

Cover Page - Item 1

## **The J. Arnold Wealth Management Co., LLC**

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**July 7, 2021**

### **Form ADV Part 2A Brochure**

The J. Arnold Wealth Management Co., LLC is an investment adviser registered with the Securities and Exchange Commission (hereinafter "SEC"). An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of The J. Arnold Wealth Management Co., LLC. If you have any questions about the contents of this brochure, please contact us at (330) 965-9890 or at [jon.arnold@jarnoldwealth.com](mailto:jon.arnold@jarnoldwealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about The J. Arnold Wealth Management Co., LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Material Changes - Item 2

The purpose of this page is to inform you of any material changes since the last annual updating amendment filed with regulators on January 23, 2020.

On March 6, 2021, we submitted our annual updating amendment with regulators for fiscal year ending 2020. We updated Item 4 of our Form ADV Part 2 brochure to reflect that as of February 21, 2021, we had discretionary assets under management of approximately \$222,878,000 and \$0 in non-discretionary assets under management.

We also revised Item 12 of our brochure to clarify that while not part of our core investment strategies, some clients may hold fee-based variable annuities. As such, transactions for sub-accounts will be implemented through a service provider selected by or affiliated with the insurance company through which the variable annuity contract is purchased, such as Nationwide. Neither our firm nor anyone associated with our firm have received or will receive commission-based compensation on these assets. We do not calculate the advisory fee; the service provider selected by or affiliated with the insurance company will calculate and deduct our fees from your annuity account.

On June 21, 2021, we drafted a Form ADV Part 2A, Appendix 1 (Wrap Program Brochure) to provide important disclosures about our Wrap Program. Clients of our firm are urged to review the Wrap Program Brochure in its entirety to obtain important information about the program and the conflicts of interest associated with the program. We also removed all reference to E\*Trade, Interactive Brokers and our non-wrap portfolio management services since those services are no longer offered.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (330) 965-9890 or at [jon.arnold@jarnoldwealth.com](mailto:jon.arnold@jarnoldwealth.com).

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

The J. Arnold Wealth Management Co., LLC (“JAWMC” or the “firm”) is a Limited Liability Company organized in the state of Ohio. The firm has been in business since November of 2011, and the principal owner is Jon P. Arnold. Jon P. Arnold acts as the Chief Compliance Officer for the JAWMC.

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, an employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

#### **Types of Advisory Services**

Currently, we offer portfolio management and financial planning services, personalized for each individual client.

#### **Portfolio Management Services**

JAWMC offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Investment Supervisory Services include, but are not limited to, the following:

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

JAWMC evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. JAWMC will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction.

JAWMC generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, REITs, insurance products including annuities, private placements, and government securities. JAWMC may use other securities as well to help diversify a portfolio when applicable.

#### **Financial Planning Services**

Client will receive an extensive financial interview and profile. From that interview and profile the client will receive a bound financial plan outlining their budget, objectives, and other pertinent information using financial planning software. Clients will also receive market commentary from experts in the industry such as mutual fund managers. Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

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

JAWMC offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the information gathered from each client. Information gathered from each client (income, tax levels, and risk tolerance levels) is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

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

#### **Wrap Fee Programs**

JAWMC is the portfolio manager and sponsor of the JAWMC Wrap Fee Program and all portfolio management services are offered through this program. A wrap fee program combines portfolio management, advisory services, and trade execution for a single fee. JAWMC, as portfolio manager is responsible for the research, security selection, and implementation of transaction orders in the Client's account. The transactions in the Client's account will be executed by and custodied at TD Ameritrade, Inc. ("TD Ameritrade"), a FINRA-registered broker-dealer, member SIPC. The Client pays JAWMC an all-inclusive Wrap fee. JAWMC pays TD Ameritrade a portion of this fee for trade execution expenses and does not pass this expense back to the client. Detailed information about the JAWMC Wrap Fee Program and program fees is provided in the Form ADV Part 2A, Appendix 1 (Wrap Brochure) that is attached to this Form ADV Part 2A Disclosure Brochure.

#### **Assets Under Management**

As of February 21, 2021, we had discretionary assets under management of approximately \$222,878,000 and \$0 in non-discretionary assets under management.

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

#### Portfolio Management Services

##### *Fees as a Percentage of Assets Under Management*

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$0 – \$100,000	1.00% – 1.50%
\$100,001 – \$500,000	1.00% – 1.25%
\$501,000 – \$1,000,000	1.00%

The fees are charged based on a flat percentage as opposed to a tiered rate. These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid monthly in arrears, and clients may terminate their contracts with five business days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization. JAWMC's fees may be higher than fees charged by other advisers for similar services.

#### *Performance Based Fees*

For Qualified clients, JAWMC may negotiate a fee based on a combination of a percentage of assets under management and a performance fee described in further detail below. In such cases, the firm charges a maximum asset management fee of 1.00% and a maximum of 10% of the annual gross profits for the account in performance fees. The performance fee is invoiced directly to the client and is payable annually, in arrears. No performance fee will be charged, except to the extent that the amount of the capital increase exceeds the sum of any cumulative loss in the account on a yearly basis. In the event the client makes a complete withdrawal from the account on a date other than the end of the year, fees will be due at the time of withdrawal. Annual gross profits are defined as the difference in the value of the account for the previous 4 quarters, adjusted for deposits and withdrawals made during the year. Clients should note that a fee in excess of 3.00% of assets under management is in excess of industry norm and similar advisory services can be obtained for less.

#### Financial Planning Services

The hourly fee for these services is \$100 with a minimum of four hour a year commitment. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the advisory contract. Hourly financial planning fees are paid via check in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

### **Additional Fees and Expenses**

The fees JAWMC charges are negotiable based on the amount of assets under management, complexity of Client goals and objectives, and level of services rendered. The exact fee payable by the Client will be listed in the advisory agreement signed by the Client and the firm. We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

All fees paid to JAWMC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a Client may pay an initial or deferred sales charge.

A Client could invest in a mutual fund directly, without the services of JAWMC. In that case, the Client would not receive the services provided by JAWMC which are designed, among other things, to assist the Client in determining which mutual fund or funds are most appropriate to each Client's financial condition and objectives. Accordingly, the Client should review both the fees charged by the funds and the fees charged by JAWMC to fully understand the total amount of fees to be paid by the Client and to thereby evaluate the advisory services being provided.

We do not represent, warrant, or imply that the services or methods of analysis employed by our firm can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

We shall never have physical custody of any Client funds or securities, as the services of a qualified and independent custodian will be used for those services. We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given us written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

The annual fee associated with the management of wrap accounts covers portfolio management, advisory services, and trade execution. JAWMC, as portfolio manager, is responsible for the research, security selection, and implementation of transaction orders in the Client's account. The Client pays JAWMC an all-inclusive Wrap fee. JAWMC pays TD Ameritrade a portion of this fee for trade execution expenses and does not pass this expense back to the client.

### **Compensation for the Sale of Investment Products**

Certain Associated Persons of JAWMC are registered representatives with Essex Securities, LLC ("Essex Securities"), a registered broker dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). In their capacity as registered representatives, these persons will 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 our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs.

**Clients of our firm have the option to purchase investment products that we recommend through other brokers and agents that are not affiliated with our firm.**

Certain Executive Officers and other Associated Persons of JAWMC are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating

commissions rather than solely based on your needs. **Clients of our firm are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.**

**Executive Officers and Associated Persons of JAWMC will never receive commissions for securities transactions in advisory accounts managed by JAWMC.**

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

As noted in Item 5 above, JAWMC charges certain Clients a performance-based fee (i.e., a fee calculated based on a share of capital gains upon or capital appreciation of the assets or any portion of the assets of an advisory Client) as part of our Performance Based Management Fee for separately managed accounts. We charge performance-based fees only to "Qualified Clients" who have a net worth greater than \$2,100,000, or those for whom we manage a minimum of \$1,000,000, from the beginning of our agreement for services. Performance-based fees are fees based on a share of capital gains or capital appreciation of a Client's account. The amount of the performance-based fee we charge is described in the "Fees and Compensation - Item 5" section in this Brochure.

Performance-based compensation may be larger than otherwise would be the case if the fee was calculated as a percentage of assets under management because the amount of the fee will be based on account performance. Performance based fee arrangements create the following conflicts of interest:

- Performance based fee arrangements create an incentive for JAWMC to recommend investments, which may be riskier or more speculative than those, which would be recommended under a different fee arrangement. We mitigate this conflict by selecting investments that we believe to be appropriate for clients in accordance with the firm's investment strategy;
- We stand to receive compensation with regard to unrealized (not sold) appreciation as well as realized (sold) gains in performance based management fee Client accounts. The fees charged by us in performance based management fee arrangements may be higher or lower than fees charged by other advisers for comparable services.
- We have an incentive to offer investments that we believe will be more profitable than others to performance based management fee accounts in order to earn more compensation. However, we seek to invest client accounts fairly and equally, thereby mitigating this conflict from influencing the allocation of investment opportunities among clients.

#### Types of Clients - Item 7

JAWMC generally provides investment advice and/or management supervisory services to Individuals and High-Net-Worth Individuals.

There is an account minimum, \$100,000 which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation. On a case per case basis, the JAWMC will allow a client with less than \$100,000.00 to invest with A FOUR HOUR minimum financial planning fee paid to cover cost of manpower/womanpower, postage, copies, and advisors time.

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

We may use one or more of the following methods of analysis when providing investment advice to you:

- *Fundamental Analysis* – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The primary risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- *Technical Analysis* – technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall. Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.
- *Cyclical Analysis* – Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company. The primary risks with cyclical analysis are similar to those of technical analysis.
- *Charting Analysis* - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index, or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends. The primary risk of charting analysis is that it may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

We may use one or more of the following investment strategies when advising you on investments:

- *Long Term Purchases* – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.
- *Short Term Purchases* – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.
- *Trading* - Trading involves purchasing securities with the idea of selling them relatively quickly. We may use this strategy to take advantage of our predictions of brief price swings. A trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize, and could result in having a long-term investment in a security that was designed to be a short-term purchase, or the potential of a loss. We do not anticipate using a frequent trading strategy. However, in the event we recommend this

strategy for a particular client, they should understand that higher rates of portfolio turnover would likely result in an increase in the account's broker-dealer costs. High portfolio turnover may also result in the realization of net capital gains, and any distributions derived from such gains may be ordinary income for federal tax purposes.

**Investing in securities involves risk of loss that clients should be prepared to bear.**

The investment advice provided along with the strategies suggested by JAWMC will vary depending on each client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

**Recommendation of Particular Types of Securities:** As disclosed under the "Advisory Business" section in this Brochure, we provide advice on various types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and governmental economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Risks Associated with Investing in Equities:** Investments in equities generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the

stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

**Risks Associated with Investing in Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

#### Disciplinary Information - Item 9

On December 27, 2012, without admitting or denying the findings, Jon Arnold, the Managing Member of JAWMC, agreed to a FINRA censure and an administrative penalty in the amount of \$5,000 for placing discretionary trades for a client without obtaining written authorization from the client to exercise discretionary authority and failure to obtain prior acceptance from his broker dealer to manage the account on a discretionary basis, in violation of FINRA Rule 2010/NASD Rule 2510. The client was not harmed in any way from this transaction.

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

Certain Associated Persons of JAWMC are registered representatives with Essex Securities, LLC (“Essex Securities”), a registered broker dealer, and a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). In their capacity as registered representatives, these persons will 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 and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. **Clients of our firm have the option to purchase investment products that we recommend through other brokers and agents that are not affiliated with our firm.**

Certain Executive officers and other Associated Persons of JAWMC are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. **Clients of our firm are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.**

**Executive Officers and Associated Persons of JAWMC will never receive commissions for securities transactions in advisory accounts managed by JAWMC.**

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

#### **Description of Our Code of Ethics**

JAWMC has adopted a Code of Ethics (the “Code”) to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes JAWMC’s policies and procedures developed to protect client’s interests in relation to the following topics:

- The duty at all times to place the interests of Clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee’s position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of Clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of JAWMC’s Code of Ethics is available upon request to our firm at (330) 965-9890 or at [jon.arnold@jarnoldwealth.com](mailto:jon.arnold@jarnoldwealth.com).

#### **Interest in Client Transactions**

Please refer to Compensation for the Sale of Securities in Item 10 above for information about the recommendation of securities in which related persons has a material financial interest and the conflicts of interest associated with such practices.

#### **Personal Trading Practices**

At times, JAWMC and/or its related persons may take positions in the same securities as Clients, which may pose a conflict of interest with Clients. JAWMC and its related persons will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our Clients. Front running (trading shortly ahead of Clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (e.g., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price) would not be disclosed at the time of trading.

### **Brokerage Practices - Item 12**

We do not maintain physical custody of your assets; although we are deemed to have constructive custody of your assets if you give us authority to withdraw advisory fees from your account or in some cases, provide us with standing letters of authorization to transfer funds or securities to third parties (see the *Custody* section below at Item 15 of this Brochure). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer, bank, or trust company.

We have institutional custodial relationships with TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"). As such, depending on your needs, we may recommend one or more of these qualified custodians for your account. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). TD Ameritrade offer services which include custody of securities, trade execution, clearance, and settlement of transactions. We are not affiliated with the recommended custodian. Our investment adviser representatives are not licensed as registered representatives TD Ameritrade; and, they do not receive commissions or other compensation from recommending the brokerage or custodial services offered by TD Ameritrade.

We believe that TD Ameritrade provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the recommended broker-dealers/custodian, including the value of research provided, the company's reputation, execution capabilities, commission rates, and responsiveness to our Clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers/custodians provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

#### **Research and Other Soft Dollar Benefits**

There is no direct link between JAWMC's use of TD Ameritrade and the investment advice it gives to its Clients, although JAWMC receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided 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 JAWMC participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; 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 JAWMC by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by JAWMC's related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit JAWMC but may not benefit its Client accounts. These products or services may assist JAWMC in managing and administering

Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help JAWMC manage and further develop its business enterprise. The benefits received by JAWMC or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to Clients, JAWMC endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by JAWMC or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the JAWMC's choice of TD Ameritrade for custody and brokerage services.

#### ***Additional Custodians***

While not part of our core investment strategies, some clients may hold fee-based variable annuities. As such, transactions for sub-accounts will be implemented through a service provider selected by or affiliated with the insurance company through which the variable annuity contract is purchased (such as Nationwide) rather than with one of the recommended custodians listed above. Neither our firm nor anyone associated with our firm have received or will receive commission-based compensation on these assets. We do not calculate the advisory fee; the service provider selected by or affiliated with the insurance company will calculate and deduct our fees from your annuity account.

#### **Best Execution**

JAWMC understands its duty for best execution and considers all factors in making recommendations to Clients. Services provided by TD Ameritrade may be used to service all JAWMC Clients regardless of whether the Client has an account at TD Ameritrade. While some custodians do not charge custodial fees and JAWMC does not always obtain the lowest custodial fees, JAWMC believes the fee is reasonable in relation to the value of services provided by TD Ameritrade.

Before JAWMC approves a custodian for recommendation to Clients, and annually thereafter, JAWMC will review, as applicable, the custodian's operational, financial, and regulatory status, execution quality, commission rate, the value of research provided, financial strength, and responsiveness to our requests for trade data as well as their technological offerings, among other factors. Transaction charges, commissions, and fees may be higher or lower than Clients would pay at other firms. JAWMC believes the pricing and services provided by TD Ameritrade are competitive with other firms offering similar services.

#### **Brokerage for Client Referrals**

We do not receive Client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for Client referrals.

#### **Directed Brokerage**

We routinely recommend that you direct our firm to execute transactions through one of our recommended broker-dealers/custodians. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their Clients to direct brokerage. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as, we recommend.

#### **Trade Aggregation/Block Trading**

We may combine multiple orders for shares of the same securities purchased for advisory accounts we manage on a discretionary basis whenever possible and where in the Clients' best interests (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. In rare instances, such as partial fills or limited shares of thinly traded or illiquid stocks, it may be necessary to place block trades for only small groups of Clients over a period of time. Subject to our discretion regarding factual and market conditions, typically when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs; or, in some cases, each Client pays the same

fixed fee per transaction. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

### Review of Accounts - Item 13

JAWMC monitors Client account holdings on a continuous basis and conducts a formal review of investment allocations at least annually. Accounts are reviewed by the Associated Person assigned to the account.

Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the Client's financial situation or investment objectives, or upon Client request.

A financial plan is a snapshot in time and no ongoing reviews are conducted, unless you have engaged us for annual retainer services or periodic updates. We recommend a plan review at least annually.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. The statement details the client's account, including assets held and asset value which will come from the custodian.

### Client Referrals and Other Compensation - Item 14

From time to time, JAWMC may receive expense reimbursements for travel and/or marketing expenses from distributors of investment and/or insurance products. These reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors or for JAWMC client events hosted or co-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, client event, and seminar expenses. Although receipt of these 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. Additionally, Associated Persons of our firm attend training and/or due diligence meetings sponsored by various third party vendors. The receipt of additional compensation creates a conflict of interest. We always strive to act in the best interest of our clients.

We and our related persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for Client referrals.

### Custody - Item 15

JAWMC is deemed to have custody of Client funds solely because of the fee deduction authority granted by the Client in the investment advisory agreement and in certain situations where we accept standing letters of authorization from clients to transfer assets to third parties.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. The custodial statement is the official record of your account for tax purposes.

#### Investment Discretion - Item 16

JAWMC offers portfolio management services on a discretionary basis. JAWMC will manage Client accounts on a discretionary basis if the Client has granted discretionary authority in the advisory agreement. Discretionary authority extends to the type and amount of securities to be bought and sold, and does not require advance Client approval. Apart from the deduction of advisory fees, JAWMC does not have the ability to withdraw funds or securities from the Client's account.

You may limit our discretionary authority by providing us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

#### Voting Client Securities - Item 17

JAWMC does not vote proxies. It is the Client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

#### Financial Information - Item 18

We are required in this Item to provide you with certain financial information or disclosures about JAWMC's, financial condition. JAWMC does not require the prepayment of over \$1,200, six or more months in advance, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.

#### Requirements of State-Registered Advisers - Item 19

**This section is not applicable because our firm is SEC registered.**

## Form ADV Part 2A, Appendix 1: Wrap Fee Program Brochure

### Cover Page - Item 1

## The J. Arnold Wealth Management Co., LLC

### Ohio Branch

3869 Starrs Centre Dr.  
Canfield, Ohio 44406

### Florida Branch

9055 SE Bridge Rd  
Hobe Sound, FL 33455

**Phone:** (330) 965-9890

**Email:** [jon.arnold@jarnoldwealth.com](mailto:jon.arnold@jarnoldwealth.com)

**Website:** [www.jarnoldwealth.com](http://www.jarnoldwealth.com)

**July 7, 2021**

The J. Arnold Wealth Management Co., LLC is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This wrap fee program brochure provides information about the qualifications and business practices of The J. Arnold Wealth Management Co., LLC. The J. Arnold Wealth Management Co., LLC. If you have any questions about the contents of this brochure, please contact us at (330) 965-9890 or at [jon.arnold@jarnoldwealth.com](mailto:jon.arnold@jarnoldwealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about The J. Arnold Wealth Management Co., LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this wrap fee brochure. We have not made any material changes to this brochure since the last version.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (330) 965-9890 or at [jon.arnold@jarnoldwealth.com](mailto:jon.arnold@jarnoldwealth.com).

**Table of Contents - Item 3**

A table of contents is provided in Item 3 of the firm's Form ADV Part 2A Disclosure Brochure above.

#### **Services Fees and Compensation - Item 4**

##### **Services**

The J. Arnold Wealth Management Co., LLC (hereinafter "JAWMC") offers a wrap fee program, the JAWMC Wrap Fee Program, whereby JAWMC manages Client accounts for a single, bundled fee that includes portfolio management services, custodial services, and transaction/commission costs. Under the JAWMC Wrap Fee Program, JAWMC offers discretionary investment advice designed to assist Clients in obtaining professional portfolio management for an inclusive "wrap fee."

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

As primary portfolio manager, JAWMC and its Associated Persons are responsible for the research, security selection, and implementation of transaction orders in the Client's account. The transactions in the Client's account will be executed by TD Ameritrade, Inc. ("TD Ameritrade"), a registered broker dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

JAWMC receives a portion of the Wrap Fee for portfolio management services and TD Ameritrade will receive a portion of the fee for trade execution and custodial services. The terms and conditions under which a Client participates in the JAWMC Wrap Fee Program are set forth in the written agreement between the Client and JAWMC. The overall cost incurred from participation in the JAWMC Wrap Fee Program may be higher or lower than if the services were purchased separately.

The portfolio management services for the JAWMC Wrap Fee Program are offered on a discretionary basis. Our investment advice is tailored to meet our Clients' needs and investment objectives. Subject to any written guidelines that you may provide, we will be granted discretionary authority to manage your account. Once the portfolio allocation has been agreed upon, the ongoing supervision and management of the portfolio will be our responsibility. Discretionary authorization is granted to us by you in a written agreement. This allows our firm to decide on specific securities, the quantity of the securities and placing buy or sell orders for your account without obtaining your approval for each transaction. This type of authorization is granted using either the investment advisory agreement the Client signs with our firm, a limited power of attorney agreement, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with restrictions and guidelines in writing.

Wrap accounts are managed to diversify Clients' investments and may include various types of securities such as exchange listed equities, over the counter equities, foreign issues, American depository receipts, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (including mutual funds and exchange traded funds), US Government securities, options contracts on securities and/or commodities, private equity instruments, and interests in partnership investing in real estate. Additionally, we will provide advice on existing investments you may hold at the inception of the advisory relationship or on other types of investments for which you ask advice. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the Client's stated investment objectives, tolerance for risk, liquidity and suitability.

Asset allocation models diversified among investment styles and/or asset classes are developed and managed by us based on research conducted by JAWMC. We may also rely on portfolio models developed by third party investment advisers. Once the Client portfolio is constructed, JAWMC provides continuous supervision of the portfolio as changes in the market conditions and Client circumstances may require. Investments and allocations are determined based upon the Clients' predefined objectives, risk tolerance, time horizons, financial horizons, financial information, and other various suitability factors. Further restrictions and guidelines imposed by Clients may affect the composition and performance of a Client's portfolio. For these reasons, performance of the

portfolio might not be identical with other Clients of JAWMC. We review the Clients' financial circumstances and investment objectives on an ongoing basis and make adjustments to Clients' portfolios or allocation models as may be necessary to achieve the desired results.

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g., attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our firm of any changes in your financial circumstances or investment objectives that might affect the manner in which your accounts should be managed.

### **Fees**

JAWMC charges a single negotiable asset-based fee for its management services, which includes the cost of portfolio management services, custodial services and the execution of securities transactions. This fee is deducted from the Client's account held at the custodian. The Client authorizes JAWMC to debit the fee from the Client's account. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance. Fees are based on the following schedule:

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$0 – \$100,000	1.00% – 1.50%
\$100,001 – \$500,000	1.00% – 1.25%
\$501,000 – \$1,000,000	1.00%

The fees are charged based on a flat percentage as opposed to a tiered rate. These fees are negotiable depending upon the needs of the client and complexity of the situation and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid monthly in arrears, and clients may terminate their contracts with five business days' written notice. Because fees are charged in arrears, no refund policy is necessary. JAWMC's fees may be higher than fees charged by other advisers for similar services. We may deduct the fee from a single, Client-designated account to facilitate billing.

### **Performance Based Fees**

For Qualified clients, JAWMC may negotiate a fee based on a combination of a percentage of assets under management and a performance fee described in further detail below. In such cases, the firm charges a maximum asset management fee of 1.00% and a maximum of 10% of the annual gross profits for the account in performance fees. The performance fee is invoiced directly to the client and is payable annually, in arrears. No performance fee will be charged, except to the extent that the amount of the capital increase exceeds the sum of any cumulative loss in the account on a yearly basis. In the event the client makes a complete withdrawal from the account on a date other than the end of the year, fees will be due at the time of withdrawal. Annual gross profits are defined as the difference in the value of the account for the previous 4 quarters, adjusted for deposits and withdrawals made during the year. Clients should note that a fee in excess of 3.00% of assets under management is in excess of industry norm and similar advisory services can be obtained for less.

JAWMC does not use the services of unaffiliated portfolio managers. As such, the Portfolio Manager servicing the account will be employed directly by our firm.

We encourage you to carefully review the statements you receive from the qualified custodian. If you have questions about your statements, or if you did not receive a statement from the qualified custodian, please call our office number located on the cover page of this brochure.

### **Termination**

At the inception of investment management services, the first pay period's fees will be calculated on a pro-rata basis. The management agreement between you and JAWMC will continue in effect until either party terminates the management agreement in accordance with the terms of the management agreement. JAWMC's annual fee will be pro-rated through the date of termination. Any pre-paid, unearned fees will be promptly refunded to the

Client.

#### **Additional Fees and Expenses**

The JAWMC Wrap Fee Program fees do not include mark-ups and mark-downs, dealer spreads or other costs associated with the purchase or sale of securities, interest, taxes, or other costs, such as national securities exchange fees, charges for transactions not executed through TD Ameritrade, costs associated with exchanging currencies, wire transfer fees, or other fees required by law or imposed by third parties. The Account will be responsible for these additional fees and expenses.

All fees paid to JAWMC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a Client may pay an initial or deferred sales charge.

Each mutual fund, ETF, or variable annuity in which the Account may be invested will also charge a management fee, other internal expenses, and a possible distribution fee. Certain mutual funds offered through the JAWMC Wrap Fee Program may impose short-term trading charges (typically 1% - 2% of the amount originally invested) for redemptions made within short periods of time. In the rare event an early redemption charge is assessed, the charge would be offset by the advisory fee or paid by JAWMC.

All of the fees and expenses discussed above will be indirect expenses borne by the Account, and will be in addition to the JAWMC Wrap Fee Program fee. You should consider all of these fees and expenses (including the JAWMC Wrap Fee Program fee) to fully understand the total amount of fees and expenses to be paid by the Account and to evaluate the advisory services being provided. The fees and expense related to mutual funds, ETFs, or variable annuities are disclosed in their respective prospectus or summary disclosure document.

#### **Other Important Considerations**

- Wrap fee programs are not suitable for all investment needs, and any decision to participate in a wrap fee program should be based on your financial situation, investment objectives, tolerance for risk, and investment time horizon, among other considerations. The wrap fee program fee may cost the Client more than if assets were held in a traditional brokerage account. In a brokerage account, a Client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the Client plans to follow a buy and hold strategy for the account or does not wish to use JAWMC for ongoing investment advice or management services, the Client should consider opening a brokerage account rather than a wrap fee program account.
- The investment products available to be purchased in the wrap fee program can be purchased by Clients outside of a wrap fee program account, through broker-dealers or other investment firms not affiliated with JAWMC. In such cases, our firm would not provide ongoing supervisory and management services for the account.
- Our firm and our advisory representatives will receive compensation as a result of your participation in the JAWMC Wrap Fee Program. In certain cases, this compensation will be more than the amount our firm or the representative would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and our representatives have a financial incentive to recommend the JAWMC Wrap Fee Program, and may recommend the JAWMC Wrap Fee Program over other programs or services for which the compensation arrangements are not as beneficial.
- Due to the single fee charged to a JAWMC Wrap Fee Program account, we are regarded as having a conflict of interest in that we can realize a greater profit on a JAWMC Wrap Fee Program account with a relatively low rate of portfolio turnover compared to other types of accounts, assuming the same level of fees.

### **Account Requirements and Types of Clients - Item 5**

JAWMC generally provides investment advice and/or management supervisory services to Individuals and High-Net-Worth Individuals.

There is an account minimum, \$100,000 which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation. On a case per case basis, the JAWMC will allow a client with less than \$100,000 to invest with A FOUR HOUR minimum financial planning fee paid to cover cost of manpower/womanpower, postage, copies, and advisors time.

### **Portfolio Manager Selection and Evaluation - Item 6**

#### **Portfolio Managers**

JAWMC is the sole sponsor and portfolio manager of the JAWMC Wrap Fee Program. Each account is managed by the Associated Person assigned to the Client relationship. We have chosen not to utilize outside portfolio managers. Therefore, there is no selection and review of outside portfolio managers. Neither us, nor any third party reviews performance information to determine or verify its accuracy.

Where required, Associated Persons responsible for the management of the account are registered as investment adviser representatives. Clients should refer to each Associated Person's Form ADV Part 2B Supplement, provided to you along with the copy of our disclosure brochure, for more information about their disciplinary, business and educational backgrounds. Please contact us at (330) 965-9890 or at [jon.arnold@jarnoldwealth.com](mailto:jon.arnold@jarnoldwealth.com) with any questions you may have.

Clients will receive statements directly from their account custodian(s) at least quarterly. JAWMC may also provide performance reports on an as needed basis.

#### **Other Advisory Services**

Please refer to Item 4 of the firm's Form ADV Part 2A Disclosure Brochure above for information about other advisory services offered by JAWMC.

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

Please refer to Item 6 of the firm's Form ADV Part 2A Disclosure Brochure above for information about performance fees and side-by-side management.

#### **Investment Strategies**

Please refer to Item 8 of the firm's Form ADV Part 2A Disclosure Brochure above for information about JAWMC's investment strategies.

#### **Methods of Analysis**

Please refer to Item 8 of the firm's Form ADV Part 2A Disclosure Brochure above for information about the methods of analysis used by JAWMC.

#### **Risk of Loss**

Clients should be aware that investing in securities involves a risk of loss that they should be prepared to bear. Past performance is not indicative of future results. Therefore, 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, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal. Because

of the inherent risk of loss associated with investing, our firm 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. Please refer to Item 8 of our Form ADV Part 2A Brochure above for a detailed discussion of the various risks associated with investing in securities.

**Proxy Voting**

JAWMC does not vote proxies. It is the Client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

**Client Information Provided to Portfolio Managers - Item 7**

JAWMC is the sole sponsor of the JAWMC Wrap Fee Program and together with its portfolio managers has access to and is responsible for maintaining all information provided by Clients. Client information will be updated in our firm's records upon notification of changes provided by Clients and during Client meetings.

**Client Contact with Portfolio Managers - Item 8**

JAWMC is the sole sponsor and portfolio manager to the JAWMC Wrap Fee Program. Clients are free to contact JAWMC or their designated investment adviser representative at any time with questions regarding the JAWMC Wrap Fee Program. We can be reached at (330) 965-9890 or at [jon.arnold@jarnoldwealth.com](mailto:jon.arnold@jarnoldwealth.com).

**Additional Information - Item 9**

**Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management. Neither we nor our management persons have a history of material legal or disciplinary events.

**Other Financial Industry Activities or Affiliations**

Please refer to Item 10 of our Form ADV Part 2A Brochure above for more information about our other financial industry activities and/or affiliations.

**Description of Our Code of Ethics**

JAWMC has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes JAWMC's policies and procedures developed to protect Client's interests in relation to the following topics:

- The duty at all times to place the interests of Clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code;
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of Clients is confidential; and

- The principle that independence in the investment decision-making process is paramount.

A copy of JAWMC's Code of Ethics is available upon request to our firm at (330) 965-9890 or at [jon.arnold@jarnoldwealth.com](mailto:jon.arnold@jarnoldwealth.com).

#### **Interest in Client Transactions**

Please refer to Compensation for the Sale of Securities in Item 10 above for information about the recommendation of securities in which related persons has a material financial interest and the conflicts of interest associated with such practices.

#### **Personal Trading Practices**

At times, JAWMC and/or its related persons may take positions in the same securities as Clients, which may pose a conflict of interest with Clients. In an effort to uphold our fiduciary duties to Clients, JAWMC and its related persons will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to Client trades. Front running (trading shortly ahead of Clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the Client(s) at the time of trading. Incidental trading not deemed to be a conflict (e.g., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price) would not be deemed a material conflict requiring disclosure at the time of trading.

#### **Account Reviews, Statements and Reports**

JAWMC monitors Client account holdings on a continuous basis and conducts a formal review of investment allocations at least annually. Accounts are reviewed by the Associated Person assigned to the account.

Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the Client's financial situation or investment objectives, or upon Client request.

A financial plan is a snapshot in time and no ongoing reviews are conducted, unless you have engaged us for annual retainer services or periodic updates. We recommend a plan review at least annually.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. The statement details the client's account, including assets held and asset value which will come from the custodian.

#### **Brokerage Practices**

JAWMC executes all transactions for JAWMC Wrap Fee Program accounts through TD Ameritrade. TD Ameritrade is an unaffiliated broker-dealer, and a member of FINRA and the SIPC. JAWMC has chosen TD Ameritrade on the basis of a number of factors, including quality of service, fees, reputation, accountability, and security of assets. The fees and commissions charged by TD Ameritrade may be higher or lower than other broker dealers or custodians, depending on the type of transaction. JAWMC considers the services provided by TD Ameritrade to be high-quality and the fees charged to be comparable or favorable to those charged by other broker-dealers or custodians.

#### **Client Referrals and Other Compensation**

JAWMC receives additional benefits from TD Ameritrade such as electronic delivery of Client information, electronic trading platforms, institutional trading support, proprietary and/or third party research, continuing education, practice management advice, and other services provided by custodians for the benefit of investment advisory Clients.

The receipt of additional benefits gives us an incentive to require that you maintain your account with TD Ameritrade based on our interest in receiving additional services from these broker dealers rather than your interest in receiving the best value and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our selection of TD Ameritrade as broker dealer/custodian is in the best interests of our Clients. Our belief is primarily supported by the scope and quality of services TD Ameritrade

provides to our Clients and not services that benefit only us. Please refer to Item 12 of our Form ADV Part 2A Brochure above for more information about the receipt of additional benefits from broker dealers.

To address the existence of this conflict, on a periodic basis, we conduct a best execution review considering the full range and quality of TD Ameritrade's services, including execution quality, commission rate, the value of research provided, financial strength, and responsiveness to our requests for trade data and other information. Our obligation is not necessarily to get the lowest price but to obtain the best qualitative execution.

JAWMC has brokerage and clearing arrangements with TD Ameritrade and the firm may receive additional benefits from TD Ameritrade in the form of electronic delivery of Client information, electronic trading platforms, institutional trading support, proprietary and/or third party research, continuing education, practice management advice, and other services provided by custodians for the benefit of investment advisory Clients. Please refer to item 12 above for more information about the receipt of additional benefits from broker dealers.

Our firm and our Associated Persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for Client referrals.

#### **Recommendation of Other Advisors**

We may recommend that you use a third party investment adviser or program as part of our asset allocation and investment strategy. In these cases, JAWMC will share in the compensation received by the third party investment adviser. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of a third party investment adviser. You are not required to use the services of any recommended third party investment adviser.

#### **Financial Information**

We are required in this Item to provide you with certain financial information or disclosures about JAWMC's, financial condition. JAWMC does not require the prepayment of over \$1,200, six or more months in advance. Additionally, JAWMC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and it has not been the subject of a bankruptcy proceeding.

#### **Requirements for State-Registered Advisors - Item 10**

**This section is not applicable because our firm is SEC registered**

#### **The J. Arnold Wealth Management Co., LLC Privacy Notice**

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P"). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

#### **INFORMATION WE COLLECT**

The J. Arnold Wealth Management Co., LLC (JAWMC) must collect certain personally identifiable financial information about its customers to provide financial services and products. The personally identifiable financial information that we gather during the normal course of doing business with you may include:

- information we receive from you on applications or other forms;
- information about your transactions with us, our affiliates, or others;
- information we receive from a consumer reporting agency.

**INFORMATION WE DISCLOSE**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as necessary to provide services to you. In accordance with Section 248.13 of Regulation S-P, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as our attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

**CONFIDENTIALITY AND SECURITY**

We restrict access to nonpublic personal information about you to those Employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

**ACCURACY**

JAWMC strives to maintain accurate personal information in our client files at all times. However, as personal situations, facts and data change over time; we encourage our clients to provide feedback and updated information to help us meet our goals.