

## **Baron Silver Stevens Financial Advisors, LLC**

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This brochure provides information about the qualifications and business practices of Baron Silver Stevens Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 561-447-1997. 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 Baron Silver Stevens Financial Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Baron Silver Stevens Financial Advisors, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 4, 2019, there are no material changes to report.

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## Item 4 Advisory Business

### Description of Services and Fees

Baron Silver Stevens Financial Advisors, LLC (Baron Silver Stevens) is a registered investment adviser based in Boca Raton, Florida. We are organized as a limited liability company under the laws of the State of Florida. We have been providing investment advisory services since 2000. Michael J. Silver is our principal owner. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Vision2020 Wealth Management Platforms
- Third Party Advisory Services
- Financial Planning Services
- On-Going Retainer Services

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Baron Silver Stevens Financial Advisors, LLC, and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

### Vision2020 Wealth Management Platform - Advisor Managed Portfolios

The Wealth Management Platform - Advisor Managed Portfolios Program ("Advisor Managed Portfolios") provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing, LLC ("Pershing").

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire ("Questionnaire") and discussions that we have together regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you.

This portfolio may consist of mutual funds, exchange traded funds, equities bonds, options and other investments. Each portfolio is designed to meet your individual needs, stated goals, and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

**For further Advisor Managed Portfolios details please see the Advisor Managed Portfolios Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.**

The program is offered on either a discretionary or non-discretionary basis. If you participate in discretionary services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

### **VISION2020 Wealth Management Platform - SMA and UMA Account Program**

The Wealth Management Platform - SMA and UMA Account Program ("Wealth Managed Account Program" or "WMAP") you with the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. WMAP is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee.

We will present you with a WMAP asset allocation model ("WMAP Model") for your approval which will consist of: 1) third party money managers ("WMAP Managers") who will manage your funds according to a particular equity or fixed income model or strategy, or 2) no-load mutual funds ("Funds"), or 3) exchange traded funds ("ETFs") or any combination thereof (individually or collectively, "WMAP Investments"). WMAP Investments will be managed according to the selected WMAP Model. WMAP Models are held within a separately managed account or a series of separately managed accounts (collectively, "SMA Account") or one unified managed account ("UMA Account").

A WMAP Model will be suggested to you based upon your responses to a risk tolerance questionnaire ("Questionnaire") and/or discussion that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation.

**For further WMAP details see the WMAP Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in WMAP. Read it thoroughly before investing.**

### **VISION2020 Wealth Management Platform - Model Portfolio Strategists Program**

The Wealth Management Platform - Model Portfolio Strategies Program ("Model Program") offers you managed asset allocation models ("Asset Allocation Models") of mutual funds, exchange traded funds ("ETFs") or a combination thereof diversified across various investment styles and strategies. The Asset Allocation Models are constructed by managers ("Program Managers") such as Russell Investment Management Company, SEI Investments Management Corporation and Morningstar Associates, LLC.

Based upon the risk tolerance of each Client, the Model Program utilizes a system that selects a specific Asset Allocation Model. After the Asset Allocation Model is chosen, we, with the assistance of the Model Program sponsor, will open a Model Program account. Your assets will be invested in the specific investments contained within the recommended Asset Allocation Model. You have the opportunity to place reasonable restrictions on investments held within the Model Program account.

**For further Model Program details, including a full list of Program Managers, please see the Model Program Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in the Model Program. Please read it thoroughly before investing.**

### **Third Party Advisory Services**

We offer our clients the services of various third party investment advisors ("Third-Party Advisory Services") for the provision of certain investment advisory programs including mutual fund wrap and separately managed account programs.

If you are interested in learning more about any of these services, please note that a complete description of the programs, services, fees and payment structure, and termination features is available via the applicable Third Party Advisory Service's disclosure brochures, investment advisory contracts, and account opening documents.

In connection with these arrangements, we will provide assistance in the selection and ongoing monitoring of a particular Third-Party Advisory Service. Factors that we consider in the selection of a particular third-party advisor may include but may not be limited to: i) our assessment of a particular Third-Party Advisory Service; ii) your risk tolerance, goals, objectives and restrictions, as well as investment experience; and, iii) the assets you have available for investment.

You should know that the services provided by us through the use of Third-Party Advisory Services are under certain conditions directly offered by them to you. The fees charged by Third-Party Advisory Services who offer their programs directly to you may be more or less than the combined fees charged by the Third Party Advisory Service and us for our participation in the investment programs. However, when using the services of Third-Party Advisory Services directly, you do not receive our expertise in developing an investment strategy, selecting a Third-Party Advisory Service, monitoring the performance of your account and changing a Third-Party Advisory Service provider when appropriate.

### **Advisory Services to Retirement Plans**

Where advisory services, as described above, are provided to employee benefit plans ("Plan"). The services are designed to assist plan sponsors in meeting their management and fiduciary obligations to Participants to the extent applicable under the Employee Retirement Income Securities Act ("ERISA"). Pursuant to adopted regulations of the U.S. Department of Labor under ERISA Section 408(b)(2), we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

In providing services to the Plan and Participants, our status is that of an investment adviser registered with the Securities and Exchange Commission and other state securities authorities where required, and we are not subject to any disqualifications under Section 411 of ERISA. In performing fiduciary services, we are acting either as a non-discretionary fiduciary of the Plan as defined in Section 3(21) under ERISA, and/or as a discretionary fiduciary of the plan as defined in Section 3(38) under ERISA.

### **Financial Planning Services**

Financial planning typically involves providing a variety of services, principally advisory in nature, to you regarding the management of your financial resources based upon an analysis of your individual needs. For example, a financial plan may include estate planning where advice may be provided with respect to property ownership, distribution strategies, estate tax reduction, and tax payment techniques. It may involve a discussion of gifts, trusts, etc., and the disposition of business interests, tax consequences and their implications. The financial plan developed for you usually includes general recommendations for a course of activity or specific actions to be taken by you. For example, recommendations may be made that you obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds in savings accounts or investing funds in securities.

An Associated Person of our firm will first conduct a complimentary initial consultation. After the initial consultation, if you decide to engage us for planning services, we will review and analyze pertinent information about your financial circumstances and investment objectives. Once such information has been reviewed and analyzed, a financial plan designed to achieve your stated financial goals and objectives will be presented to you. The primary objective of this process is to allow us to assist you in developing a strategy for the successful management of income, assets, and liabilities in meeting your financial goals and objectives. Financial plans are based on your financial situation at the time the plan is prepared and are based on financial information disclosed by you. You are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and

performance of the market and economy. Past performance is not an indication of future performance. We cannot offer any guarantees or promises that your financial goals and objectives will be met. As your financial situation, goals, objectives, or needs change, you must notify us promptly.

### **General Consulting Services**

You will need to acknowledge that, in the case of our general consulting service, you only require the specific financial area agreed upon to be reviewed and/or analyzed. Under this arrangement, a financial plan will not be provided. We are not required to verify any financial information provided by you or your other professionals, i.e., attorneys, CPAs, etc., to us as being accurate. Furthermore, you agree to hold us harmless from any liability arising out of any area(s) that we have not reviewed

### **Ongoing Retainer Services**

Ongoing planning and consulting services are offered to you as part of an annual retainer program. This service is only available to you if you have previously engaged us for the preparation of a financial plan. The ongoing annual service includes unlimited telephone contact, guidance with respect to implementation of the financial plan and other financial issues as necessary, and at a minimum, an annual review of the most recent financial plan.

### **Types of Investments**

We primarily recommend mutual funds, Exchange Traded Funds (ETFs), equities, bonds, options and other investments; however, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of December 31, 2019, we provide continuous management services for \$393,947,476 in client assets on a discretionary basis, and \$177,219,881 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Vision2020 Wealth Management Platform - Advisor Managed Portfolios Fees**

We may offer Advisor Managed Portfolios as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary fees may apply. Please see the Advisor Managed Portfolios Wrap Fee Program Brochure for further details.



Our Advisor Managed Portfolios account fee schedule is as follows:

<b>Assets Under Management</b>	<b>Advisory Fee</b>
\$0-\$1,000,000	1%
\$1,000,000- \$2,000,000	.95%
\$2,000,000-\$3,000,000	.90%
\$3,000,000 and up	.85%

The above fees may be negotiable based on account size, complexity, prior relationships and related account holdings. We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

Either party may terminate the advisory agreement upon written notice to the other party. In the event of termination, any fees charged for services not provided will be returned prorata based on the remainder of days left in the billing period.

#### **VISION2020 Wealth Management Platform - SMA and UMA Account Fees**

We do not charge you a separate fee for VISION2020 Wealth Management Platform - SMA and UMA Account Program (WMA). We will share in the advisory fee you pay. The advisory fee you pay to is disclosed in the WMA Wrap Fee Program Brochure.

#### **VISION2020 Wealth Management Platform - Model Portfolio Strategists Fees**

We do not charge you a separate fee for Wealth Management Platform - Model Portfolio Strategies Program ("Model Program"). We will share in the advisory fee you pay. The advisory fee you pay to is disclosed in the Model Program Wrap Fee Program Brochure.

#### **Third Party Advisory Services Fees**

We do not charge you a separate fee for the selection of other advisers. We will share in the advisory fee you pay directly to the third party adviser. The advisory fee you pay to the third party adviser is established and payable in accordance with the brochure provided by each third party adviser to whom you are referred. These fees may or may not be negotiable. Our compensation may differ depending upon the individual agreement we have with each third party adviser. As such, a conflict of interest exists where our firm or persons associated with our firm has an incentive to recommend one third party adviser over another MM with whom we have more favorable compensation arrangements or other advisory programs offered by third party advisers with whom we have less or no compensation arrangements.

You may be required to sign an agreement directly with the recommended third party adviser(s). You may terminate your advisory relationship with the third party adviser according to the terms of your agreement with the third party adviser. You should review each third party adviser's brochure for specific information on how you may terminate your advisory relationship with the third party adviser and how you may receive a refund, if applicable. You should contact the third party adviser directly for questions regarding your advisory agreement with the third party adviser.

#### **Advisory Services to Retirement Plans Fees**

The services we provide to your Plan are described above, and in the service agreement that you have signed with our firm. Our compensation for these services is described in the service agreement. We may, with consent of the Plan, and in accordance with Plan documents, bill out of pocket expenses



(such as overnight mailings, messenger, translation fees, etc.) at cost. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Participants. Nonetheless, since Associated Persons of our firm are registered representative and/or licensed insurance agents, these individuals may receive 12b-1 fees, revenue sharing or other forms of indirect compensation in connection with mutual fund investments allowable under applicable authority through Royal Alliance (refer to Items 5, 10, and 14 for additional disclosures). If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

### **Financial Planning Services Fees**

We will charge a fixed fee that ranges from \$2,500 to \$10,000 for planning services. The planning fee charged to you is for the financial plan only. However, if you contract with us for a financial plan you will have access to our firm for on-going planning services (i.e. telephone conferences and revisions to the plan, among other services) throughout the remainder of the year in which the financial plan was presented at no additional charge. Planning fees are due in advance of services rendered. Planning services will be rendered within six months of the date of planning agreement; therefore, under no circumstances will we require prepayment of a fee in excess of \$1,200 and more than six months in advance.

Under certain circumstances, you may contract with us to perform a one-time analysis concerning a financial or estate plan. A fixed fee will be negotiated with you at the time of the request.

### **General Consulting Services Fees**

We offer consulting services, based on an hourly rate. Our fee ranges between \$250 and \$1,000. The hourly fee you pay is dependent upon which Associated Person of our firm will provide you with a professional opinion on specific financial related areas. These areas may include education funding, financial organization, estate planning or financial decision making/negotiation. The consulting fee is payable at the conclusion of each session.

### **Ongoing Retainer Services Fees**

Fees for on-going maintenance and planning services are usually 50% of the initial cost of the financial plan. Payment for this service is due annually in advance. Should you wish to terminate this service during the year; any prepaid unearned fees will be promptly refunded to you. Should you decide not to contract for this ongoing service immediately after having a financial plan prepared, then this service is not available until a more current financial plan is prepared.

When the scope of the planning services has been agreed upon, a determination will be made as to applicable fee. The final fee, subject to negotiation, is directly dependent upon the facts and circumstances of your financial situation and the complexity of the planning services contracted. *In limited circumstances*, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and may request that you pay an additional fee.

In our discretion, we may waive or offset a portion of the planning fee should you choose to implement the plan through our firm's portfolio management services. We reserve the right to determine whether a portion of planning and/or consulting fees would be waived or offset by the advisory fees earned in the implementation process. Additionally, if you implement the plan through us or our Associated Persons, in their capacities registered representatives of Royal Alliance, they may receive compensation from other sources (i.e. commissions from the sale of mutual funds and/or commissions from insurance products). We may offset the planning fee to reflect the additional compensation earned, to the extent permitted by law.

You may act on our recommendations by placing securities or insurance transactions with any brokerage or insurance firm you choose. You are under no obligation to act on our recommendations. Moreover, if you elect to act on any of our recommendations, you are under no obligation to implement the recommendations through us.

Either party may terminate the planning or consulting agreement within five days of the date of acceptance without any penalty. However, you will incur a pro rata charge for advisory services rendered prior to such termination. After the five-day period, either party may terminate the planning agreement by providing written notice to the other party. In the event there are any prepaid unearned fees, we will promptly refund a pro rata share to the Client.

### **Additional Fees and Expenses**

Mutual fund investments in the programs that we offer are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

### **Compensation for the Sale of Securities or Other Investment Products**

In addition to providing advisory services, our Advisory Representatives will likely also sell you securities products and other investment and insurance products in their capacity as registered representatives of Royal Alliance and as licensed insurance agents. We will receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. We will have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

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

At our discretion, we may offset our advisory fees to the extent our Associated Persons earn commissions in their separate capacities as registered representatives and/or insurance agents.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

In general, we require a minimum of \$500,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

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

- **Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- **Long Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Risks involved with our methods of analysis and investment strategies include the following:

**Fundamental Analysis** - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we primarily recommend mutual funds and Exchange Traded Funds (ETFs); however, we may recommend any type of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its

weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

## **Item 9 Disciplinary Information**

Baron Silver Stevens Financial Advisors, LLC has been registered and providing investment advisory services since 2000. Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

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

Persons providing investment advice on behalf of our firm are registered representatives with Royal Alliance Associates, Inc., a registered broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

In addition to being registered as an investment adviser, our firm is also licensed as an insurance agency. Therefore, persons providing investment advice on behalf of our firm are licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

Certain investment adviser representatives of our firm may be registered as investment adviser representatives of Royal Alliance's registered investment adviser. Clients of our firm are not also advisory clients of Royal Alliance's investment advisory firm.

We may recommend that you use a third party money manager ("MM") based on your needs and suitability. We will receive compensation from the MM for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. You are not obligated, contractually or otherwise, to use the services of any MM we recommend.

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

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

**Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

**Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

**Item 12 Brokerage Practices**

We recommend the brokerage and custodial services of Royal Alliance Associates, Inc. ("Royal Alliance") which clears through Pershing, LLC ("Pershing"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

**Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

**Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

**Directed Brokerage**

Persons providing investment advice on behalf of our firm who are registered representatives of Royal Alliance would normally be required to recommend Royal Alliance to you for brokerage services.

These individuals are subject to applicable industry rules that restrict them from conducting securities transactions away from Royal Alliance unless Royal Alliance provides the representatives with written authorization to do so, which Royal Alliance has done in this case.

Royal Alliance requires that all investment advisory activities be conducted through either Pershing. We believe that Pershing's blend of execution services, commission and transaction costs, as well as professionalism, will allow us to seek best execution for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by Pershing, their reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm.



**Block Trades**

We primarily recommend trades in mutual funds and ETFs, which are settled at net asset value. In limited instances where we do recommend individual securities, we do not aggregate transactions for multiple client accounts. Because orders for individual securities are not aggregated on a pro-rata basis, some Clients may receive different prices for the same securities, and/or may be charged higher commissions, and/or different quantities of the same securities may be purchased or sold for different client accounts.

**Item 13 Review of Accounts**

Reviews will be conducted by the Associated Person assigned to your account. We monitor accounts on a continuous basis to ensure the advisory services provided to you is consistent with your investment needs and objectives. We recommend that you meet with your account representative at least annually to review your financial status, goals, and objectives. Carrie Prusa, CCO is responsible for ensuring that such reviews and contacts are made. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in market conditions, significant market corrections, large deposits, or withdrawals from an account, changes your objectives, and at your request for an additional review. You are encouraged to contact us with any questions, or changes in financial situations or investment guidelines.

At a minimum, you will receive directly and/or will be provided electronic access to monthly and/or quarterly reports from the custodian holding your funds and securities. For managed accounts, we may prepare individual reports in conjunction with client meetings and account reviews.

At least annually or as needed, we will review your accounts and contact you. We will then update your financial status, goals, and objectives as necessary.

**Item 14 Client Referrals and Other Compensation**

We may directly compensate non-employee (outside) individuals and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires or a one-time, flat referral fee upon your signing an advisory agreement with our firm. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

We have also entered into contractual arrangements with one or more employees of our firm, under which each participating employee receives compensation from our firm for the establishment of new client relationships. Employees who refer clients to our firm must comply with the requirements of the jurisdictions where they operate. You will not be charged additional fees based on this compensation arrangement. Incentive based compensation paid to a participating employee is contingent upon you entering into an advisory agreement with our firm. Therefore, a participating employee has a financial



incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

For clients of our firm, we occasionally offer client appreciation events. In certain instances, a third party financial company may reimburse our firm for a portion, or all, of the expenses incurred for the event. As a result of our related person's being registered representatives of Royal Alliance, these expense reimbursements are reviewed and approved by Royal Alliance. In addition, the third party financial company will pay the expenses to Royal Alliance who in turn will provide them to us under the FINRA Cash-Non Cash Compensation Rule.

## **Item 15 Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held by Pershing. You will receive account statements from Pershing at least quarterly. The account statements from Pershing will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

If you have a question regarding your account statement or if you did not receive a statement from Pershing, please contact us directly at the telephone number on the cover page of this brochure.

### **Asset Transfer Authority**

To a limited extent, we may be deemed to have custody of your assets. However, your account assets are maintained and primarily custodied at Pershing, LLC, a qualified custodian that sends quarterly or more frequent account statements directly to you. Our firm or persons associated with our firm may effect third party asset transfers for client accounts after an initial written consent is provided. Please review your account statements carefully.

## **Item 16 Investment Discretion**

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Please refer to the "Advisory Business" section in this brochure for more information on our discretionary and non-discretionary management services.

## Item 17 Voting Client Securities

### Proxy Voting

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

## Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## Item 19 Requirements for State-Registered Advisers

This section is not required because we are an SEC registered investment adviser.

## Item 20 Additional Information

### Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### Trade Errors

On infrequent occasions, an error may be made in your account. For example, a security may be erroneously purchased for your account instead of sold. In such situations, we will seek to rectify the error by placing your account in a similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps may be taken, including but not limited to,

canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, it remains in the error account of the executing broker/dealer or account custodian and is not allocated to your account.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.

6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.