc. to provide insurance services to clients. Insurance products are provided to clients for personal, estate and business need to minimize clients' exposure to identified risks. Although clients are under no obligation to purchase insurance products recommended by International Equity Services Inc., and its sub-licenses as insurance agents, clients may purchase such products when needs arise.

You are never obligated or required to purchase insurance products through one of our advisor representatives licensed as insurance agents. However, when acting as an insurance agent, Paul dos Santos and Jerome S. Keenan can help you purchase insurance products. International Equity Services Inc. will receive separate compensation (i.e. insurance commissions). Clients that choose to purchase insurance products through International Equity Services Inc. with Mr. Dos Santos and Mr. Keenan as sub-licenses should be aware they will generally only recommend insurance products of those companies for whom International Equity Services Inc. is a licensed Insurance agency and with which they are thoroughly familiar.

As International Equity Services Inc. will receive commissions for selling insurance products, there is a conflict of interest in that Mr. Dos Santos and Mr. Keenan could recommend policies to clients that do not require or need insurance. To control for this conflict of interest and consistent with our Firm's fiduciary duty, Mr. Dos Santos and Mr. Keenan strive to recommend insurance products to only those clients that need new or additional policies.

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

An investment advisor is considered a fiduciary. As such, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each of its clients. We have a fiduciary duty to all clients. We have established a Code of Ethics which all supervised persons must read and then execute an acknowledgment agreeing that they understand and agree to comply with the applicant's Code of Ethics. Our fiduciary duty to clients is considered the core underlying principle for the Code of Ethics and represents the expected basis for all supervised persons dealings with clients. We have the responsibility to make sure that the interests of clients are placed ahead of our own investment interests.

**JSK Associates Inc. will provide a copy of our Code of Ethics to any client or prospective client upon request.**

Our Code of Ethics establishes rules of conduct for all employees of JSK Associates Inc. and is designed to, among other things; govern personal securities trading activities in the accounts of employees. As advisors we may from time to time hold the same or similar positions we recommend to our clients, or the same positions our clients are invested in. This may cause a conflict of interest and therefore, we may refrain from time to time in investing in the same positions as our clients. Our compliance policies and procedures include a blackout period and states:

- a. No associated person will place securities trades in their personal account(s), or in the accounts of family members or affiliates in order to receive better prices, in a security recommended by the advisor and traded by the clients two days before trading the same securities for the clients, excepting that;
- b. In the case of a major portfolio readjustment involving several clients some clients may be slow to respond. In that event after a further black out period of 3 days (T + 2) (or the 3rd day after first trade date) from the date the first client involved was traded, associates are free to trade in their accounts and that of family members as trades for any client then contacting the advisor wishing to trade such recommended securities will be considered client directed and outside of the scope of this rule.
- c. In the case of GTC (Good till canceled trades) any trades that may be executed within the window of client trading(T+3) but were clearly put in place before the two days prior to the first client involved trades would fall out of the scope of the blackout period.
- d. In the case of sell stops any trades that may be executed within the window of client trading (T+3) but were clearly put in place before the two days prior to the first client involved trades would fall out of the scope of the blackout period.

In the case of abrupt declining market conditions loss an associated person may ask the Compliance Officer for an exemption to the blackout period in order to sell securities. Any exemptions to the blackout period require the approval of the Compliance Officer and are recorded and maintained with the date and explanation for the exemption.

The Code of Ethics is based upon the principle that JSK Associates Inc. and its employees owe a fiduciary duty to its clients. This duty includes the obligation to conduct their personal securities transactions in a manner that does not interfere with the transactions of any client or otherwise take unfair advantage of their relationship with clients. The personal securities transactions of JSK Associates Inc. employees are conducted in a manner so as to avoid:

- i. Serving their own personal interests ahead of clients,
- ii. Taking inappropriate advantage of their position with the Firm, and
- iii. Any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by JSK Associates Inc. continue to be applied. The purpose of the Code is to preclude activities, which may lead to or give the appearance of conflicts of interest, insider trading, and other forms of prohibited or unethical business conduct.

JSK Associates Inc. has established the following restrictions and internal procedures in order to ensure our fiduciary responsibilities and to protect our client's best interest.

1. A director, officer or employee shall not buy or sell securities for his personal portfolio where his/her decision is substantially influenced by material information derived, either directly or indirectly, by reason of his/her membership on the board, or his or her employment, to include

any conflict of interest, unless the information is also available to the investing public on reasonable inquiry.

2. Financial recommendations made to a client will never be based upon the possible commission earned, and no recommendation made will be influenced by incentive benefits offered by any product sponsor.
3. If the broker dealer or any member of the broker dealer invests in the same securities as its clients, these employee transactions (either through this broker dealer or another firm where they have a brokerage account for which we receive copies of confirms and statements) are reviewed specifically looking for any front running activity
4. All registered representatives of our affiliated Broker Dealer, International Equity Services Inc., must act in accordance with FINRA's Rules of Fair Practice.
5. Our Firm will disclose the nature, extent and approximate amount of any commission or financial interest involved with the placement of investments, prior to effecting any securities transactions for a client.
6. JSK Associates Inc. requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
7. Any individual not in observance of the above may be subject to termination.

International Equity Services, may also act as Principal when affecting buy or sell transactions. In those instances, International Equity Services Inc. may add a markup or mark down to the price of such transactions in lieu of ordinary commissions and/ or clearing fees. There are inherent risks in investing in securities, which could include, but are not limited to, liquidity risk, industry risk, non-U.S. security risk, currency risk, credit risk, managed portfolio risk, and loss of principal.

The potential benefit of principal trading is that we strive to get a better price for the bonds because of (1) the size of the pooled trade, and (2) the clearing charge is absorbed by International Equity Services Inc. --this expense is not charged to your account. In this manner, we aim for access to a broader range of investment opportunities, and more favorable transaction prices for the bonds to be purchased.

In general, the risks for principal trades are: (1) you may not receive a better market price than if the transaction was done as an agency trade, and (2) you may not know the remuneration the broker/dealer (International Equity Services Inc.) receives on each trade; and (3) the broker dealer may attempt to sell your non-performing securities from their inventory.

JSK Associates Inc. does not have a principal account. International Equity Services Inc. operates as a riskless principal and does not carry an inventory of securities of any kind. The maximum compensation that International Equity Services Inc. stands to receive is disclosed on a trade by trade basis but is no more than \$20 per bond.

You may request at any time an itemized list of markups and markdowns as they apply to your account.

International Equity Services Inc. will also send you written confirmation of your purchases and sales that include the capacity in which International Equity Services Inc. acted.

It shall be the clients right to revoke the written Principal and Agency Trading Agreement without penalty at any time by written notice to the investment advisor.

International Equity Services, may also act as Principal when affecting buy or sell transactions.

## Item 12 Brokerage Practices

Clients are under no obligation to implement the recommendations made by JSK Associates Inc. If clients elect to implement our recommendations, they can choose to implement our advice through any financial professional of their choice.

If clients would like JSK Associates Inc. to implement recommendations, all security brokerage transactions will be affected through International Equity Services Inc., unless otherwise instructed by the client in writing. In addition, depending on the type of strategy (for example the Equity Trading Stock Allocation Program) recommended by JSK Associates Inc., in order to participate in our Investment Management Services and have JSK Associates implement our recommendations clients must have an account with International Equity Services Inc.

Advisor representatives of JSK Associates Inc. are registered securities agents of International Equity Services Inc. and are required to use the services of International Equity Services Inc. and International Equity Services Inc.'s approved clearing broker-dealer when acting in their capacity as registered securities agents. International Equity Services Inc. serves as the introducing broker-dealer. All accounts established through International Equity Services Inc. will be cleared and held at Hilltop Securities, Inc. which acts as the qualified custodian. The requirement to use International Equity Services Inc. is based on JSK Associates Inc.'s decision that JSK Associates Inc. can provide efficient and cost-effective services through its affiliated broker/dealer. However, the use of an affiliated broker/dealer is an inherent conflict of interest between JSK Associates Inc. and its clients because requiring JSK Associates Inc. clients to use International Equity Services Inc. as the broker/dealer allows International Equity Services Inc. to retain brokerage revenue that would otherwise be retained by an unaffiliated broker/dealer.

The requirement to use Hilltop Securities, Inc. is based on the fact that International Equity Services Inc. has established a clearing agreement with Hilltop Securities, Inc. Because JSK Associates Inc. and International Equity Services Inc. are under common ownership and have mutual executive officers and control persons, the decision to use Hilltop Securities, Inc. was mutually determined by both International Equity Services Inc. and JSK Associates Inc. The decision to use Hilltop Securities, Inc. is based on past experiences, minimizing brokerage expenses and other costs as well as offerings or services Hilltop Securities, Inc. provides that International Equity Services Inc., JSK Associates Inc. or clients may require or find valuable.

**JSK Associates Inc. and/or International Equity Services Inc. may receive from Hilltop Securities, Inc. research and other guidance on fixed income securities or equity investments. The firm does not have any soft dollar arrangements. Any research or other assistance from Hilltop Securities, Inc. is received as part of the clearing agreement between IES. Hilltop Securities, Inc. has a vested interest in International Equity Services Inc.'s commission production as they are being compensated through commissions, mark-ups, or mark-downs generated from our business. Conflicts of interest could arise from such a relationship since there could potentially be an incentive to select Hilltop Securities, Inc. as a clearing firm based on our interest in receiving research they provide.**

There are some investment advisors that permit the use of multiple broker/dealers and permit clients to select the broker/dealer for the management of their equity securities accounts. JSK Associates Inc. has considered the positive factors to this approach which include the ability to better negotiate brokerage costs such as transaction fees, the ability to better analyze speed of execution, and the ability to compare and negotiate services. However, JSK Associates Inc. has determined that the use of one primary brokerage platform (International Equity Services Inc. - Hilltop Securities, Inc.) for

managing equity security accounts allows JSK Associates Inc. to provide more streamlined operational and trading services. JSK Associates Inc. considers the fact that allowing multiple brokerage arrangements would increase the need for additional internal staff and technology which may increase the overall fees charged to JSK Associates Inc. clients. By selecting one brokerage platform, JSK Associates Inc. is able to avoid additional compliance, recordkeeping, staffing, and technological costs that may be associated with implementing procedures designed to work with multiple brokerage platforms. Considering all factors in relation to JSK Associates Inc.'s structure and capacities, JSK Associates Inc. has concluded that requiring one brokerage platform (International Equity Services Inc./Hilltop Securities, Inc.) is a better policy than permitting multiple brokerage arrangements including client directed brokerage arrangements. However, the current policy may change in the future and if JSK Associates Inc. decides to permit other brokerage arrangements all clients will be made aware of the change in policy.

Commission and fee structures of various broker/dealers, along with services, research and tools are periodically reviewed by JSK Associates Inc. in order to evaluate the overall execution services provided by International Equity Services Inc. and Hilltop Securities, Inc. **When clients use International Equity Services Inc., JSK Associates Inc. does not seek better execution services or prices from other broker-dealers. International Equity Services Inc. will charge the client a fee (sometimes referred to as a commission) in addition to any markup/markdown charged by a market maker with respect to client OTC securities transactions. This presents JSK Associates Inc. with an inherent conflict of interest since its affiliated broker-dealer receives brokerage fees, commissions and/or commission equivalents for executing advisory clients' securities transactions. Clients should note that the fees and commission rates charged by JSK Associates Inc.'s affiliate, International Equity Services Inc. may be significantly higher than the fees and commission rates charged by other broker-dealers.**

The overall services provided by both International Equity Services Inc. and Hilltop Securities, Inc. are evaluated to determine the level of best execution provided to clients. JSK Associates Inc. and International Equity Services Inc.'s valuation policy is to utilize valuations provided by our custodian, Hilltop Securities Inc. However, considering JSK Associates Inc. requires its clients to use the brokerage services of International Equity Services Inc. and Hilltop Securities, Inc., JSK Associates Inc. may not be able to achieve the *most* favorable execution of client transactions and therefore JSK Associates Inc.'s practice of requiring the use of International Equity Services Inc. and Hilltop Securities, Inc. may cost clients more money compared to advisory programs offered by other investment advisors.

While clients may be able to attain brokerage services with lower costs and expenses, clients should be aware of some of the qualitative factors JSK Associates Inc. considers for selecting International Equity Services Inc. and Hilltop Securities, Inc. as its primary brokerage platform. These factors include, but are not necessarily limited to, being able to rely on the internal staff of International Equity Services Inc. to provide operations, trading, and other services. Hilltop Securities, Inc. is able to provide a dedicated trade desk that services International Equity Services Inc. accounts exclusively, a dedicated service group and an account services manager dedicated to International Equity Services Inc.'s accounts, access to a real-time order matching system, ability to "block" clients' trades, electronic download of trades, balances and position information, access to an electronic interface with Hilltop Securities, Inc. software, duplicate and batched client statements, confirmations and year-end summaries, the ability to have advisory fees directly debited from client accounts access to mutual funds, internet access to statements, confirmation and transfer of asset status.

### **Trade Errors**

JSK Associates Inc. has implemented procedures designed to prevent trade errors; however, trade

errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of JSK Associates Inc. to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstance of the trade error caused by a client, the client may not be able to receive any gains generated as a result of error corrections. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by JSK Associates Inc. or International Equity Services Inc. if the error was caused by JSK Associates Inc. or International Equity Services Inc. If the error is caused by Hilltop Securities, Inc., Hilltop Securities, Inc. will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive gains and it is not permissible for all clients to retain the gain. JSK Associates Inc. may also confer with clients to determine if the client should forego the gain (e.g. due to tax reasons).

JSK Associates Inc. will never retain any portion of any gains made as a result of trade error corrections or profit in any way from trade errors. However, International Equity Services Inc. or Hilltop Securities, Inc. may maintain gains resulting from correcting a trade error that are not retained by the client and in some instances may use such gains to offset overall losses International Equity Services Inc. or Hilltop Securities, Inc. incurs from trading errors.

### **Directed Brokerage Arrangements**

When we suggest an investment strategy that does not require the use of International Equity Services Inc., the client can select a broker/dealer other than International Equity Services Inc. When a client directs the use of a particular broker/dealer or other custodian, JSK Associates Inc. may not be able to obtain the best prices and execution for the transaction. In fact, JSK Associates Inc. may require the client establish direct contact with such broker dealer and become responsible for the implementation of JSK Associates Inc. advice himself. Clients who direct the use of a particular broker/dealer or custodian may receive less favorable prices than would otherwise be the case if clients had not designated a particular broker/dealer or custodian. Further, clients with directed brokerage arrangements will not be able to participate in aggregate trades (i.e. block trades) and directed trades may be placed by JSK Associates Inc. after effecting non-directed trades.

### **Aggregation of Orders, Block Trading**

Transactions implemented by JSK Associates Inc. for client accounts are generally affected independently, unless JSK Associates Inc. decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by JSK Associates Inc. when JSK Associates Inc. believes such action may prove advantageous to clients. When JSK Associates Inc. aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among JSK Associates Inc. clients in proportion to the purchase and sale orders placed by an individual JSK Associates Inc. investment advisor representative for each client account on any given day. When JSK Associates Inc. determines to aggregate client orders for the purchase or sale of securities, including securities in which an associated person of JSK Associates Inc. may invest, JSK Associates Inc. will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* It should be noted, JSK Associates Inc. does not receive any additional compensation or remuneration as a result of aggregation.

## **Best Execution and Fiduciary Duty**

As registered investment advisors we are required to always put your interests ahead of our own and also to meet our fiduciary duty of always pursuing best execution for your trades if they are instituted by our affiliated broker dealer.

Best execution can be defined in many ways, but basically it means to get you the lowest cost possible for the greatest amount of service possible. As the Office of Compliance Inspections and Examinations (OCIE) states, an investment advisor has the fiduciary duty under Section 206 of the Advisers Act that obligates it to act in the client's best interest, and to seek best execution for client transactions (i.e., "to seek the most favorable terms reasonably available under the circumstances").

<https://www.sec.gov/ocie/announcement/ocie-risk-alert-2016-share-class-initiative.pdf>

If that file is no longer available then you can retrieve a copy from our servers here:

[OCIE-risk-alert-2016-share-class-initiative.pdf](#)

One could define best execution as simply implementing all of our recommendations to you through our broker dealer for free. However that would create a situation where the broker dealer would not be able to exist without any revenue leaving you no choice but to take our advice and go out to implement it with another broker dealer who will then charge you whatever their normal and customary commissions and charges are, and may or may not interfere with our advice to you and even potentially engage in plagiarizing our ideas or attempt to convince you to terminate your affiliation with us for their own benefit.

The regulators take this issue of best execution very seriously and they want us to be able to evidence that we do everything possible given the circumstances to insure you receive this best execution and that we disclose to you in a clear format any potential conflicts of interest.

As per the terms of our investment advisory agreement and as fully disclosed to you on our form ADV, and in each of our separate service agreements, International Equity Services Inc. is our affiliated broker/dealer and **if you choose** to have IES implement JSK's advice then IES will charge you normal and customary commissions and fees as defined in our form ADV and our investment advisory agreement(s).

### **In particular mutual funds come under heavy scrutiny for best execution and fiduciary duty.**

Mutual funds come in several variations. There are no load mutual funds, C share mutual funds, A share mutual funds, B share mutual funds, I share mutual funds, Advisor share mutual funds and more to name a few.

The cheapest mutual fund shares are generally considered to be the no load mutual fund shares. We would generally not be able to recommend these shares to you because since they generate little or no revenue to our broker dealer and it would not be able to stay open for business and continue to service your accounts.

*I share* mutual funds are primarily for institutional investors.

*A shares* mutual funds are the most expensive charging you an upfront load of as much as 6% in some cases plus some amount of ongoing 12b-1 fees usually around 0.25%, however, over a long term they can actually be cheaper than C shares.

*B Shares* mutual funds are possibly even more expensive than A shares as they charge you a

surrender charge when you sell that could be as much as 6% and therefore if your investment grew then so did your costs.

*C shares* mutual funds charge no upfront load but do charge an ongoing trailer commission of as much as 1% per year starting in the first year called a 12b-1 fee. 12b-1 fees are an annual marketing or distribution fee on a mutual fund. The fee is considered an operational expense and, as such, is included in a fund's expense ratio, and is generally between 0.25% and 1% (the maximum allowed) of a fund's net assets. **Mutual fund fees have a direct impact on investor return. Over the longer term these could become the most expensive shares, if you hold these investments for a period of time exceeding 3 to 5 years.**

*A Shares at NAV and Advisor Shares.* Some broker dealers may offer you A shares at NAV, or some form of Advisor shares. These are designed to lessen the impact of the loads and costs and may in some cases remove the loads completely making these funds among the cheapest you can buy.

*What we do:*

We recommend primarily **C share** mutual funds. **We believe that since you are seeking pro-active investment advice and given the pace of today's society and markets it is unlikely that you will hold investments for a period longer than 3 to 5 years.** *Frankly if you believe you should hold your investments for prolonged periods of time you should simply buy no load index funds using a low-cost account such as E-trade.* We believe that any advisor who simply advises you to buy and hold cannot justify their fees and costs.

**Therefore, if you believe that you should or would like to hold investments for periods exceeding 3 to 5 years we might not be the best investment advisory service for you** OR at least you should consider taking our advice and implementing it with another broker dealer who is not affiliated with us for whatever they will charge you and then pay us our Advisory Fee separately.

We believe that by using C shares to implement your mutual fund recommendations we are meeting to the best of our ability our duty to offer you best execution while seeking the most favorable terms reasonably available given the circumstances. The 1% 12b-1 fee that IES will earn will enable it to remain in business providing you with great personal services and enabling you and us to implement our advice free from outside interference by other broker/dealers.

Remember that if you choose you can always implement any of our recommendation with any other broker dealer of your choice.

### **Stocks:**

If you choose to participate in our stock trading program (momentum trading) you will incur those charges as stipulated in that separate agreement. Again, it would be cheaper if IES implemented those stock trades for you for free. However, IES has to pay substantial costs to operate, it must pay the clearing firms charges, research, compliance cost, salaries and all the normal costs associated with a business. Further FINRA requires broker dealers to be able to pay all their own bills **INDEPENDENT** of any affiliated firm and therefore IES must operate financially independently of JSK.

Given that, if you choose to trade stocks based on our stock trading program through IES you will pay IES the agreed upon commissions and charges under the terms of that agreement.

We believe that given the level of personalized service you expect from us and we strive to deliver these charges are well within our responsibility to meet our obligation of best execution. And again, as

always you can feel free to take our investment advice and implement it with any broker/dealer of your choice.

**Bonds:**

There is much to learn about bonds, and we have a bond trading agreement with our clients for those clients who choose to participate in bond trading.

We monitor our clearing firm's bond desk to insure your trades are inside the market and that you are getting the best possible execution given the circumstances. Again, keep in mind that best execution is not simply about the least price. It also must take into account the level of personalized service involved.

Our bond execution costs mark up, mark downs and commissions are all agreed upon not only in our bonds trading agreement but also **by you (in writing by email whenever possible) on each trade in advance**. We also follow our clearing firm's guidelines as to what are appropriate levels of mark ups or mark downs on any trade and we cap our markup to \$20 per bond.

Surely it is possible that another broker dealer might offer you the same trade for less. For certain if we charged \$0 for each bond trade then that would be the best possible execution in terms of cost, but again IES would not be able nor would it be allowed to exist under current FINRA rules without any revenue. We believe that given the very high level of personalized service we provide and under the circumstances we are achieving for you the best execution.

**As you can see the subject of best execution is a complex one.**

If it were only about cost than every firm would be **required** to execute your trades for free. In fact, there are several on-line trading companies that offer you very low-cost trades.

However best execution is about the entire package. The amount of service you receive and the uniqueness of that service.

**Given the circumstances, there are obvious conflicts of interest** since IES must be paid for its services in addition to JSK for its advisory. We strive to deal with these conflicts by being totally frank and open with you and disclosing as fully as possible all forms of compensation to both of our firms in writing to you, at least quarterly (on our form ADV) or more often such as in our recommendation emails.

**In particular with regard to mutual funds**, there are cheaper shares than the C shares we recommend available to you and you are always free to take our investment advice and implement it with any other broker dealer of your choice that may offer you cheaper mutual fund shares. Compared with mutual fund shares with no costs or 12B1 fees C shares can cost you an additional 1% per year possibly even more.

Given that these particular mutual fund shares pay IES these trailer commissions there is an obvious financial incentive for us to recommend them.

We strive to keep our costs low both in terms of our Investment Advisory fees and our broker/dealer commissions, but ultimately, we must earn sufficient revenue to pay our workers, pay for our clearing charges, pay the ever increasing regulatory cost, and pay operating costs, and finally hopefully have some money left over to actually feed and educate our families.

One of the ways we seek to offset these 12b1 fees and other commissions is by reducing our investment advisory fees. Our advisory fees would normally have to be 3% (as stated on this form ADV) given the level of services we provide. Rather than creating a complicated system where when we are receiving 12b1 fees or other commissions we would lower your advisory fees and then raise them back up each time we are not, such as the case when we are In money market account where a very small credit interest payment may be all IES receives, and to avoid an overly complicated accounting system prone to error and difficult for you to understand and keep track of, we simply reduce our advisory fees on a constant basis (as per our Investment Advisory Agreement) to offset for any of the 12B1 fees and other commissions that may be earned even during periods of time when none are actually earned. Further we may also wave the charges for our Financial Planning services to further offset these 12B1 fees and other International Equity Services earnings. This is true of both IRA (qualified type accounts) and non-qualified accounts.

Given the circumstance, the size and scope of our company, and the level of very personalized service we provide to our customers we believe that we are meeting to the best of our ability our duty to provide you with best execution by seeking the most favorable terms reasonably available under the circumstances, with the understanding that best execution is not only about price but it must also take into consideration all the services provided, and the level and personalization of such services.

We believe we meet our duty as fiduciaries and our responsibility to provide you with best execution not only by keeping our costs to you as low as we can but also by providing you with a very high level of services for which there are no additional costs to you.

For the compensation that we earn from both IES and JSK we not only provide you with our investment advisory services but also with many other services some of which are:

- Execution of your trades
- Web access to your accounts
- Bond desk services
- Cost basis analysis and accounting assistance services
- Ongoing Full financial planning
- Ongoing Full retirement planning
- Ongoing Estate planning services (in conjunction with outside vendors we pay for)
- Investment Advisory services on money we do not get compensated for such as money in your 401K plan.
- Insurance planning including liability insurance analysis
- Ongoing risk analysis meetings
- Ongoing financial planning meetings
- Web meetings for particular issues
- Timely video educational seminars
- Timely market updates
- Real-estate and relocation analysis
- Employer package analysis and negotiations
- Ongoing educational meetings about investment asset classes
- Educational seminars and client gatherings
- Beneficiary IRA required minimum distribution calculations.
- Performance analysis
- Ad hock reports on many subjects
- Educational planning
- Tax planning
- Business structure advice

In most cases we provide all these services and many more at no additional charge waving those costs to offset for 12B1 fees and other earnings by International Equity Services Inc.

We are a highly personalized service. We meet with our clients in person often and we know you by the sound of your voice not by your customer ID number.

We could charge an hourly rate for such services but in some cases you as the client might shy away from seeking needed advice to try to save some money and that is bad for both you and us since we would be less able to meet our fiduciary requirements and perform our services as advisors. It would also be overly complicated to keep track of every minute of every phone call or email seeking advice on any of the items above and constantly billing you for hourly charges.

We believe that by spreading the cost of our many services over our two companies whereby JSK earns a fee (reduced from the filing of this ADV form of 3%) and IES earns markups, ticket charges, credit interest, 12B1 fees, commissions and other normal and customary broker dealer revenue we ultimately minimize the costs to you and maximize the benefits.

By providing you with a full service rather than sending you along to another company to implement our advice and putting you in a position where you end up getting conflicting advice from two different entities we minimize conflict and reduce the time you would have to spend.

By providing you with such services as ongoing financial planning, estate planning, tax planning, Investment Advisory for your employer plans (without a fee), and the many other services we provide that priced separately would cost thousands of dollars we increase value added to you and meet our fiduciary duty of best execution.

Given the level of service we provide and the amount of compensation both our companies receive we are certainly not the cheapest advisory company available to you and you should consider carefully if our service is appropriate for your needs and budget.

If at any time you feel you can get better execution with another broker dealer not affiliated with JSK we will certainly support you in that decision and we will then offer you simply our advisory services for our normal fee allowing you to then implement our advice with another company of your choice.

## **Item 13 Review of Accounts**

Investment management accounts are reviewed by Usha Desai, Chief Compliance Officer of JSK Associates Inc. on a monthly basis. All trades are reviewed and any errors are brought to the attention of Hilltop Securities, Inc. for correction. We maintain documentation for these trade reviews along with any reporting of errors to Hilltop Securities, Inc. In addition, suitability reviews are performed on an on-going basis with clients in relation to any changes in their personal and financial circumstances or investment objectives.

Quarterly consolidated statement is sent to each client by Hilltop Securities, Inc. (or other qualified custodian). A monthly statement is sent to those clients whose accounts have been affected by a change within the month. We do not provide regular written reports or statements to clients independent of Hilltop Securities, Inc. However, we may provide a report when requested by a client.

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

JSK Associates Inc. enters into agreements with Solicitors (Referring Parties) to refer clients to JSK Associates Inc. If a referred client enters into an investment advisory agreement with JSK Associates Inc., a referral fee is paid to the referring party which is based upon a percentage of the client advisory fees that are generated. The referral agreements between any referring party and JSK Associates Inc. will not result in any charges to clients in addition to the normal level of advisory fees charged. The referral agreements between JSK Associates Inc. and referring parties are in compliance with regulations as set forth by the SEC and other securities regulators, as applicable.

We may from time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is the in best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

## 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 advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

JSK Associates Inc. is deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from our clients' accounts. However, fee deduction is the only form of custody the Firm will maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

The following procedures have been established to ensure compliance with the SEC's Custody Rule.

- All client funds and securities are held at Hilltop Securities, Inc. (or another qualified custodian not affiliated with JSK Associates Inc. or International Equity Services Inc.) which serves as the 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.
- Account statements are delivered directly from Hilltop Securities, Inc. (or another qualified custodian not affiliated with JSK Associates Inc. or International Equity Services Inc.) to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are **urged** to compare the statements against reports received from JSK Associates Inc. Keep in mind we do not provide regular reports to clients but may provide reports about client accounts when specifically requested by a client. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

- All securities are held for clients in street name at Hilltop Securities, Inc.
- All accounts managed by JSK Associates Inc. are non-discretionary. This means all transactions made in client accounts must be approved by the client or are client directed (please see Item 16 below).
- Funds and securities transferred out of accounts must be client directed in writing and may only be delivered to the client's address of record or to the clients' bank via an ACH (Automated clearing House Corporation) client authorization. Clients must send additional funds and securities directly to the client's qualified custodian (e.g. Hilltop Securities, Inc.) in the form of a check or a direct transfer. JSK does not accept cash/securities or third-party checks.

## Item 16 Investment Discretion

Through our Investment Management Services, JSK Associates Inc. will be granted trading approval on client accounts. Trading authorization will be granted on a **non-discretionary** basis which means JSK Associates Inc. is required to contact the client prior to implementing changes in the client's account. Therefore, clients will be contacted and required to accept or reject JSK Associates Inc.'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, JSK Associates Inc. will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold.

In those occurrences where the client is participating in an equity trade as part of JSK Associates Inc. /International Equity Services Inc. active Equity Trading Stock Allocation Program, the client must understand that he will have to provide JSK Associates Inc. /International Equity Services Inc. with trading discretion as to the timing of buying or selling an investment and the price at which the investment is bought or sold.

**Because all accounts are managed on a non-discretionary basis, clients must understand that if they are not able to be reached or are slow to respond to JSK Associates Inc. it can have an adverse impact on the timing of trade implementations and JSK Associates Inc. may not achieve the optimal trading price. In fact, a slow response could result in a total loss of the client's investment.**

## Item 17 Voting Client Securities

JSK Associates Inc. will not vote proxies on behalf of your account. While there are some investment advisors that will vote proxies and other corporate decisions on behalf of their clients, we have determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by our Firm.

Clients will receive proxies directly from their custodian or transfer agent and such documents will not

be delivered by our Firm. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us.

## **Item 18 Financial Information**

This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

## **Item 19 Part 2B Supplements**

### **Item 1 - Cover Page**

Jerome S. Keenan & Paul dos Santos  
JSK ASSOCIATES INC.  
120 Bloomingdale Road, Suite 3400  
White Plains, NY 10605  
800-259-7130

### **Jerome S. Keenan, President**

This brochure supplement provides information about Jerome S. Keenan that supplements the information previously provided in this brochure. Please contact Paul dos Santos at 800-259-7130 and /or at [group@investtowin.com](mailto:group@investtowin.com), if you have any questions about the contents of this supplement.

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

### **Item 2 - Educational Background and Business Experience**

Year of birth: 1938

#### **Educational and Military Experience**

- St. John's University *entered US military service*
- Wharton Executive Development Program - 1976
- US Army Reserves: Retired Warrant Officer -1980
- Army National Guard: Retired First Sergeant - 1998

#### **Business Experience**

- Metropolitan Life Insurance Co: Agency Manager, 1962 - 1978
- Mutual Life Insurance: Agency Manager, 1978 - 1983
- JSK Associates Inc: President, 1983 - present
- International Equity Services Inc: Vice President, 2002 - present

### **Item 3 - Disciplinary Information**

Please refer to disclosure provided at Item 9 - Disciplinary History of this brochure regarding the 2011 order initiated by the SEC.

### **Item 4 - Other Business Activities**

Mr. Keenan is a registered representative with International Equity Services Inc., and a Sub-Licensee with DBA-International Equity Services Insurance Agency. Please refer to the previous disclosures at Item 10 - Other Financial Industry Activities and Affiliations for details.

### **Item 5 - Additional Compensation**

Mr. Keenan's sole source of revenue (income) is from his share of profits as an owner of JSK Associates Inc. and as of owner of International Equity Services Inc. Mr. Keenan does not receive any form of income from outside sources.

## **Item 6 - Supervision**

Usha Desai is the Chief Compliance Officer of JSK Associates Inc. and ultimately responsible for supervising activities and services provided by the Firm including the services provided by Mr. Keenan. Investment accounts and the advice provided by Jerome Keenan are reviewed as frequently as weekly by Usha Desai who can be contacted at 800-259-7130.

## **Paul dos Santos, Vice President**

### **Item 1 - Cover Page**

This brochure supplement provides information about Paul dos Santos that supplements the information previously provided in this brochure. Please contact Jerome S. Keenan at 800-259-7130 or [group@investtowin.com](mailto:group@investtowin.com) if you have any questions about the contents of this supplement.

### **Item 2 - Educational Background and Business Experience**

Year of birth: 1954

#### **Educational Experience**

- University of Tomar, Portugal-*immigrated to US*
- Various insurance, investment, marketing, and sales coursework

#### **Business Experience**

- Metropolitan Life Insurance Co: Sales Manager - 1976-1978
- Mutual Life Insurance Co: Sales Manager - 1978-1983
- JSK Associates Inc: Vice President, 1983 - present
- International Equity Services Inc: President, 2002 - present

### **Item 3 - Disciplinary Information**

Please refer to disclosure provided at Item 9 - Disciplinary History of this brochure regarding the 2011 order initiated by the SEC.

### **Item 4 - Other Business Activities**

Mr. dos Santos is a registered representative with International Equity Services Inc. and sub licensee with International Equity Services Inc. (IES' insurance agency.) Please refer to the previous disclosures at Item 10 - Other Financial Industry Activities and Affiliations for details.

### **Item 5 - Additional Compensation**

Mr. Dos Santos' sole source of revenue (income) is from his share of profits as an owner of JSK Associates Inc., and as owner of International Equity Services Inc. Mr. Dos Santos does not receive any form of income from outside sources.

## **Item 6 - Supervision**

Usha Desai is the Chief Compliance Officer of JSK Associates Inc. and ultimately responsible for supervising activities and services provided by the Firm including the services provided by Mr. dos Santos. Investment accounts and the advice provided by Paul dos Santos are reviewed as frequently

as weekly by Usha Desai who can be contacted at 800-259-7130.