

Item 1 – Cover Page

**ADV Part 2A Appendix 1  
Wrap Fee Program Brochure**

**The Junk Investment Group, LLC**  
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Date of Disclosure Brochure: January 2021

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of The Junk Investment Group, LLC (also referred to as we and us throughout this disclosure brochure). If you have any questions about the contents of this brochure, please contact us at (410) 584-8100 or [thejunks@junkinv.com](mailto:thejunks@junkinv.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 Junk Investment Group, LLC is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for The Junk Investment Group, LLC or our firm's CRD number 104619.

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

## Item 2 – Material Changes

Since our initial Form ADV Part 2A Appendix 1 Wrap Fee Program Disclosure Brochure dated January 2019, we have made the following material changes to the disclosure brochure:

- We have updated the section **Methods of Analysis** in **Item 8** to refine the description of our current methods
- In January 2021, we changed the corporate structure of the firm from Ivan Richard Junk, sole proprietor, dba The Junk Investment Group to a limited liability corporation, The Junk Investment Group, LLC.

We will ensure that you receive a summary of any material changes to this and subsequent Wrap Fee Program Disclosure Brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current Wrap Fee Program Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Services, Fees and Compensation**

The Junk Investment Group, LLC (“Advisor”) is an investment advisor registered with the Securities and Exchange Commission. The Junk Investment Group, LLC is primarily owned by Ivan Richard Junk and Cassandra Junk.

The Junk Investment Group, LLC offers asset management services through a wrap fee management program. In our wrap fee management program, clients pay a bundled “wrap fee.” This means that advisory services (including asset management) and transaction costs (including ticket charges) are provided for one fee. Whenever a fee is charged for services described in this Wrap Fee Program Brochure, we will receive all of the fee charged.

The Junk Investment Group, LLC absorbs transaction costs in wrap fee accounts. Additionally, The Junk Investment Group, LLC does not charge clients higher advisory fees based on their trading activity. As such, The Junk Investment Group, LLC may have a financial incentive not to place transaction orders in those accounts since doing so increases its transaction costs. Thus, an incentive exists to place trades less frequently under a wrap fee arrangement. Additionally, individual stocks and ETFs have a lower transaction fee than mutual funds. Therefore, the firm and its investment advisor representatives have an economic incentive to recommend stocks and ETFs over mutual funds, which may be a conflict of interest.

The fees not included in the advisory fee for our wrap services are charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund’s prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions.

When making the determination of whether the advisory program available through The Junk Investment Group, LLC is appropriate for your needs, you should bear in mind that fee-based accounts, when compared with commission-based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the fee-based account arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation. It should also be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and The Junk Investment Group, LLC.

You should discuss the advantages and disadvantages of fee-based and commission-based accounts with your adviser representative and you should read this Wrap Fee Disclosure Brochure carefully as it explains, in detail, our Asset Management Services.

### **Asset Management Services**

The Junk Investment Group, LLC offers asset management services, which involves the Firm’s providing you with continuous and ongoing supervision over your accounts. The Firm Asset Management Services Program is a wrap fee program. In providing asset management services, The Junk Investment Group,

LLC will continuously monitor your account and make trades in your accounts when necessary. Your account will be managed by The Junk Investment Group, LLC based on your financial situation, investment objectives and risk tolerance. The Firm will actively monitor your account and will make management recommendations and decisions regarding buying, selling, reinvesting or holding securities, cash or other investments.

We recommend that your assets to be allocated to our Asset Management Services Program be maintained in a brokerage account with Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), an SEC registered broker/dealer and member NYSE/SIPC. Schwab is the qualified custodian for all accounts established through our Asset Management Services Program. You will appoint The Junk Investment Group, LLC as your investment adviser of record on specified accounts. Your account will consist only of separate account(s) held by the qualified custodian under your name. **The Junk Investment Group, LLC does not act as custodian and does not have direct access to your funds and securities except to have advisory fees deducted from your account with your prior written authorization.** The qualified custodian will maintain physical custody of all funds and securities of your Account, and you will retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) for your account.

You will authorize The Junk Investment Group, LLC to have trading authorization on your account and we will provide asset management services. You will authorize only Non-Discretionary management in your agreement for our Asset Management Services. If you authorized us to provide asset management services on a discretionary basis, we would make all decisions to buy, sell or hold securities, cash or other investments in your managed account in our sole discretion without consulting with you before making any transactions. You must provide us with written authorization to exercise this discretionary authority, and you can place reasonable restrictions and limitations on our discretionary authority.

Fees for our asset management services are charged based on a percentage of assets under management, billed in advance (at the start of the billing period) on a quarterly calendar basis. When an account is opened, we begin charging fees at the start of the next calendar quarter once all monies have been deposited. The initial management fee is calculated based on the initial portfolio value. Prior to entering into a fee arrangement, our representatives work with you on fact finding, risk tolerance, presentation and implementation.

For our asset management services, client will be charged the following annual fee based upon the amount of assets under management:

<u>Total Portfolio Value</u>	<u>Fee Rate</u>
To \$499,999	1.00%
\$500,000 to \$749,999	0.95%
\$750,000 to \$999,999	0.85%
\$1,000,000 to \$1,499,999	0.80%
Over \$1,500,000	0.75%

There is a minimum fee of \$300 per quarter. Going forward, our annual management fee is calculated based on the value of your assets on the last business day of the previous calendar year. Our fee is paid in advance in four equal quarterly payments (April 1, July 1, October 1, and January 1 of the following year). You will receive a billing notification statement during the 1<sup>st</sup> quarter of each year that will detail the

amount of fee for the upcoming year and the value of assets under management. Some clients may be charged alternative fees due to contracting for services using previously existing fee schedules.

The only compensation received by The Junk Investment Group, LLC for asset management services is the annual fee as specified in the client's advisory services agreement. The Junk Investment Group, LLC receives no other forms of compensation in connection with providing asset management services.

The Junk Investment Group, LLC believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs.

You can choose how to pay your investment advisory fees. The investment advisory fees can be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account or you can pay our firm upon receipt of a billing notice sent directly to you.

If you choose to have the investment advisory fees deducted from your account, you must authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to The Junk Investment Group, LLC. This authorization is included in the application to open an account.

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

If you choose to pay the fees out-of-pocket, fees are due upon your receipt of a billing notice sent directly to you. Fees for the services of our firm will be due immediately after your receipt of the billing notice.

Transaction ticket fees that are charged by the qualified custodian will be bundled with the fee for our Asset Management Services. The transaction ticket fees charged by the qualified custodian will be billed directly to The Junk Investment Group, LLC by the qualified custodian for your account.

The asset management services continue in effect until terminated by either party (i.e., The Junk Investment Group or you) by providing written notice of termination to the other party. Upon request, any prepaid, unearned fees will be promptly refunded by The Junk Investment Group, LLC to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period.

### **Block Trading**

Investment advisors may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading. The Junk Investment Group, LLC does not engage in block trading.

It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is our trading policy to implement all client orders on an individual basis. Therefore, we do not aggregate or "block" client transactions. Considering the types of investments we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and

holdings will vary. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

### **Suitability and Investment Strategy**

The Junk Investment Group, LLC will assist clients in determining their objective(s), investment strategy, and investment suitability prior and subsequent to opening an Asset Management account. Clients must contact us to notify of any changes in their investment objective(s) and/or financial situation. Investment strategies used to implement investment advice include, but are not necessarily limited to, long term purchases (investments held at least a year); and margin transactions.

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

### **Minimum Account Size**

The Junk Investment Group, LLC requires a minimum of \$750,000 to open an account. Exceptions may be granted to this minimum for anticipated future earning capacity, anticipated additional assets, dollar amount of assets to be managed, related accounts, account composition, etc.

### **Types of Accounts**

The Junk Investment Group, LLC generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Trusts, estates, or charitable organizations

You are required to execute a written agreement with The Junk Investment Group, LLC specifying the particular advisory services in order to establish a client arrangement with the Firm.

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

The Junk Investment Group, LLC and its Investment Adviser Representatives act as the portfolio manager(s) for accounts receiving our Asset Management Services. Our Asset Management Service is considered a wrap fee program. For this service, we do not allow the use of portfolio managers that are not associated with The Junk Investment Group, LLC. In other words, the only portfolio managers selected for managing client assets for our Asset Management Services are Investment Adviser Representatives of The Junk Investment Group, LLC. Therefore, conflicts of interest present in other wrap fee programs that make available both affiliated and unaffiliated portfolio managers are not present in our wrap fee program. Because our Asset Management Services program does not provide for outside portfolio managers, we do not have procedures designed to select outside portfolio managers.

### **General Description of Other Advisory Services**

The following are descriptions of the primary advisory services of Junk Investment Group, LLC. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and The Junk Investment Group, LLC before we can provide you the services described below.

**Financial Planning & Consulting Services** – The Junk Investment Group, LLC offers limited financial planning services. Upon request, we may address the following topics: Investment Planning, Retirement Planning, Tax Planning, Asset Allocation, and Risk Management. When providing financial planning and

consulting services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. Financial plans prepared by us under this Agreement do not include specific recommendations of individual securities.

We also offer consultations to discuss financial planning issues when you do not need a financial plan. We offer a one-time consultation, which covers mutually agreed upon areas of concern related to investments or financial planning. We also offer “as-needed” consultations, which are limited to consultations in response to a particular investment or financial planning issue raised or request made by you. Under an “as-needed” consultation, it will be incumbent upon you to identify those particular issues for which you are seeking our advice or consultation.

Our financial planning and consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning and consulting recommendations. To the extent that you would like to implement any of our investment recommendations through The Junk Investment Group, LLC or retain The Junk Investment Group, LLC to actively monitor and manage your investments, you must execute a separate written agreement with The Junk Investment Group, LLC for our asset management services.

### **Limits Advice to Certain Types of Investments**

The Junk Investment Group provides investment advice on the following types of investments:

- Mutual Funds
- ETFs
- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Variable Annuities

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client’s specific circumstances, needs, goals and objectives.

It is not our investment strategy to attempt to time the market. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

### **Tailor Advisory Services to Individual Needs of Clients**

The advisory services of The Junk Investment Group, LLC are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. The Junk Investment Group, LLC **does not charge or accept performance-based fees.**

## Methods of Analysis

We use an objective based approach to investment analysis. Our portfolios are composed of equity based Mutual Funds and Exchange Traded Funds to create customized portfolios based upon each client's investment objectives and risk tolerances. Individual investment vehicles are selected to meet the client's objective based on the fund family's general reputation, the reasonableness of the internal expense ratio, and the consistency of performance over the long term

## Investment Strategies

The Junk Investment Group, LLC uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest of the purchase price from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow from The Junk Investment Group, LLC.

Our investment strategy does not attempt to time the market.

## Risk of Loss

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, ETFs, 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. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Margin Risk - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intended to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you.

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

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and The Junk Investment Group and held by the account custodian or clearing firm.

These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The account custodian or clearing firm can force the sale of securities or other assets in your account.
- The account custodian or clearing firm can sell your securities or other assets without contacting you.

- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.
- The account custodian or clearing firm can increase its “house” maintenance margin requirements at any time and they are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

### **Voting Client Securities**

The Junk Investment Group, LLC does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

### **Item 7 – Client Information Provided to Portfolio Managers**

Only Investment Adviser Representatives of The Junk Investment Group, LLC serve as portfolio managers for our Asset Management Services Program. Our associated Investment Adviser Representatives are responsible for gathering all information provided by you. We will interview and work with you to gather all information needed relative to your investment objectives and needs in order to provide management services through our Asset Management Services Program. You are responsible for promptly contacting your Investment Adviser Representative to notify us of any changes to your financial situation that will impact or materially influence the way we manage your accounts. Since we do not use any outside portfolio managers, we do not share your information with any outside portfolio managers.

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

Only Investment Adviser Representatives of The Junk Investment Group, LLC serve as portfolio managers for our Asset Management Services Program. There are no restrictions placed on your ability to contact and consult with their portfolio managers. It is the policy of The Junk Investment Group, LLC to provide for open communications between the Investment Adviser Representatives and clients. You are encouraged to contact your Investment Adviser Representative whenever you have questions about the management of your account(s).

### **Item 9 - Additional Information**

#### **Disciplinary Information**

We have no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of our business or the integrity of our management.

### **Other Financial Industry Activities and Affiliations**

The Junk Investment Group, LLC is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an 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), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with The Junk Investment Group, LLC.

### **Insurance Agent**

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent, may suggest that you implement recommendations of The Junk Investment Group, LLC by purchasing disability insurance, life insurance, annuities, or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

### **Interest in Client Transactions and Code of Ethics**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. The Junk Investment Group, LLC has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. The Junk Investment Group, LLC requires its supervised persons to consistently act in your best interest in all advisory activities. The Firm imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of The Junk Investment Group, LLC. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

## **Affiliate and Employee Personal Securities Transactions Disclosure**

The Junk Investment Group, LLC or associated persons of the firm may not buy or sell for their personal accounts, investment products identical to those recommended to clients unless in accordance with firm procedures. It is the express policy of The Junk Investment Group, LLC that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. The Junk Investment Group, LLC and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted by the Chief Compliance Officer of The Junk Investment Group, LLC.

Any associated person not observing our policies is subject to sanctions up to and including termination.

## **Account Reviews**

Managed accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are performed in accordance with your investment goals and objectives.

## **Account Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian.

You are encouraged to always compare any reports or statements provided by us against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

## **Client Referrals**

The Junk Investment Group, LLC does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services. The Junk Investment Group, LLC receives no other forms of compensation in connection with providing investment advice.

### **Economic Benefits of Being on the Schwab Platform**

Schwab provides The Junk Investment Group, LLC with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to advisors. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab also makes available to The Junk Investment Group, LLC other products and services that benefit the Advisor but may not benefit its clients' accounts. These benefits may include national, regional, or The Junk Investment Group, LLC specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of The Junk Investment Group, LLC by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist The Junk Investment Group, LLC in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to The Junk Investment Group, LLC other services intended to help the Advisor manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to the Advisor by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Advisor. While, as a fiduciary, The Junk Investment Group, LLC endeavors to act in its clients' best interests, the Advisor's recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to the Advisor of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a conflict of interest.

For Advisor's clients' accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

## **Financial Information**

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

## **Item 10 - Customer Privacy Policy Notice**

This notice is provided to you on behalf of The Junk Investment Group, LLC. Maintaining the trust and confidence of clients is a high priority. That is why we want you to understand how we protect your privacy when we collect and use your information and the steps that we take to safeguard that information.

### **Information Collected:**

In connection with providing investment products, financial advice or other services, we obtain non-public personal information about you, including:

- Information received from you on account applications;
- Information received from credit or service bureaus or other third parties; and
- Information about your transactions with us or others, including your financial advisor.

### **Information Disclosed:**

We do not disclose information regarding you or your accounts with us, except under the following circumstances:

- To your authorized financial advisor and his or her manager;
- To establish or maintain an account with an unaffiliated third party, such as a clearing broker providing services to client and/or us;
- To government entities or other third parties in response to subpoenas or other legal process as required by law;
- If applicable, to our parent companies or their affiliates, to the extent permitted by law.

### **Security Policy:**

Only those individuals who need it to perform their jobs are authorized to have access to your confidential information. We maintain physical, electronic and procedural security measures that comply with applicable state and federal regulations to safeguard confidential client information.

### **Closed or Inactive Accounts:**

If you decide to close your account(s) or become an inactive customer, we adhere to the privacy policies and practices as described in this notice.

**Complaint Notification:**

Please direct complaints to The Junk Investment Group, LLC, 307 International Circle, Suite 540, Hunt Valley, MD 21030, (410) 584-8100.

**Changes to This Privacy Policy:**

If there are any substantial changes in the way we use or disseminate confidential information, The Junk Investment Group, LLC will notify you.

If you have any questions concerning this Privacy Policy, please write to The Junk Investment Group, LLC, 307 International Circle, Suite 540, Hunt Valley, MD 21030.