

# Baker Street Asset Management, LLC

## Firm Brochure

### Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Baker Street Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (877)564- 5175, or via email at [techi.carreon@bsam1.com](mailto:techi.carreon@bsam1.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 Baker Street Asset Management, LLC is also available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). Baker Street Asset Management, LLC's CRD number is: 299027*

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Registration does not imply a certain level of skill or training.

Version Date 11/06/2019

## Item 2: Material Changes

In this item, Baker Street Asset Management is required to discuss any material changes that have been made to the brochure since its initial SEC filing in November 2018. Baker Street Asset Management is changing from SEC registration to State registration.

If you would like a copy of this brochure, please call us at (877)-564-5175 or by email at [techi.carreon@bsam1.com](mailto:techi.carreon@bsam1.com).

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Baker Street Asset Management, LLC is a Limited Liability Company organized in the state of California.

This firm was formed in May of 2018 and the principal owners are Teché Carreon and Mr. Aaron Leone.

### B. Types of Advisory Services

Baker Street Asset Management, LLC offers the following services to advisory clients:

#### *Investment Supervisory Services*

BAKER STREET ASSET MANAGEMENT, LLC is a San Francisco based Investment Advisor that creates investment portfolios for individuals, corporations, institutions, Registered Investment Advisors and retirement plans. BAKER STREET ASSET MANAGEMENT, LLC creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and combines it with research, quantitative analysis and company specific marketing material to then construct a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

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

BAKER STREET ASSET MANAGEMENT, LLC evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. BAKER STREET ASSET MANAGEMENT, LLC will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### *Services Limited to Specific Types of Investments*

BAKER STREET ASSET MANAGEMENT, LLC generally limits its money management to mutual funds, individual equities, options, ETFs, ETNs and alternative investments.

BAKER STREET ASSET MANAGEMENT, LLC may use other securities as well to help diversify a portfolio when applicable.

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

BAKER STREET ASSET MANAGEMENT, LLC offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

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

Baker Street Asset Management, LLC or one of its Investment Advisor Representatives may provide Financial Planning Services. Fees for comprehensive financial planning services is dependent on the complexity of the plan and needs of the client. Fees for such services typically range from \$1500-\$2500 per plan as contracted for with clients in advance. Hourly rates vary from \$150 to \$500 and may be billed monthly, or upon completion. Fees may be negotiated at the discretion of the IAR, or the service included free with account management. Though unintentional, conflicts of interests may arise between the interests of the investment advisor and the interests of the client. To alleviate these conflicts of interest, all material conflicts of interest regarding the firm, its representatives or its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice, are disclosed within this brochure.

The client is under no obligation to act upon the investment advisor's recommendation and if client elects to act on any recommendation, the client is under no obligation to affect the transaction through the investment advisor.

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 BAKER STREET ASSET MANAGEMENT, LLC from properly servicing the client account, or if the restrictions would require BAKER STREET ASSET MANAGEMENT, LLC to deviate from its standard suite of services, BAKER STREET ASSET MANAGEMENT, LLC reserves the right to end the relationship.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. BAKER STREET ASSET MANAGEMENT, LLC DOES NOT participate in any wrap fee programs.

## **E. Amounts Under Management**

BAKER STREET ASSET MANAGEMENT, LLC has the following assets under management

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$45,896,145	\$0.00	9/30/2019

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

#### **Fee Schedule**

The following are the fees charged by Baker Street Asset Management, LLC for services provided

<b>NAV Range</b>	<b>Percentage</b>
\$0 - \$100,000	1.95%
\$100,001 - \$250,000	1.50%
\$250,001 - \$500,000	1.20%
\$500,001 -onward	1.00%

#### ***Investment Supervisory Services Fees***

These fees are negotiable (maximum annual fee 1.95%), depending upon the needs of the client and complexity of the proposed investment strategy and overall situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients at no time will be charged a total management fee greater than the 3% industry average nor will the fee or charges exceed any limit imposed by any regulatory agency. Fees are paid either monthly or quarterly in advance. Fees will be collected at the beginning of each month or the beginning of each quarter. The account value used in the fee calculation will include all positions, cash, dividends (declared and paid), accrued income and interest payments (unless specifically excluded in the agreement or in writing to the Advisor). Clients may terminate their contracts with ten days' written notice. Baker Street Asset Management, LLC will pro-rate the fee for the portion of the month or quarter where services were provided. Advisory fees are withdrawn directly from the client's accounts with client written authorization. Lower fees for comparable services may be available from other sources.



The investment management agreement will continue in effect until terminated by either party by giving to the other ten business days written notice. Client may terminate the Agreement within five (5) business days of signing, without penalty, and with full refund.

## **B. Payment of Fees**

***Payment of Investment Supervisory Fees*** Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid either monthly or quarterly in advance. Fees will be reflected in client's monthly custodial statements. Baker Street Asset Management will send an itemized invoice directly to the client and custodian explaining each fee debit, and includes the formula used to calculate the fee.

### ***Financial Planning Fees***

Planning Fees may be billed separately or included as flat rate fees assessed quarterly or annually, as per the client agreement, and particular to the services offered by the IAR. The flat fee is collected 50% upfront and the remainder is collected upon completion and delivery of the plan. The financial plan will be delivered within six months. Fees for comprehensive financial planning services is dependent on the complexity of the plan and needs of the client. Fees for such services typically range from \$1500-\$2500 per plan as contracted for with clients in advance. Hourly rates vary from \$150 to \$500 and may be billed monthly, or upon completion. Fees may be negotiated at the discretion of the IAR, or the service included free with account management.

## **C. Clients Are Responsible for Third-Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by BAKER STREET ASSET MANAGEMENT, LLC. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

Fees are paid either monthly or quarterly in advance and are collected at the beginning of each month or beginning of each quarter. Clients may terminate their contracts with ten days' written notice.

## **E. Reimbursement**

Clients are asked to notify us in writing when they no longer wish to receive our services. When our services on client account(s) are terminated, any prepaid fees for work not completed will be prorated to the date of termination and any unearned portion shall be refunded to client.

## **F. Outside Compensation for the Sale of Securities to Clients**

Neither BAKER STREET ASSET MANAGEMENT, LLC nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

## **Item 6: Performance-Based Fees & Side-By-Side Management**

BAKER STREET ASSET MANAGEMENT, LLC does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

BAKER STREET ASSET MANAGEMENT, LLC generally provides management supervisory and institutional consulting services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Institutional Clients
- ❖ Corporations
- ❖ Registered Investment Advisors

### ***Minimum Account Size***

There is an account minimum of \$500,000. This minimum may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

## **Item 8: Methods of Analysis, Investment Strategies & Risk of Investment Loss**

### **A. Methods of Analysis and Investment Strategies**

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

BAKER STREET ASSET MANAGEMENT, LLC's methods of analysis include fundamental analysis, technical analysis and cyclical analysis. Each of these methods may be assessed using quantitative measures, and the weightings of the methods themselves may vary over time.

- a) Fundamental analysis* involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.
- b) Technical analysis* involves the analysis of past market data; primarily price and volume.
- c) Cyclical analysis* involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

### ***Investment Strategies***

BAKER STREET ASSET MANAGEMENT, LLC uses short-term trading, short sales, margin transactions, and options writing (including covered options, uncovered options, or spreading strategies).

**Investing in securities involves a significant risk of loss that you, as a client, should be prepared to bear. The adviser's approaches may not be suitable for all investors. All investing is risky and past performance, whether actual or tested, is no guarantee of future results or profitability.**

## **B. Material Risks Involved**

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

- a) Fundamental analysis* concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.
- b) Technical analysis* attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.
- c) Cyclical analysis* assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

### ***Investment Strategies***

Short term trading, short sales, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

**Investing in securities involves a significant risk of loss that you, as a client, should be prepared to bear. The adviser's approaches may not be suitable for all investors. All investing is risky and past performance, whether actual or tested, is no guarantee of future results or profitability.**

### **C. Risks of Specific Securities Utilized**

BAKER STREET ASSET MANAGEMENT, LLC generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it may utilize short sales, margin transactions, and options writing. Short sales, margin transactions, and options writing generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies. Reasonable restrictions on security selection and trading will be accepted for all BAKER STREET ASSET MANAGEMENT, LLC model approaches to investing.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned above).

**Equity** investment 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.

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

**Short-term trading** risks include liquidity, economic stability and inflation.

**Short sales** risks include the upward trend of the market and the infinite possibility of loss.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral.

**Options writing** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market.

**Investing in securities involves a significant risk of loss that you, as a client, should be prepared to bear. The adviser's approaches may not be suitable for all investors. All investing is risky and past performance, whether actual or tested, is no guarantee of future results or profitability.**

## **Item 9 : Disciplinary Action**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Baker Street Asset

Management or the integrity of Baker Street Asset Management, LLC's management. In February 2014, client alleged she purchased in 2008 an IRA Variable Annuity from another advisor (not Ms. Teché Carreon) and was told the annuity had a lifetime income rider. Ms. Teché Carreon took over the account after the previous advisor left the firm and discovered the Variable Annuity no longer had a lifetime income rider. Client settled with the firm. Also in 2008, the Auction Rate Security market suffered a widespread illiquidity event. Firms repurchased the Auction Rate Securities at issue from the clients pursuant to a repurchase agreement entered with several regulatory bodies. The advisor was not part of this agreement but pursuant to the settlement agreement needed to be reported. Ms. Teché Carreon's FINRA Brokercheck may have additional information regarding the disciplinary history of Teché Carreon that is not included in the brochure supplement. This can be found at <http://brokercheck.finra.org>.

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory proceedings to report.

## **Item 10: Other Financial Industry Activities & Affiliations**

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither BAKER STREET ASSET MANAGEMENT, LLC nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

### **B. Insurance Affiliations**

Ms. Teché Carreon and Mr. Aaron Leone are both licensed insurance professionals. Implementation and recommendations are separate and apart from the advisory person's

role with the advisor. As insurance professionals, advisory persons may receive customary commissions and other related revenues from various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. Advisory persons are not required to offer the products of a particular insurance company. This may cause a conflict of interest in recommending certain products of the insurance companies. Client is under no obligation to implement any recommendations made by the advisory person or advisor.

### **C. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither BAKER STREET ASSET MANAGEMENT, LLC nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **D. Relationships Material to this Advisory Business and Possible Conflicts of Interest**

BAKER STREET ASSET MANAGEMENT, LLC is required to disclose certain financial industry activities and affiliations. Through its Code of Ethics, BAKER STREET ASSET MANAGEMENT, LLC requires all Investment Advisors to adhere to all Federal Securities Laws, firm policies and be properly licensed or registered with the appropriate agency prior to engagement with clients.

Certain goods and services that Baker Street Asset Management, LLC obtains from its utilized custodians and brokers may create potential conflicts of interest related to its recommendation of those services. By participation in institutional programs of custodians, Baker Street Asset Management, LLC may be eligible to receive certain benefits including various technological tools, items, and products that assists Baker Street Asset Management, LLC in managing and servicing its client accounts. In addition, certain discounts on products or services such as compliance, marketing, technology, and practice management products or services provided by third-party vendors may apply. Such benefits create potential conflicts of interest because they may indirectly influence Baker Street Asset Management, LLC recommendation of custodial and brokerage services. Additional benefits may include reimbursement or waiver of fees or expenses related to Baker Street Asset Management, LLC business as an advisor, or the provision of services or other things of value for use in connection with its business. Baker Street Asset Management, LLC receipt of such services also raises potential conflicts of interest by potentially influencing its profitability in selecting the assets and trades placed for client accounts, as well as the recommendation of custodian or broker

These conflicts of interest though unintentional, may arise. To manage potential conflicts of interests BAKER STREET ASSET MANAGEMENT, LLC will ensure all pertinent material conflicts of interests are fully disclosed; Use its Policy and Procedures to mitigate these conflicts of interest; inform clients through disclosure of potential conflicts of interest and its impact, or by avoiding the service or activity that gives rise to the conflict of interest.

## **D. Selection of Other Advisors or managers and How This Advisor is compensated for Those Selections**

BAKER STREET ASSET MANAGEMENT, LLC does not utilize nor select third-party investment advisors/ sub-advisors.

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

## **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client

## **B. Recommendations Involving Material Financial Interests**

BAKER STREET ASSET MANAGEMENT, LLC does not recommend that clients buy or sell any security in which a related person to BAKER STREET ASSET MANAGEMENT, LLC or BAKER STREET ASSET MANAGEMENT, LLC has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of BAKER STREET ASSET MANAGEMENT, LLC may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of BAKER STREET ASSET MANAGEMENT, LLC to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest BAKER STREET ASSET MANAGEMENT, LLC will always document any transactions that could be construed as conflicts of interest and will always transact client business before or simultaneous to their own when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of BAKER STREET ASSET MANAGEMENT, LLC may recommend securities to clients, or buy or sell securities for client accounts at or about the same time BAKER STREET ASSET MANAGEMENT, LLC or a related person buys or sells the same securities for their own (or the related person's own) account. This may provide an opportunity for representatives of BAKER STREET ASSET MANAGEMENT, LLC to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. BAKER STREET ASSET MANAGEMENT, LLC will always transact client's transactions either before or simultaneous to its own when similar securities are being bought or sold.

## **Item 12 : Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker Dealers**

BAKER STREET ASSET MANAGEMENT, LLC generally recommends that clients utilize the custody of TD AMERITRADE Institutional, a division of TD AMERITRADE, Inc. ("TD Ameritrade"). TD AMERITRADE was chosen based on their relatively low transaction fees, client-matched services and access to mutual funds, options and ETFs. BAKER STREET ASSET MANAGEMENT, LLC does not directly or indirectly receive compensation for the recommendation. But Baker Street Asset Management, LLC does recognize this recommendation could lead to a possible conflict of interest. As detailed in Item 10(c) of this brochure, these conflicts of interest though unintentional, may arise. To manage potential conflicts of interests Baker Street Asset Management, LLC will ensure all pertinent material conflicts of interests are fully disclosed; Use its Policy and Procedures to mitigate these conflicts of interest; Inform clients through disclosure of potential conflicts of interest and its impact; or by avoiding the service or activity that gives rise to the conflict of interest. Baker Street Asset Management, LLC will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

#### ***1. Research and Other Soft-Dollar Benefits***

BAKER STREET ASSET MANAGEMENT, LLC receives no research, product, or services other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

#### ***2. Brokerage for Client Referrals***

BAKER STREET ASSET MANAGEMENT, LLC receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third



party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

BAKER STREET ASSET MANAGEMENT, LLC may allow clients to direct BAKER STREET ASSET MANAGEMENT, LLC to use a specific broker-dealer to execute transactions on a case by case basis. In this situation Baker Street Asset Management, LLC may be unable to achieve most favorable execution of client transactions, and may cost clients more money. Examples of this include paying a higher brokerage commission based on the inability to aggregate orders to reduce transaction cost, or the client may receive a less favorable price. Generally speaking, however, clients must use BAKER STREET ASSET MANAGEMENT, LLC recommended custodian (broker-dealer).

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

BAKER STREET ASSET MANAGEMENT, LLC maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing BAKER STREET ASSET MANAGEMENT, LLC the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

## **Item 13 : Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed no less than biannually by Teché Carreon, Managing Director. Ms. Carreon is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at BAKER STREET ASSET MANAGEMENT, LLC are assigned to this reviewer.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Baker Street Asset Management, LLC does not use or receive any economic benefit from third parties for advice rendered to clients.

### **B. Compensation to Non-Advisory Personnel for Client Referrals**

BAKER STREET ASSET MANAGEMENT, LLC does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

BAKER STREET ASSET MANAGEMENT, LLC, with client written authority, has limited custody of client's assets through direct fee deduction of BAKER STREET ASSET MANAGEMENT, LLC's Fees only. If the client chooses to have fees withdrawn directly by the Custodian, BAKER STREET ASSET MANAGEMENT, LLC would have constructive custody over that account and must have written authorization from the client to do so. Baker Street Asset Management, LLC acknowledges in writing to the State Commissioner that to safeguard the withdrawal of fees. Baker Street Asset Management, LLC will BAKER review money handling activity of the client accounts and of the advisor to ensure that custody of client funds is not exercised beyond what is provided for in the Investment Management Agreement irrespective of the terms of the Advisor's Custodial Agreement. In addition the financial institutions that act as the qualified custodian for client accounts from which the firm retains the authority to directly deduct fees, have agreed to send statements not less than quarterly detailing all account transactions including any amount paid to BAKER STREET ASSET MANAGEMENT, LLC. Clients should carefully review all statements for accuracy. If client becomes aware of any discrepancy it should notify Baker Street Asset Management, LLC immediately.

## **Item 16 : Investment Discretion**

For those client accounts where BAKER STREET ASSET MANAGEMENT, LLC provides ongoing supervision, the client has given BAKER STREET ASSET MANAGEMENT, LLC written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides BAKER STREET ASSET MANAGEMENT, LLC discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian. Baker Street Asset Management, LLC also provides services on a non-discretionary basis.

## **Item 17 : Voting Client Securities (Proxy Voting)**

BAKER STREET ASSET MANAGEMENT, LLC will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18 : Financial Information**

### **A. Balance Sheet**

BAKER STREET ASSET MANAGEMENT, LLC does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonable Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither BAKER STREET ASSET MANAGEMENT, LLC nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

BAKER STREET ASSET MANAGEMENT, LLC has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19: Requirements for State Registered Advisors**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

BAKER STREET ASSET MANAGEMENT, LLC is owned by Ms. Teché Carreon and Mr. Aaron Leone. Ms. Carreon is the CEO and CCO for the firm. Mr. Leone is a Investment Advisor Representative(IAR) of the firm. Both Ms. Carreon's and Mr. Leone's education and business background can be found on their respective ADV Part 2B brochures.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engage and Time Spent on Those (If Any)**

Ms. Teché Carreon and Mr. Aaron Leone are both licensed to sell insurance products. Ms. Carreon spends approximately 10 hours a week during non-market hours selling insurance and Mr. Leone spends approximately 16 hours a week during non-market hours on this endeavor. Teché Carreon is also owner/proprietor of the restaurant and catering firm LiteBite. She devotes 112 hours per month, 80 hours during trading to the business. She closes the restaurant at night and works weekends as needed. Mr. Leone is the owner and manager of property. He spends 10 hours a week during non-market hours on this project.

### **C. How Performance Based Fees are Calculated and Degree of Risk to Clients**

BAKER STREET ASSET MANAGEMENT, LLC does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **D. Material Disciplinary Disclosures for Management Persons of this Firm**

No management person at BAKER STREET ASSET MANAGEMENT, LLC or BAKER STREET ASSET MANAGEMENT, LLC has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the

client's evaluation of the firm or its management.

**E. Material Relationships That Management Persons Have  
With Issuers of Securities (If Any)**

Neither BAKER STREET ASSET MANAGEMENT, LLC, nor its management persons, has any relationship or arrangement with issuers of securities.