

# **JD Yeager & Co. L.L.C.**

Registered Investment Advisor  
CRD # 307193

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## **Form ADV Part 2A Firm Brochure January 25, 2023**

This brochure provides information about the qualifications and business practices of JD Yeager & Co. L.L.C. Please contact Jason Yeager at 720-539-6072 if you have any questions about the content of this brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about JD Yeager & Co. L.L.C. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD ("CRD") number, which is 307193.

While the advisory firm and anyone associated with it are registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

**Item 2 - Material Changes**

The firm has amended its Form ADV Part 2 brochure from the previous version dated 07/27/2022 as part of the firm's annual amendment to report client assets under management as of its most recent fiscal year-end; please see Item 4 for details.

**Item 3 - Table of Contents**

Item 1 - Cover Page ..... 1

Item 2 - Material Changes ..... 2

Item 3 - Table of Contents ..... 3

Item 4 - Advisory Business..... 4

Item 5 - Fees and Compensation..... 7

Item 6 - Performance-Based Fees and Side-By-Side Management..... 10

Item 7 - Types of Clients ..... 10

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss ..... 10

Item 9 - Disciplinary Information..... 16

Item 10 - Other Financial Industry Activities and Affiliations..... 16

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ..... 17

Item 12 - Brokerage Practices ..... 19

Item 13 - Review of Accounts..... 21

Item 14 - Client Referrals and Other Compensation ..... 22

Item 15 - Custody ..... 23

Item 16 - Investment Discretion..... 24

Item 17 - Voting Client Securities ..... 25

Item 18 - Financial Information ..... 25

Item 19 - Requirements for State-Registered Advisers..... 26

Form ADV Part 2B – Brochure Supplement (Jason D. Yeager).....27

**Important Information**

Throughout this document JD Yeager & Co. L.L.C. shall also be referred to as “the firm,” “firm,” “our,” “we” or “us.” The client or prospective client is also referred to as “you,” “your,” etc., and refers to a client engagement involving a single *person* as well as two or more *persons* and refers to natural persons and legal entities. The term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., internet address, etc.). We have attempted to avoid the permissive term “may” or “might” in this document; however, common written expression necessitates their periodic use to convey our message.

Our firm maintains a business continuity and succession plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available upon request.

#### **Item 4 - Advisory Business**

JD Yeager & Co. L.L.C. is a Colorado domiciled limited liability company formed in December of 2019 for general business purposes, and subsequently registered as an investment advisor in March of 2020. We frequently operate under the trade name JDYeagerAdvisors or JDYeagerInvest. There are no subsidiaries nor is the firm controlled by another financial services industry entity.

Jason D. Yeager is the firm's President, Managing Member and Chief Compliance Officer (supervisor). Mr. Yeager and Ann Marie Yeager (LLC Member) maintain majority interest in the firm. Additional information about Jason Yeager and his professional experience are found toward the end of this document within his brochure supplement.

An initial interview is conducted with the client to discuss their current situation, long-term goals, and the scope of services to be provided. Concurrent with this meeting the client will be provided with this Form ADV Part 2 firm brochure that includes a statement involving our privacy policy, as well as a brochure supplement about the representative who will be assisting. Our firm will disclose any material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice, such as information found in Items 10 through 12 of this brochure.

If the client wishes to engage our firm for its services, they must first execute our engagement agreement. Thereafter further discussion and analysis will be conducted to determine financial need, goals, holdings, etc. Depending on the scope of the engagement, the client is frequently asked to provide copies of the following documents early in the process:

- Wills, codicils and trusts
- Insurance policies
- Mortgage information
- Tax returns
- Student loans
- Divorce decree or separation agreement
- Current financial specifics including W-2s or 1099s
- Information on current retirement plans and benefits provided by an employer
- Statements reflecting current investments in retirement and non-retirement accounts
- Employment or other business agreements
- Completed risk profile questionnaires or other forms provided by our firm

It is important that we are provided with an adequate level of information and supporting documentation throughout the term of the engagement including but not limited to: source of funds, income levels, and an account holder or attorney-in-fact's authority to act on behalf of the account, among other information that necessary for our services. The information and/or financial statements provided to us need to be accurate. Our firm may, but is not obligated to, verify the information that have been provided to us which will then be used in the advisory process.

It is essential that the client inform our firm of significant issues that call for an update to their financial plan or investment portfolio. Events such as changes in employment or marital status, an unplanned windfall, etc., can have an impact on a client's circumstances and goals. Our firm needs to be aware of such events so that adjustments can be made.

Our firm is able to provide both financial planning and portfolio management services to our clients. Due to our firm's ability to offer both these services and receive a fee for each engagement, conflicts of interests exist due to the extended services that we provide. Clients always have the right to decide whether to act on our recommendations and, if a client elects to do so, they have the right to complete them through a firm of their choice.

### ***Financial Planning Services***

For those interested in areas such as: cash flow and budgeting, education funding, retirement planning, risk management, estate planning, plan or portfolio analysis, as well as periodic investment advice (e.g., retirement plan allocation, etc.), we offer our financial planning services. Our financial planning services are as broad-based or narrowly focused as desired by the client.

### ***Portfolio Management Services***

We prepare written investment guidelines reflecting the client's objectives, time horizon, and tolerance for risk. We allow reasonable account constraints that a client has for their portfolio. For example, clients have the right to exclude certain securities (e.g., options, stocks, etc.). However, investment guidelines are designed to be specific enough to provide future guidance while allowing our firm flexibility to work with changing market conditions. We will then develop a customized portfolio for the client based on their unique situation and investment goals. Our portfolio strategies and recommended investments are discussed in Item 8, and we manage portfolios on a discretionary or nondiscretionary basis (see Item 16). We do not offer an investment program involving wrapped (bundled) fees.

Following our review and/or plan development, we may recommend that the client engage an institutional investment manager to serve your portfolio. Prior to recommending a third-party investment manager, model manager or sub-advisor (collectively, "investment manager"), we will conduct what we believe to be an appropriate level of due diligence that includes ensuring the investment manager is appropriately registered or notice-filed within the client's state of residence. We have access to 200 portfolio model managers and sub-advisors through our relationship with our custodian (discussed in Item 12). Model managers provide us with suggested asset allocations that we will execute on behalf of the client's account, while a sub-advisor completes trades for a client that we monitor based on that client's investment guidelines. Third-party investment managers invest clients' portfolios at their preferred custodian based on investment guidelines that we monitor. Clients may be required to maintain a minimum account size to be eligible for these services, and certain investment managers may require a higher asset-level to invest in their program. We will inform the client in advance of each investment manager's minimum investment criteria. Under this type of engagement, we will gather input from the client about their financial situation, investment objectives, reasonable restrictions they want to impose on the management of the account, and we will then provide this information to the investment manager to develop the portfolio. Investment managers invest on behalf of a client account in accordance with the strategies set forth in their own disclosure documents which will be provided to the client by our firm prior to employing their strategies. The selected investment manager assumes discretionary authority over an account, and some of these programs may not be available for those clients who prefer an account to be managed under a nondiscretionary engagement or whom may have other unique account restrictions. Note that our firm has discretionary trading authority involving accounts using a portfolio model manager overlay, but we do not discretion within accounts served by a sub-advisor or third-party investment manager.

As of the firm's fiscal year ending December 31, 2023, the firm had approximately \$17 million under discretionary agreements. More information about investment discretion is found in Item 16 of this brochure."

### ***Retirement Plan Advice and Rollovers***

As a registered investment adviser, our firm is a fiduciary to every client, meaning that we are obligated to act in our clients' best interests at all times. In addition to our fiduciary status as an investment adviser firm, when our firm provides advice to retirement investors, such as advice on an employer-sponsored retirement plan, Individual Retirement Account (IRA) or other qualified retirement plan, we may also be considered by the Department of Labor and the Internal Revenue Service to be acting as a fiduciary under Title I of ERISA and the Internal Revenue Code. These fiduciary obligations include requirements that we disclose our services and fees, conflicts of interest, and the reasons our recommendations are in the client's best interests.

After an analysis of the client's situation and plan documents, we will consider relevant factors including but not limited to the following:

- Alternatives to rolling the employer plan to an IRA, including leaving the money in an employer's retirement plan (if permitted); rolling the money to a new employer plan if available; or cashing out;
- The fees and expenses associated with both the employer's plan and the rollover IRA (or other alternatives such as noted above) and whether the employer currently pays for some or all of the plan's expenses;
- The different levels of services and investments available under the employer plan and the rollover IRA, and other alternatives;
- Evidence that a rollover is the most appropriate choice in light of any additional costs and the resultant decrease in the client's returns;
- How withdrawals are treated under each alternative (e.g., penalties up to age 55 vs. 59-1/2);
- Protection from creditors and legal judgments (unlimited vs. bankruptcy only; federal- and state specific);
- Required minimum distributions;
- Tax implications of rolling shares of employer stock;
- The impact of economically significant investment features such as surrender schedules and index annuity cap and participation rates (such as in an employer-sponsored 403(b) plan account);
- Any other relevant variables particular to the client's situation.

The client will be made aware of conflicts of interest including but not limited to whether our firm will profit from a recommendation through financial planning and/or investment management fees, and whether services we offer are already provided by or available through the current plan, potentially at no additional cost.

## **Item 5 - Fees and Compensation**

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in each engagement agreement. Our published fees are negotiable, and we typically waive or discount our fee for associates of our advisory firm and their family members. Similar services are available from other firms and potentially at a lower fee.

Fees can be paid by check or draft from US-based financial institutions. With the client's prior written authorization, payment can be made via credit or debit card via qualified, unaffiliated PCI compliant<sup>1</sup> third-party processors, or withdrawal from an account maintained at the custodian of record. We do not accept cash, money orders or similar forms of payment for our engagements.

### ***Financial Planning Services***

Clients desiring services only involving a financial plan are assessed a \$350 fixed fee. We do not require an advance deposit; the entire fee will be due upon delivery of our invoice which coincides with the delivery of the plan or advice. The engagement ends upon plan delivery.

Follow-up financial planning engagements are accomplished via an hourly fee. Our rate is \$250 per hour; billed in 10-minute increments and partial increments (e.g., seven minutes) will be treated as a whole increment. Prior to entering into an agreement with the firm, the client will receive an estimate of the overall cost based on engagement requirements and the time involved. We do not require an advance deposit, and the entire fee will be due upon delivery of our invoice which coincides with the delivery of the revised plan or advice.

Financial Planning Services are made available at no cost to existing portfolio management clients of the firm who maintain an active client engagement agreement for ongoing portfolio management services.

### ***Portfolio Management Services***

Portfolio management accounts are assessed a quarterly fee that is due at the beginning of each calendar quarter for services provided during the previous quarter (quarterly, in arrears). The fee is determined by the value of the account per the custodian's statement as calculated on the last trading day of the previous quarter.<sup>2</sup> If a sub-advisor or model manager is engaged to execute its investment strategy within your account maintained at our custodian of record, the model manager or sub-advisor's fee is incorporated into the fee as noted in the table. For the benefit of discounting your asset-based fee, we will attempt to aggregate accounts for the same household.

The fee is calculated at quarter-end by multiplying the quotient by the applicable number of basis points set forth in the fee table (one basis point equals 1/100 of one percent). The result is then divided by four to determine the quarterly fee.

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<sup>1</sup> We do not retain credit or debit card data. An explanation of the term "PCI," who the PCI Security Standards Council is, and its comprehensive standards to enhance payment card data security, go to [https://www.pcisecuritystandards.org/security\\_standards/index.php](https://www.pcisecuritystandards.org/security_standards/index.php)

<sup>2</sup> Periodic account value variances between the firm's invoice and custodian statement (beyond the firm's control) occur due to late trade settlement, dividend distribution, etc., requiring adjusted transaction reporting from the custodian of record.

Fee formula: ((quarter-end market value) x (applicable number of basis points)) ÷ 4

<b>Assets Under Management</b>	<b>Annualized Asset-Based Fee</b>
\$0 - \$500,000	0.70% (70 basis points)
\$500,001 - \$1,000,000	0.60% (60 basis points)
\$1,000,001 – Above	0.50% (50 basis points)

Our portfolio management fee is based on a blended tier. For example, a \$750,000 account is charged 70 basis points on the first \$500,000 and 60 basis points on the remaining amount.

The first billing cycle will begin once the engagement agreement is executed with our firm and assets have settled into the client's account held by the custodian of record. Advisory fees for partial quarters will be prorated based on the remaining days in the reporting period in which our firm services the account. Fee payments will generally be assessed within the first 10 calendar days of each quarter.

The client's written authorization is required in order for the custodian of record to deduct advisory fees from their account. By signing our firm's engagement agreement, the client is authorizing our advisory fee deduction. In addition, the client will sign the custodian account opening documents, which authorizes the custodian to withdraw advisory fees and any of their transactional fees from the client's account. The custodian will remit our fees directly to our firm. All deducted fees and charges will be noted on account statements that the client receives directly from the custodian of record. Alternatively, the client has the right to directly pay our advisory firm its portfolio management fee in lieu of having the advisory fee withdrawn from their investment account by the custodian, which will be addressed on a case-by-case basis. Our valuation assessment for direct payment will remain the same as described below, and the client's direct payment must be received by our firm within 10 days of our invoice.

Our firm will concurrently send the client and the custodian of record a written invoice each billing period that describes the advisory fees to be deducted from the account at our firm's request. The invoice will include the total fee assessed, covered time period, calculation formula utilized, and reference to the value of those assets under management in which the fee had been based.

### ***Third-Party Investment Management***

Each third-party investment manager program has a stated fee range that will be described through the use of that investment manager's disclosure documents and prior to the selection of the investment manager. We will inform the client in advance as to whether the selected third-party investment manager(s) will allow for account aggregation for the purpose of fee discounts.

The third-party investment manager's annualized asset-based fee ranges from 0.40% to 2.00% (40 to 200 basis points); paid in advance or arrears per the selected third-party investment manager's disclosure. Our firm will receive a portion of that fee, ranging from 0.20% to 0.70% (20 to 70 basis points) which we will describe in our engagement agreement for our ongoing review and consultation, monitoring of the investment manager, etc. Account fees, including debits and credits, will be noted on account statements that the client receives directly from the custodian of record on at least a quarterly basis. We are not directly involved in the billing process of third-party investment accounts; however, we will provide clients a written invoice each billing period that describes the advisory fees to be deducted from their account. The invoice will include the total fee assessed, covered time period, calculation formula utilized, and reference to the value of those assets under management in which the fee had been based.



The client's written authorization is required in order for the custodian of record to deduct advisory fees from their investment account. By signing the custodian account documents, the client will be authorizing the withdrawal of fees from their account. The withdrawal of these fees will be accomplished by the custodian of record. Most third-party investment managers do not allow for direct payment (e.g., payment by check, etc.). Our portion of the advisory fee will be remitted directly to our firm via the third-party investment manager.

### ***Additional Client Fees***

Any transactional or service fees or commissions (sometimes termed *brokerage fees*), individual retirement account fees or commissions, qualified retirement plan fees or commissions, account termination fees or commissions, or wire transfer fees are borne by the account holder and per the separate fee or commission schedule of each custodian of record. We will ensure that our clients receive a copy of our preferred custodian's fee or commission schedule at the beginning of the engagement, and the client will be notified of any future changes to these fees or commissions by the custodian of record and/or third-party administrator for tax-qualified plans.

Fees paid by our clients to our firm for our advisory services are separate from any of these fees or commissions or other similar charges. In addition, our advisory fees are separate from any internal fees or commissions, or charges a client pays involving mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other similar investments. Additional information about our fees in relationship to our brokerage and operational practices are noted in Items 12 and 14 of this document.

Our firm does not charge or receive a commission or mark-up on a client's securities transactions, nor do we receive "trailer" or SEC Rule 12b-1 fees from an investment company we recommend to a client when engaged to provide services through our advisory firm. The client retains the right to purchase recommended or similar investments through their own selected service provider.

### ***Termination of Services***

Either party has the right to terminate the engagement agreement at any time by communicating the intent to terminate in writing to the other party. The effective date of the termination shall be the date the termination is received by the other party, unless the termination states a later date, in which case the later date specified by the party which is terminating shall be the effective date. Our firm will not be responsible for investment allocation, advice or transactional services after the effective date of termination.

Upon termination, it will be necessary that our firm inform the custodian of record and/or third-party investment manager that the relationship between the firm and the client has been terminated.

The client has the right to terminate the engagement without fee or penalty within five business days after entering into the agreement with our firm.

If a client terminates a planning service after this five (5) business-day rescission period and since we do not assess an advance fee, we will not charge a fee nor provide a partial plan.

Portfolio management clients who terminate our agreement after the five-day period will be assessed fees on a per day prorated basis for services incurred from either (i) as a new client, and after the five-day rescission period, the date of the firm's receipt of the written notice of termination, or (ii) all other accounts,

the last billing period up to and including the date of the firm's physical or constructive receipt of written termination notice. If we are unable to deduct our fees from the client's account at the custodian of record, then our earned fees will be due upon the client's receipt of our invoice.

Third-party investment management accounts termination process and payment requirements are noted in the third-party investment manager agreement.

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

Our advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees.

Our fees will not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

#### **Item 7 - Types of Clients**

JD Yeager & Co. L.L.C. provides its services to individuals and high net worth individuals, small businesses, foundations and charitable organizations. We prefer to work with households with investible assets of at least \$100,000 but we do not require minimum account size. We will inform you in advance of any minimum criteria should an outside investment manager be engaged. The firm reserves the right to decline services to any prospective client for any nondiscriminatory reason.

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

##### ***Methods of Analysis***

We employ what we believe to be an appropriate blend of fundamental, charting, technical, and cyclical analyses. For example, fundamental analysis involves evaluating economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. Technical and cyclical analysis involves studying the historical patterns and trends of securities, markets, or economies as a whole in an effort to determine potential future behaviors, the estimation of price movement, and an evaluation of a transaction before entry into the market in terms of risk and profit potential. The resulting data is applied to graphing charts, which is then used to assist in the prediction of future price movements based on price patterns and trends. Our research is often drawn from sources that include:

- industry financial periodicals and economic research materials
- company press releases
- annual reports, prospectuses and other regulatory filings
- corporate rating services

##### ***Investment Strategies***

We recognize that each client's needs and goals are different; subsequently, portfolio strategies and underlying investment vehicles vary. The following are common strategies utilized within our client's portfolios, *in alphabetical order*:

### Active Portfolio Management

An investment manager engaging in an active portfolio management strategy believes it is possible to create a profit from identifying or leveraging mispriced securities, or producing similar returns with less risk, or producing returns greater than a stated benchmark, such as a well-known index.

For example, a large cap stock<sup>3</sup> fund manager might attempt to outperform the Standard & Poor's 500 Index by purchasing underpriced stocks representing these positions. An active management strategy might attempt to preserve capital during times of high risk through the use of cash and cash equivalents, and the percentage of account holdings invested in the market vary substantially based on what they believe is the prevailing risk in the market. If it is felt that risk in the stock market is low, a portfolio manager might increase exposure to equities to attempt to take advantage of growth opportunities. When risk in the stock market is considered high, all or a portion of the portfolio's equity exposure could be moved to more stable short-term fixed income instruments and cash equivalent alternatives in order to preserve capital.

### Core + Satellite Strategy

Core + Satellite investment strategy blends passive and active investing, where passive investments are used as the basis or "core" of a portfolio and actively managed investments are added as "satellite" positions. The portfolio core holdings are indexed to potentially more efficient asset classes, while outlying selections are generally limited to active holdings in an attempt to outperform a particular category (sector), or a selection of particular positions to increase core diversification, or to improve portfolio performance. For example, the core of a portfolio is built with index funds or ETFs; satellite holdings would include active investments (e.g., equities) with unique strategies that are believed capable of adding value beyond a stated benchmark over a full market cycle.

### Modern Portfolio Theory

Modern Portfolio Theory is oriented toward reducing risk by diversifying among an extensive range of asset classes such as domestic and international equities, fixed-income securities, and real estate. Portfolios constructed under this theory can be tilted to have a greater exposure toward a specific market capitalization, value stocks, or highly profitable stocks in an effort to capture risk premiums historically associated with those asset classes.

### Value Investing

Value investing involves buying above-average proportion (holdings) at below-average prices. Conversely, when a holding is considered over-priced, it becomes a candidate to be sold.

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<sup>3</sup> Market capitalization ("cap") assists investors in understanding the relative size of a company versus another. It aids in measuring the worth of a company in the open market and the market's perception of its future since it reflects what investors may be willing to pay for the company's stock. Examples include:

- Large-Cap – Established companies with market values of \$10 billion or more; reputations for producing quality goods and services; history of consistent dividend payments and steady growth.
- Mid-Cap – Companies with market values between \$2 billion and \$10 billion; established companies in industries experiencing or expected to experience rapid growth and increasing market share and/or improving competitiveness.
- Small-Cap – Newer companies with market values of \$300 million to \$2 billion; typically serving niche markets or emerging industries. Aggressive risk category investment; may be impacted by economic downturn, vulnerable to competition and uncertainties of their market.

## ***Investment Vehicles***

Although it is common to find a broad range of mutual funds and ETFs within a portfolio, certain accounts will contain exchange-listed stocks, fixed income securities, unit investment trusts, real estate investment trusts, and covered call options strategies.

## ***Risk of Loss***

Our firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that a planning goal or investment objective will be achieved. Past performance is not necessarily indicative of future results. Investing in securities involves risk of loss that clients should be prepared to bear. While the following list is not exhaustive, we provide examples of such risk in the following paragraphs, and we believe it is important that our clients review and consider each prior to investing.

## ***Active Management Strategies***

A portfolio that employs active management strategies could outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management might require more frequent trading or “turnover.” This results in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active asset management including returns achieved.

## ***Charting and Technical Analyses***

The risk of investing based on technical analyses and their supporting charts is that they might not consistently predict a future price movement; the current price of a security might reflect all known information. Further, a particular change in the market price of a security could follow a random pattern and may not be as predictable as desired. This occurs due to analyst bias or misinterpretation, a sector analysis error, late recognition of a trend, etc.

## ***Company Risk***

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. 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. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

## ***Core + Satellite Strategies***

Strategies involving Core + Satellite investing can be affected by “active risk” (or “tracking error risk”), which might be defined as a deviation from a stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation could come from a satellite portfolio or position, or from a “sample” or “optimized” index fund or ETF that is not as closely aligned to a stated benchmark. In these instances, a portfolio manager might choose to reduce the weighting of a satellite holding, utilize very active satellites, or use a “replicate index” position as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

## ***Currency Risk***

The risk of loss from fluctuating foreign exchange rates when a portfolio has exposure to foreign currency or in foreign currency traded investments is known as currency risk.

### Cyclical Analysis

Cyclical analysis (form of technical analysis) can experience risk due to an economic cycle that was not as predictable as preferred; fluctuations occur between long term expansions and contractions. The length of an economic cycle can be difficult to predict with accuracy and therefore the risk of cyclical analyses is the difficulty in predicting economic trends. Consequently, the changing value of securities is affected.

### Equity (Stock) Risk

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of their issuers change. If an investor held common stock or common stock equivalents of any given issuer, they can be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.

Preferred stocks can be affected by interest rate and liquidity risks (described in adjacent paragraphs). Also note that their dividend payment is not guaranteed; some are subject to a call provision, meaning the issuer can redeem its preferred shares on demand, and usually when interest rates have fallen.

### ETF and Mutual Fund Risks

The risk of owning ETFs and opened-and-closed ended mutual funds reflect their underlying securities (e.g., stocks, bonds, derivatives, etc.). These forms of securities typically carry additional expenses based on their share of operating expenses and certain brokerage fees, which can result in the potential duplication of certain fees. Certain ETFs and indexed funds have the potential to be affected by "active risk;" a deviation from its stated index (e.g., S&P 500).

While many ETFs and index mutual funds are known for their potential tax-efficiency and higher "qualified dividend income" (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that might not benefit. Shorter holding periods, as well as commodities and currencies (that can be a holding within an ETF or mutual fund), can be considered "non-qualified" under certain tax code provisions. A holding's QDI will be considered when tax-efficiency is an important aspect of the client's portfolio.

Like traditional ETFs, some inverse ETFs track broad indices, some are sector-specific, and still others are linked to commodities or currencies. Inverse ETFs are often marketed as a way for investors to profit from, or at least hedge their exposure to, downward-moving markets. Some funds are both short and leveraged, meaning that they seek to achieve a return that is a multiple of the inverse performance of the underlying index. An inverse ETF that tracks the S&P 500, for example, seeks to deliver the inverse of the performance of the S&P 500, while a "2x leveraged inverse S&P 500 ETF" seeks to deliver twice the opposite of that index's performance. To accomplish their objectives, leveraged and inverse ETFs pursue a range of investment strategies through the use of swaps, futures contracts and other derivative instruments. There is risk involving this strategy and part of the concern is based on the fact that inverse exchange traded funds "reset" daily, which means they are designed to achieve their stated objectives on a *daily basis*. It is due to the compounding effect of daily adjustments that ETF performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of an underlying index or benchmark during the same period. This effect is potentially magnified during volatile markets. If effects contrary to the ETF strategy occur, losses may be significant; therefore, inverse ETFs will be considered for portfolios either properly hedged or for clients able to sustain potentially higher risks. Inverse ETFs will not be used in portfolios where a "buy-and-hold" philosophy is important.

### Failure to Implement

Our financial planning clients have the right to accept or reject any or all of the recommendations made by our firm. While an advisory firm cannot guarantee future performance, a financial plan will not succeed if it is not implemented. Clients who choose not to take the steps recommended in their plan face an increased risk that their stated goals and objectives will not be achieved.

### Financial Risk

Excessive borrowing to finance a business operation increases profitability risk because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations can result in bankruptcy and/or a declining market value.

### Fixed Income Risks

Various forms of fixed income instruments, such as bonds, money market or bond funds are affected by various forms of risk, including:

- Credit Risk - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk can occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This could result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.
- Interest Rate Risk - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.
- Reinvestment Risk - In an environment when interest rates are declining, investors might have to reinvest interest income or principal at a lower rate.

### Inflation Risk

Also called *purchasing power risk*; the chance that the cash flows from an investment won’t be worth as much in the future because of changes in purchasing power due to inflation.

### Liquidity Risk

The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. For example, while certain types of fixed income instruments are generally liquid (e.g., bonds), there are risks that occur, such as when an issue trading in any given period does not readily support “buys and sells” at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price. While we avoid purchasing securities with liquidity risk and illiquid securities are not part of our investment strategies, illiquid securities can be present in challenging market conditions.

### Market Risk

In cases where markets are under extreme duress, many securities lose their ability to provide diversification benefits.

### Options

Risks involving options trading are detailed in the Chicago Board Options Exchange's "The Characteristics and Risks of Standardized Options" brochure that we will provide to the client upon request and can be found at their website at: <http://www.cboe.com>. We have provided general considerations involving covered call options in the following:

- Options sold can be exercised at any time before expiration
- Covered call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock
- Writers of call options can lose more money than a short seller of that stock on the same rise on that underlying stock due to leveraging used in option strategies
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction
- The value of the underlying stock might unexpectedly surge or drop which can lead to an automatic exercise

### Passive Investing

A portfolio that employs a passive, efficient markets approach has the risk of generating lower-than-expected returns due to its broad diversification when compared to a portfolio more narrowly focused.

### Political Risk

The risk of financial and market loss because of political decisions or disruptions in a particular country or region; also known as "geopolitical risk."

### Real Estate Investment Trusts

Exchanged-traded REIT risk include (i) following the sale or distribution of assets an investor could receive less than their principal invested, (ii) fluctuations involving the value of the assets within the REIT, (iii) a reliance on the investment manager to select and manage assets, (iv) changes in interest rates, laws, operating expenses, and insurance costs, (v) tenant turnover, and (vi) the impact of current market conditions.

### Research Data

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided that affects the advice on or investment management of an account.

### Sub-Advisors and Third-Party Investment Managers

We will review with the client the Form ADV Part 2A of any recommended external investment advisor to ensure the client is familiar with the investment strategy and types of investment vehicles they employ so that they align with the client's investment objectives, as well as discuss the risks these may impose on the account.

### Value Investing

A portfolio employing a value-based investing strategy could be adversely affected by inaccurate or flawed financial information or statements. For example, a company may have accidentally (or fraudulently) erred while entering data into its financial statements, or inadequately defines its earnings, resulting in a faulty valuation of its stock. Other examples might involve a "value manager" overpaying for a holding or missing the timing of a buy or sell of a position, making it a less valuable aspect of the portfolio.

### **Item 9 - Disciplinary Information**

Neither the firm nor its management has been involved in any material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

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

Mr. Yeager is a licensed insurance agent in order to offer education and advice to his financial planning clients. Clients have the right to choose to work with any insurance agent or company they prefer. He is not paid a commission or renewal payment for this service, nor is there any other financial incentive involving his recommendations.

The sub-advisors and third-party investment managers that we may recommend to you are required to be registered as an investment advisor. As referenced in Item 5 of this brochure, each firm is compensated for their respective services by the client through a portion of the advisory fee that is assessed. We have an incentive to recommend an investment manager over another if less favorable compensation or services arrangements were to be offered to us by another external portfolio manager. In light of this conflict of interest, we will review our recommendations and "mix of business" based on the client's needs, goals and objectives with respect to all of our portfolio management offerings. There is also the potential for clients' fees assessed via these engagements to be higher than had a client obtained them directly from the investment manager or the client were able to purchase similar underlying investments on their own. Clients are encouraged to review all of our offerings and their stated fees prior to the engagement, and each client has the right to decide to purchase recommended or similar investments through their own provider. It should be noted that certain investment managers and/or underlying investments may not be available to self-directed investors or at the same cost.

Our firm and its management are not registered nor have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm or associated person of such a firm. We are not required to be registered with such entities, nor do they supervise our firm, its activities or our associates. Neither the firm nor its management is or has a material relationship with any of the following types of entities:



- accounting firm or accountant
- another financial planning firm
- bank, credit union or thrift institution, or their separately identifiable department or division
- insurance company or agency
- lawyer or law firm
- pension consultant
- real estate broker, dealer or advisor
- sponsor or syndicator of limited partnerships
- trust company
- issuer of a security, to include investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)

The external portfolio managers (sub-advisers) that we may recommend to you are required to be registered with the SEC or state securities commissioner as an investment adviser. As referenced in Item 5 of this brochure, each firm is compensated for their respective services by the client through a portion of the advisory fee that is assessed. We have an incentive to recommend one sub-adviser over another if less favorable compensation or services arrangements were to be offered to us by another sub-adviser. In light of this conflict of interest, we will review our recommendations and “mix of business” based on the client’s needs, goals and objectives with respect to all of our portfolio management offerings. There is also the potential for clients’ fees assessed via these engagements to be higher than had a client obtained them directly from the other external portfolio manager (sub-adviser) or if the client purchases similar underlying investments on their own. Clients are encouraged to review all our service offerings and their stated fees prior to the engagement, and each client has the right to purchase recommended or similar investments through their own provider. It should be noted that certain sub-advisers and/or underlying investments may not be available to self-directed investors or at the same cost.

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

JD Yeager & Co. L.L.C. holds itself to a *fiduciary standard*, which means the firm and its associates will act in the utmost good faith, performing in a manner believed to be in the best interest of its clients. Our firm believes that business methodologies, ethics rules, and adopted policies are designed to eliminate or appropriately manage or mitigate any material conflicts of interest. We will disclose to our clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

#### ***Code of Ethics***

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm accepts the obligation to comply with applicable laws and regulations as well as act in an ethical and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. Our firm reviews and amends its Code of Ethics to ensure that it remains current and requires firm personnel to annually attest to their understanding of and adherence to the firm’s Code of Ethics. A copy of the firm’s Code of Ethics is made available to any client or prospective client upon request.

## ***Privacy Policy Statement***

We respect the privacy of all clients and prospective clients (collectively termed “customers” per federal guidelines), both past and present. It is recognized that clients have entrusted our firm with non-public personal information, and it is important that both access persons and customers are aware of firm policy concerning what could be done with that information.

The firm collects personal information about customers from the following sources:

- Information provided to us complete their plan or investment recommendation;
- Information provided via engagement agreements and other documents completed in connection with the opening and maintenance of an account;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about client transactions.

The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- When required to provide services our customers have requested;
- When our customers have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information. Within the firm, access to customer information is restricted to personnel that need to know that information. All access persons and service providers understand that everything handled in firm offices is confidential, and they are instructed not to discuss customer information with someone else that requests information about an account unless they are specifically authorized in writing by the customer to do so. This includes providing information about a family member’s account.

The firm will provide customers with its privacy policy on an annual basis and at any time, in advance, if firm privacy policies are expected to change.

## ***Firm Recommendations and Conflicts of Interest***

Our associates are prohibited from borrowing from or lending to a client unless the client is an approved financial lending institution.

Neither our firm nor its associates are authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a “related person” (associates, their immediate family members, etc.) has a material financial interest, such as in the capacity as an underwriter, advisor to the issuer, etc.

Our firm and its related persons may buy or sell securities that are the same as, similar to, or different from, those we recommend to clients for their accounts. A recommendation made to one client could be different in nature or in timing from a recommendation made to a different client. Clients often have different objectives and risk tolerances. At no time will our firm or any related party receive preferential treatment over our clients. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client nor will be

allowed any disadvantage of trading a client. In order to reduce or eliminate certain conflicts of interest involving personal trading (e.g., trading ahead of client recommendations or trades, etc.), firm policy requires that we restrict or prohibit certain related parties' transactions. Any exceptions must be approved in writing by our Chief Compliance Officer, and personal trading accounts are reviewed on a quarterly or more frequent basis. Please refer to Item 6 of the accompanying Form ADV Part 2B for further details.

Our firm is able to provide a range of advisory services to our clients. Due to our firm's ability to offer two or more services and receive a fee for each engagement, conflicts of interest exist due to the extended services provided. Clients have the right to act on our recommendations and, if a client elects to do so, always have the right to complete them through a firm of their choice.

## **Item 12 - Brokerage Practices**

### ***Factors Used to Select Broker/Dealers for Client Transactions***

Your accounts will be separately maintained by a qualified, independent custodian (generally a broker/dealer, trust company or national bank) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a custodian, and there is not an affiliate that is a custodian, nor does a custodian supervise our firm, its activities, or our associates. We do not receive referrals from a custodian or broker/dealer, nor are client referrals a factor in our recommendation of a custodian or broker/dealer.

When engaged to provide an investment consultation service, we may recommend the service provider with whom your assets are currently maintained. Should you prefer a new service provider, our recommendation of another service provider would be based on your needs, overall cost, and ease of use.

Accounts served by a third-party investment manager are to be maintained at one or more custodians that have been selected by the respective third-party investment manager and they will be disclosed in the third-party investment manager's disclosure documents and account opening forms.

If you have engaged our firm to provide its portfolio management services, our recommended custodian is the institutional services division of TD Ameritrade, Inc. Member FINRA/SIPC.<sup>4</sup> As stated earlier, our firm is independently owned and operated and is not legally affiliated with TD Ameritrade, Inc. ("TD Ameritrade Institutional") or any other firm we may recommend. While we recommend that you use TD Ameritrade Institutional as your custodian, you will decide whether to do so and will open your account with TD Ameritrade Institutional by entering into an account agreement directly with them. We do not open the account for you, although we will assist you in doing so. We may also serve accounts maintained at your custodian of choice if that custodian's policies allow us to do so and following your written authorization via limited power of attorney.

TD Ameritrade Institutional offers independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Our firm receives some benefits from TD Ameritrade Institutional through participation in their programs (please refer Item 14). We periodically conduct an assessment of any service provider we recommend, including TD Ameritrade Institutional, which

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<sup>4</sup> Our firm is not, nor required to be, a FINRA or Securities Investor Protection Corporation (SIPC) member. You may learn more about the SIPC and how it serves member firms and the investing public by going to their website at <http://www.sipc.org>.

generally includes a review of their range of services, reasonableness of fees, among other items, in comparison to their industry peers.

### ***Best Execution***

“Best execution” means the most favorable terms for a transaction based on all relevant factors, including those listed in the earlier paragraphs. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected custodian’s transactions represent the best “qualitative execution” while taking into consideration the full range of services provided. Our firm will seek services involving competitive rates, but it may not necessarily correlate into the lowest possible rate for each transaction. We have determined having our portfolio management clients’ accounts trades completed through our recommended custodian is consistent with our obligation to seek best execution of client trades. A review is regularly conducted with regard to recommending a custodian to our clients in light of our duty to seek best execution.

Our firm may, in its discretion and following custodian approval, accept a client’s transfer of preexisting retail (“loaded”) mutual funds into their account. A transfer-in-kind of retail share class mutual funds may potentially benefit the client since they are able to invest in their portfolio more quickly, mitigate tax and/or short-term trading liabilities, and/or avoid contingent deferred sales charges (CDSC). Our firm regularly reviews accounts that have transferred different share classes of mutual funds and will convert share classes to a lower expense share class when we believe doing so would be beneficial to the client. In addition, if account assets remain in a retail share class and within a CDSC period, we may exclude those assets from our advisory fee until they have been converted to what we believe is a more appropriate share class.

While our firm has access to a broad range of securities through our custodian, it is a finite number. In addition, not all investment managers (mutual funds), share classes, etc., are represented at each custodian. Due to these normal and customary limitations, not all portfolio holdings will be readily available, least expensive, best performing, etc. It is an unrealistic expectation for an investor to maintain a premise otherwise.

### ***Directed Brokerage***

Our internal policy and operational relationship with our custodian require client accounts custodied with them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for client account trades, whether that is an affiliate of our preferred custodian or another executing broker of our custodian’s choice. As a result, the client may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. In addition, since we routinely recommend a custodian to our advisory clients, and that custodian may choose to use the execution services of its broker affiliate for some or all of our client account transactions, there is an inherent conflict of interest involving our recommendation since our advisory firm receives various products or services described above from that custodian. Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades. We do not receive interest on an account’s cash balance.

Client accounts maintained at our custodian are unable to direct brokerage. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

For accounts maintained at a custodian of the client’s choice (e.g., held-away accounts), the client may choose to request that a particular broker is used to execute some or all account transactions. Under these

circumstances, the client will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving their account with that broker, and whether the selected broker is affiliated with their custodian of record or not. We will not be obligated to seek better execution services or prices from these other brokers, and we will be unable to aggregate transactions for execution via our custodian with other orders for accounts managed by our firm. As a result, the client may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case.

### ***Aggregating Securities Transactions***

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed “blocked” or “batched” orders. Aggregated orders are effected in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our firm may, but is not obligated, to aggregate orders, and our firm does not receive additional compensation or remuneration as a result of aggregated transactions.

Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which a related person may invest, the firm will generally do so in accordance with the parameters set forth in SEC No Action Letter, *SMC Capital, Inc.* (publicly available September 5<sup>th</sup>, 1995) (<https://www.sec.gov/divisions/investment/noaction/smccapital090595.htm>). A copy of the referenced No Action Letter will be provided upon request.

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

We review firm trading processes on a periodic basis to ensure they remain within stated policies and regulation. Our clients will be informed, in advance, should trading practices change at any point in the future.

### ***Trade Errors***

The firm corrects its trading errors through an account maintained by its custodian, and the firm may be responsible for trading error losses that occur within a client account. Clients should be aware that trading error gains in accounts maintained at TD Ameritrade Institutional is swept out to a designated account and donated to a 501(c)(3) charity of that custodian’s choice, and they are obligated to disclose in their own literature to account holders whether such recipients’ receipt of such donations presents a material conflict of interest. Our firm and TD Ameritrade Institutional are not responsible for, nor do we remunerate, trading errors caused by a client’s self-directed execution.

## **Item 13 - Review of Accounts**

### ***Scheduled Reviews***

Client financial check-ups or reviews are recommended on an annual basis if a client receives our financial planning services. Reviews will be conducted by Jason Yeager and typically involve analysis and possible revision of our previous financial plan or investment allocation. Simple reviews are complementary, but

more complex reviews are subject to a new agreement and fee. A copy of revised plans or asset allocation reports in printed or digital format will be provided to the client upon request.

Portfolios are reviewed on a quarterly or more frequent basis by Mr. Yeager. Account reviews with clients are completed by Jason Yeager, and we will annually invite clients to attend these sessions. A copy of revised plans or asset allocation reports in printed or digital format will be provided to the client upon request.

For those accounts served by a recommended third-party investment manager, Mr. Yeager will review third-party investment manager reports on a quarterly basis. Our firm will contact the client at least annually to review the client's financial situation and objectives. We will communicate information to the selected third-party investment manager as warranted and will assist the client in understanding and evaluating the services provided by that investment manager. In certain instances, the client may be able to communicate directly with their investment manager which we will need to coordinate in advance.

### ***Interim Reviews***

Clients should contact our firm for additional reviews when it is anticipated, or they have experienced changes in their financial situation (i.e., changes in employment, an inheritance, the birth of a new child, etc.), or if the client prefers to change requirements involving an investment account. Non-periodic reviews are conducted by Jason Yeager. A copy of revised plans or asset allocation reports in printed or digital format will be provided to the client upon request.

Additional portfolio reviews by Mr. Yeager is often triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. A portfolio is reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, could trigger a review.

### ***Client Reports***

Since account statements and confirmations are the responsibility of the account custodian, the client will receive their confirmations and account statements sent to them directly from mutual fund companies, transfer agents, custodians or brokerage companies where their investments are held. We urge each client to carefully review these account statements for accuracy and clarity, and to ask questions when something is not clear.

We do not create or distribute our own performance reports; nor do we back-test nor certify reports from an external party. Clients are reminded to carefully review and compare account statements provided by their custodian of record with any report they have received from any source containing investment performance information.

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

We do not engage in solicitation activities involving unregistered persons. If we receive or offer an introduction to a client, we do not pay or earn a referral fee, nor are there established *quid pro quo* arrangements. Each client has the right to accept or deny such referral or subsequent services. Please refer to Items 10 and 12 for additional information with respect to our offerings/services and the conflicts of interest they present.

We receive economic benefit from external sources in the form of the support products and services they make available to us and other independent investment advisors. As disclosed under Item 12, our firm participates in TD Ameritrade Institutional's advisor support program and we recommend TD Ameritrade Institutional to our clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give our clients, although our firm receives economic benefits through our participation in the program. These benefits include the following products and services (provided either without cost or at a discount):

- receipt of duplicate client statements and confirmations
- research related products and tools
- consulting services
- access to a trading desk serving our clients
- access to block trading (which provides our ability to aggregate securities transactions for execution and then allocate the appropriate shares to our client's accounts)
- the ability to have advisory fees deducted directly from our client's accounts per our written agreement
- access to an electronic communications network for client order entry and account information
- access to mutual funds with no transaction fees, and to certain institutional money managers; and
- discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors

TD Ameritrade Institutional may provide some of these services itself. In other cases, they may arrange for third-party vendors to provide the services to us. TD Ameritrade Institutional may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. TD Ameritrade Institutional may also provide us with other benefits such as occasional business entertainment of our personnel. Some of the noted tools and services made available by TD Ameritrade Institutional may benefit our advisory firm but may not directly benefit a client account. Certain tools, services or discounts made available to our firm by our custodian benefit our advisory firm but may not directly benefit each client account. While our firm does not think these services are considered "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934, certain jurisdictions believe they fall under this definition. The availability of these services benefits our firm because we do not have to produce or purchase them as long as clients maintain assets in accounts at our recommended custodian. There is a conflict of interest since our firm has an incentive to select or recommend a custodian based on our firm's interest in receiving these benefits rather than the client's interests in receiving favorable trade execution. It is important to mention that the benefit received by our firm through participation in any custodian's program does not depend on the amount of brokerage transactions directed to that custodian, and we believe our selection of custodian is appropriate for our clients based on the services provided, our selection of a custodian is primarily supported by the scope, quality, and cost of services provided as a whole, not just those services that benefit only our advisory firm. Further, we will act in the best interest of our clients regardless of the custodian we may select.

#### **Item 15 - Custody**

Accounts will be maintained by an unaffiliated, qualified custodian; they are not to be maintained by our firm or any associate of our firm. In keeping with this policy involving our clients' funds or securities, our firm:

- Restricts the firm or an associate from serving as trustee or having general power of attorney over a client account
- Prohibits any associate from having authority to directly withdraw securities or cash assets from a client account. Although we are deemed to have custody of a client account since we have the ability to request the withdrawal of advisory fees from a client account, we will only do so through the engagement of a qualified custodian maintaining client assets, via the client's prior written approval, and following delivery of our written invoice (refer to Item 5)
- Does not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm
- Will not collect advance fees of \$500 or more for services that are to be performed six months or more into the future, and
- Will never allow associates to have credentials or knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts) if such access would allow physical control over account assets.

The custodian of record will provide the client with investment account transaction confirmations and account statements, which will include all debits and credits as well as our firm's advisory fee for that period. Statements are provided by the account custodian on at least a quarterly basis or as transactions occur within the client's account. Our firm will not create a separate report in lieu of the custodian's account statement, nor will our firm serve as the sole recipient of a client account statement. Clients should compare their custodian statement to invoices received from our advisory firm and notify the firm promptly of any discrepancies.

#### **Item 16 - Investment Discretion**

We will serve accounts on a discretionary basis. We are granted the authority to implement investment decisions, such as the purchase or sale of a security on behalf of an account, without requiring the client's prior authorization for each transaction in order to meet stated investment objectives. This authority will be provided by the client through the execution of our engagement agreement. In addition, the client will be required to sign the custodian account opening documents, which authorizes our trading authority as well as the custodian's ability to withdraw our advisory fees from the client's account. Note that the custodian will specifically limit our firm's authority within an account to the placement of trade orders and our request for fee withdrawal.

On a case-by-case basis, we manage a client account on a nondiscretionary basis. This type of account authority requires the client's ongoing prior approval involving the investment and reinvestment of account assets, including portfolio rebalancing. The client will be required to execute our firm's client services agreement that describes our limited account authority, as well as the custodian of record's account opening document that includes their limited power of attorney form or clause. In light of the requirement for pre-approval, the client must make themselves available and keep our firm updated on their contact information so that instructions can be efficiently effected on their behalf. In addition, nondiscretionary accounts are generally unable to be aggregated (see Item 12) or receive less favorable prices than those accounts where trade aggregation has occurred.

As noted in Item 4, we will allow for reasonable investment restrictions that we will note in within the client's written investment guidelines involving the management of their account. It remains the client's responsibility to notify us if there is any change in their situation and/or investment objective so that we can reevaluate previous investment recommendations or portfolio holdings.



Third-party investment managers and sub-advisors generally provide their services on a discretionary basis (described above). This authority will be provided by the client through the execution of a third-party management agreement and its custodian's account opening documents. If a client requires their account to be managed on a nondiscretionary basis, it is important to note that most third-party investment managers and sub-advisors retain the right to either refuse or terminate an account, or continue to manage the account under a higher asset-based fee due to increased operational costs. We will inform clients in advance of the recommended investment manager's requirements involving account trading authority. Note that our firm does not have discretionary authority over a client account under a third-party investment manager engagement.

### **Item 17 - Voting Client Securities**

Account holders periodically receive proxies or other similar solicitations sent directly from their custodian or transfer agent. If we receive a duplicate copy, note that we do not forward these or any correspondence relating to the voting of a security, class action litigation, or other corporate actions.

Our firm does not vote proxies on behalf of an account holder, including accounts that we have discretionary authority. We do not provide guidance on how to vote proxies, nor offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. We will answer limited questions via a scheduled meeting with respect to what a proxy voting request is or other corporate matter and how to reach the issuer or their legal representative.

If an account is supervised by a third-party investment manager, the client should review the third-party investment manager's Form ADV Part 2 to determine their proxy voting policies. Otherwise, each account holder will maintain responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to holdings.

Clients should consider contacting the issuer or their legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.

### **Item 18 - Financial Information**

Our advisory firm will not take physical custody of client assets, nor do we have the type of account authority to have such control. Fee withdrawals must be done through a qualified intermediary (e.g., custodian of record), per prior written agreement with the client, and following the client's receipt of our firm's written invoice.

Engagements with our firm do not require that we collect fees from a client of \$500 or more for our advisory services that we have agreed to perform six months or more into the future.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.

Due to the nature of our firm's advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.

**Item 19 - Requirements for State-Registered Advisers**

Principal Executives and Management Persons - Jason Yeager. Please see Item 4 of this brochure and the accompanying Form ADV Part 2B that immediately follows this firm brochure.

Other Business Activities - Licensed insurance agent. Please refer Item 10 of this brochure as well as Item 4 of the accompanying Form ADV Part 2B brochure supplement for details.

Performance-Based Fees - There are none. Please see Item 6 of this brochure and Item 5 of the accompanying Form ADV Part 2B that immediately follows this firm brochure. Neither the firm nor its management is compensated based on performance-based fees. It is perceived that performance-based compensation may create an incentive for an advisor to recommend an investment that may carry a higher degree of risk to a client; an activity contrary to the firm's business practices.

Material Disclosure Matters involving Firm Management - There are none to report. Please refer to Item 9 of this firm brochure and Items 3 and 7 of the accompanying Form ADV Part 2B supplement that

Firm management has not been the subject of an award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding.

The firm and its management do not have a material relationship with the issuer of a security.

# **JD Yeager & Co. L.L.C.**

Registered Investment Advisor  
CRD # 307193

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Website: [www.jdyeageradvisors.com](http://www.jdyeageradvisors.com)  
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## **Jason D. Yeager**

President  
Chief Compliance Officer  
Investment Advisor Representative  
Managing Member  
[CRD # 2413852]

Form ADV Part 2B  
Brochure Supplement  
January 25, 2023

**This brochure provides information about Jason Yeager that supplements the JD Yeager & Co. L.L.C. Form ADV Part 2A firm brochure. You should have received a copy of that brochure. Please contact Jason Yeager at 720-539-6072 if you did not receive the full brochure or if you have any questions about the contents of this supplement. Additional information about Jason Yeager is available on the Securities and Exchange Commission's (SEC) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) under CRD # 2413852.**

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

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm, as well as their business experience for at least the most recent five years.

### ***Principal Executive Officer***

*President/Chief Compliance Officer/Investment Advisor Representative/Managing Member*

#### **Jason Daniel Yeager**

Year of Birth: 1971

CRD Number: 2413852

#### **Educational Background**

Attended Salt Lake Community College; Salt Lake City, UT

Attended College for Financial Planning – Accredited Asset Management Specialist

#### **Business Experience**

JD Yeager & Co. L.L.C. (01/2020-Present)

Parker, CO

President/Managing Member/Chief Compliance Officer/Investment Advisor Representative

Unemployed (11/2019-12/2019)

Parker, CO

Charles Schwab & Co., Inc. (06/2011-11/2019)

Charles Schwab Bank (06/2011-11/2019)

Lone Tree, CO

Vice President - Financial Consultant

First Western Advisors (04/2005-05/2011)

Holladay, UT

Executive Vice President

## **Item 3 - Disciplinary Information**

Registered investment advisors are required to disclose certain material facts about its associated personnel regarding any legal or disciplinary events, including criminal or civil action in a domestic, foreign or military court, or any proceeding before a state, federal or foreign regulatory agency, self-regulatory organization, or suspension or sanction by a professional association for violation of its conduct rules material to the evaluation of each officer or a supervised person providing investment advice. Mr. Yeager has not been the subject of any such event.

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

Mr. Yeager is a licensed insurance agent in order to offer education and advice to his financial planning clients. Clients have the right to choose to work with any insurance agent or company they prefer. He is not paid a commission or renewal payment for this service, nor is there any other financial incentive involving his recommendations. Please refer to Item 10 of Form ADV Part 2A.

Neither Mr. Yeager nor JD Yeager & Co. L.L.C. has a material relationship with the issuer of a security. He is not registered, nor has an application pending to register, as a registered representative of a FINRA or NFA broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. He does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service (“trail”) fees from the sale of mutual funds.

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

Neither our advisory firm nor Mr. Yeager is compensated for advisory services involving performance-based fees. Firm policy does not allow associated persons to accept or receive additional economic benefit, such as sales awards or other prizes, for providing advisory services to firm clients.

#### **Item 6 - Supervision**

Jason Yeager serves as the firm’s Chief Compliance Officer. Because supervising one’s self poses a conflict of interest, the firm has adopted policies and procedures to mitigate this conflict and Mr. Yeager will adhere to those policies and procedures. Questions relative to the firm, its services or this brochure are made to the attention of Mr. Yeager at 720-539-6072.

Additional information about the firm, other advisory firms, or an associated investment advisor representative is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search of this site for firms can be accomplished by firm name or a unique firm identifier, known as an IARD or CRD number. The IARD number for JD Yeager & Co. L.L.C. is 307193. The business and disciplinary history, if any, of an investment advisory firm and its representatives are also obtained by calling the Colorado Department of Regulatory Agencies Division of Securities at (303) 894-2320.

#### **Item 7 - Requirements for State-Registered Advisers**

There have been neither awards nor sanctions or other matter where Mr. Yeager or JD Yeager & Co. L.L.C. has been found liable in an arbitration, self-regulatory or administrative proceeding. Neither Mr. Yeager nor our advisory firm has been the subject of a bankruptcy petition.