

### Item 1. Introduction

J. Derek Lewis & Associates, Inc. (“JDLA”) is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser. JDLA is not a broker/dealer; it has an affiliated broker/dealer that will file its own Customer Relationship Summary (Form “CRS”). Essentially, investment advisers charge for advice; broker/dealers charge for transactions, and any advice provided incidental to the transaction is not charged. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [www.investor.gov/crs](http://www.investor.gov/crs), which also provides educational materials about broker/dealers, investment advisers, and investing.

### Item 2. What investment services and advice can you provide me?

We offer investment advisory services to retail investors, including mutual fund allocations and portfolio construction generally utilizing mutual funds, although certain other securities may be used from time to time. The Investment Adviser Representative (“IARs”) manages and constructs the portfolios based upon a Risk Tolerance Questionnaire and Investor Policy document prepared collaboratively by JDLA with you, the client. The investment management process is principally based upon qualitative assessment and fundamental analysis, and so the limitations on such services are that they involve qualitative judgment that may not be optimal in practice. Another limitation is that products are generally limited to mutual funds. Investment monitoring is offered annually, but you and JDLA may agree on more frequent monitoring. JDLA accepts discretionary investment authority if you desire. The minimum account requirements are generally \$100,000, although lesser amounts may be accepted depending upon whether JDLA determines such an account relationship is appropriate for you.

JDLA may exercise discretionary authority for model construction, portfolio selection and portfolio rebalancing. The material limitations are that the IAR’s judgment may differ from what you, in retrospect, may have chosen as investments; in a discretionary account, you relinquish control over the investment decision-making process, although you may revoke such discretionary authority at any time. The circumstances that create discretionary authority are the Client Agreement/Investment Management Agreement (“IMA”) between you and JDLA, as well as any Power of Attorney that you may elect to sign with JDLA. Such powers are generally in effect indefinitely, although you may cancel them at any time. JDLA also offers nondiscretionary services, which means that you make the ultimate decision regarding the purchase and/or sale of investments. For additional information, please see Form ADV, Part 2A Brochure (Items 4 and 7 of Part 2A).

To facilitate a greater understanding of our services, you could ask your financial professional questions such as: **(1) Given my financial situation, should I choose an investment advisory service? Why or why not?; (2) How will you choose investments to recommend to me?; (3) What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?**

### Item 3. Fees, Costs, Conflicts and Standard of Conduct

#### What fees will I pay?

The principal fees and costs for retail investors with a managed account will be an asset-based fee (*fee is a % of the value of (i) the assets under management or (ii) assets subject to non-discretionary investment advice*). Asset-based fees can be as high as 1.00% per annum if JDLA exclusively manages/advises you, and as high as 1.5% if JDLA uses a 3<sup>rd</sup> Party Asset Manager. However, if its affiliated broker/dealer collects 12b-1 fees for its brokerage clients who also have an investment advisory relationship with us for that account, then the advisory fees are reduced by the 12b-1 fee amount (up to 0.25% for A-shares, and up to 1.00% for C-shares). Fixed fees may be assessed, but they are the exception rather than the normal business practice. Fees are generally assessed quarterly. Such asset-based fees create a conflict of interest in the sense that the greater the value of assets in your account, the more you will pay in fees, and JDLA may, therefore, have an incentive to encourage you to contribute more to your account.

Our fees generally include brokerage commissions (except 12b-1s), other transaction fees, and other related costs and expenses. Mutual funds and money market funds also charge internal management fees. Commission-based and non-commission-based mutual funds may pay annual distribution or service charges, sometimes referred to as “12b-1 fees”. These 12b-1 fees come from fund assets, and thus indirectly from your assets. You may also incur certain charges imposed by transfer agents, custodians, third party investment companies and other third parties. These include fees charged by managers, custodial fees, deferred sales charges, capital gains

## Form CRS (continued)

### Customer Relationship Summary of J. Derek Lewis & Associates; Dated February 29, 2024

taxes on undistributed mutual fund profits, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes.

Although our affiliated broker/dealer may receive such fees, we do not receive 12b-1 fees, and we strive to use Adviser share classes, which means mutual fund companies do not charge commissions, and we do not receive commissions (only a % of the account value). You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For additional information, please see Item 5 – Fees and Expenses, in Form ADV, Part 2A Brochure. See also Items 4 and 7 of Part 2A Brochure, as well as the IMA that you signed. This Form CRS, along with the Brochure, shall constitute part of the disclosure of direct and indirect fees as contemplated in ERISA 408(b)(2), but if such an ERISA disclosure is applicable, a separate disclosure document will also be provided.

To facilitate a greater understanding of our services, you could ask your financial professional questions such as: **(1) Help me understand how these fees and costs might affect my investments; (2) If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they affect the investment advice we provide you. Here are some examples to help you understand what this means: (i) compensation based upon assets that JDLA or its IARs manage or advise creates a conflict of interest because more assets in the account results in more compensation, and (ii) some JDLA IARs provide securities brokerage or insurance services, and therefore those IARs, who are registered as an insurance agent of an insurance agency or registered representative of a securities broker/dealer will receive a commission for those transactions, and those IARs may have a conflict of interest to advise clients to use assets from their investment advisory account for securities and insurance brokerage purposes. Investing involves risk of loss of principal invested.

To facilitate a greater understanding of our services, you could ask your financial professional questions such as: **How might your conflicts of interest affect me, and how will you address them?**

Additional information about our conflicts of interest can be found in our Form ADV Brochure under Item 11, which is available upon request or online at <https://adviserinfo.sec.gov/>.

How do your financial professionals make money?

JDLA's IARs are employees and are provided a base salary and/or a % of the amount of assets they manage or advise. Compensation for the amount of client assets that they service creates an incentive and a conflict of interest to obtain as many assets in the account as possible. Fees based upon the value of the account generally also create an incentive to take more risk in the account to earn more money. Also, compensation does not consider the time and complexity required to meet a client's needs, the product sold, product sales commissions, or revenue that JDLA earns from the financial professional's recommendations. Our Brochure has more information about fees, conflicts and standards of conduct.

#### Item 4. Do your financial professionals have legal or disciplinary history?

No, our firm and/or financial professionals do not have any legal or disciplinary history. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

To facilitate a greater understanding of our services, you could ask your financial professional questions such as: **As a financial professional, do you have any disciplinary history? If so, for what type of conduct?**

#### Item 5. Additional Information

For additional information about our services, or if you would like a copy of this disclosure, please call Kathe Espinili at (949) 752-9096 for such matters, as well as for compliance questions, or call Rob Knutsen at (949) 752-9096 for questions related to investments or portfolio management/strategy. More important information is also contained in our ADV Part 1 and Part 2A (Brochure).

To facilitate a greater understanding of our services, you could ask your financial professional questions such as: **(1) Who is my primary contact person?; (2) Is he or she a representative of an investment-adviser or a broker-dealer?; (3) Who can I talk to if I have concerns about how this person is treating me?**



## Form CRS

### Customer Relationship Summary of JDL Securities Corporation

Dated February 29, 2024

#### Item 1. Introduction

JDL Securities Corporation ("JDLS") is registered with the Securities and Exchange Commission ("SEC") as a broker/dealer. JDLS is not an investment adviser; it has an affiliated investment adviser that will file its own Customer Relationship Summary. Essentially, broker/dealers charge for transactions, and any advice which may be provided by broker/dealers incidental to the transaction is not charged. Investment advisers charge for advice rather than the transactions. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about broker/dealers, investment advisers, and investing.

#### Item 2. What investment services and advice can you provide me?

We buy and sell securities and recommend such transactions to retail investors. We offer brokerage services for buying and selling mutual funds. JDLS solicits transactions for you based upon what we determine is suitable for you and otherwise in your best interest. We consider your investment objectives, time horizon, risk tolerance, liquidity needs, tax bracket and other considerations that you shared with our registered representatives ("RRs"). Material limitations of JDLS' brokerage service include (i) the recommendations are generally based upon a qualitative assessment and fundamental analysis, and so the qualitative nature of such services may not be optimal in practice, (ii) the products are generally limited to mutual funds and (iii) RR's judgment may, as with all investments, result in loss of your principal amount invested.

We must act in your best interest and not place our interests ahead of yours when we recommend an investment or an investment strategy involving securities. When we provide any service to you, we must treat you fairly and comply with a number of specific obligations. We do not engage in ongoing account monitoring services.

JDLS does not exercise discretionary authority over your brokerage account. There is no account minimum balance/valuation required to open an account; however, on a case-by-case basis, JDLS reserves the right to refuse to open an account or to close an account at its discretion.

To facilitate a greater understanding of our services, you could ask your financial professional questions such as: (1) ***Given my financial situation, should I choose a brokerage service? Why or why not?***; (2) ***How will you choose investments to recommend to me?***; (3) ***What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?***

#### Item 3. Fees, Costs, Conflicts and Standard of Conduct

##### What fees will I pay?

The commissions and fees/costs for retail investors with a brokerage account consist of: **A-shares** with a maximum dealer commission of 5.75% (and scales down to 0% as breakpoints are reached); **F2-shares/ADV-shares/I-shares** (if our affiliated investment adviser has a contract with you for service); **C-shares**, which have a trailing commission of a specified percent each year (generally 1%); **R-shares** in retirement plan accounts with a maximum dealer commission of 1% (depending on the R-share program selected by the employer); and **12b-1 fees**, which are trailing commissions paid by the mutual fund company and are disclosed in the mutual fund prospectus.

The commissions you pay are based on the specific transaction and not the value of your account. Such a transaction-based fee creates a conflict of interest in the sense that RRs have an incentive to recommend transactions to you to make more money.

Our fees do not include other transaction fees and other related costs and expenses. Mutual funds and money market funds also charge internal management fees. You may also incur certain account charges imposed by mutual fund transfer agents and custodians, including capital gains taxes on undistributed mutual fund profits, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes.

## Form CRS (continued)

### Customer Relationship Summary of JDL Securities Corporation; Dated February 29, 2024

You will pay commissions and fees/costs whether you make or lose money on your investments. Commissions and fees/costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

For additional information, please see the prospectus of each mutual fund and/or college savings account we have recommended to you. Please also refer to our Breakpoint disclosure.

To facilitate a greater understanding of our services, you could ask your financial professional questions such as: **(1) Help me understand how these fees and costs might affect my investments; (2) If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here are some examples to help you understand what this means: (i) larger accounts may create larger conflicts of interest because when compensation is based upon commissions, RRs have a greater incentive to recommend larger transactions, resulting in greater commissions, (ii) JDLS has an incentive to encourage you to trade often in order to generate more commissions in your account, and (iii) some JDLS RRs have a conflict of interest because they are registered as insurance agents of an insurance agency and so they will recommend buying insurance and would therefore receive a commission for those insurance transactions. Investing involves risk of loss of principal invested.

To facilitate a greater understanding of our services, you could ask your financial professional questions such as: **How might your conflicts of interest affect me, and how will you address them?**

How do your financial professionals make money?

JDLS's RRs are employees and are provided payment of 25%, 50% or 60% of the commissions they earn for JDLS, based on their annual gross earnings. Some RRs of JDLS may also receive covered travel expenses of up to \$1,500 for attending an annual education conference sponsored by a mutual fund company. Such compensation is paid by American Funds when they invite our RR to a conference. American Funds directly pays for the travel, hotel, food, etc. American Funds determines who to invite based on commissions generated.

This compensation structure creates an incentive and a conflict of interest to generate more transactions and earn more commissions for JDLS.

#### Item 4. Do you or your financial professionals have legal or disciplinary history?

Yes. JDLS has a disciplinary history. JDLS' financial professionals do not have a disciplinary history. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

To facilitate a greater understanding of our services, you could ask your financial professional questions such as **(1) As a financial professional, do you have any disciplinary history?; (2) For what type of conduct?**

#### Item 5. Additional Information

**For additional information about our services**, or if you would like additional, up-to-date information or a copy of this disclosure, please call Kathe Espinili at (949) 752-5206 for such matters, as well as compliance questions, or call Rob Knutsen at (949) 752-5206 for questions related to investments or portfolio management/strategy. More important information is also contained in our point-of-sale disclosure documents and our "Rollover" worksheet, which you may request when making a decision to roll over a retirement account from a previous employer to a brokerage account with JDLS.

To facilitate a greater understanding of our services, you could ask your financial professional questions such as: **(1) Who is my primary contact person?; (2) Is he or she a representative of an investment-adviser or a broker-dealer?; (3) Who can I talk to if I have concerns about how this person is treating me?**