

**Form ADV Part 2A
Firm Brochure**

December 31, 2020

**Stark Asset Management, Inc.
d/b/a Boulder Asset Management**

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(303) 779-8772

This brochure provides information about the qualifications and business practices of Richard J. Stark, CFA and Stark Asset Management, Inc. d/b/a Boulder Asset Management (as used in this brochure, "Stark Asset Management"). If you have any questions about the contents of this brochure, please contact us at (303) 779-8772 or bam@boulderasset.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Stark Asset Management, Inc. is an SEC-registered investment adviser. Registration does not imply any level of skill or training.

Additional information about Stark Asset Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Annual Update as of December 31, 2020

The following material changes have been made to this brochure since its last annual update on March 31, 2020.

- The information about Stark Asset Management and its clients, including financial information, has been updated as of December 31, 2020.
- The information in the below listed items have been updated to more accurately reflect Stark Asset Management's business practices.
 - Item 11 - Code of Ethics
 - Item 12 - Brokerage Practices
 - Item 13 - Review of Accounts

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of BAM's fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, this brochure may be requested by contacting Stark Asset Management at (303) 779-8772 or bam@boulderasset.com.

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Item 4 – Advisory Business

Stark Asset Management, Inc. is an S Corporation doing business as Boulder Asset Management. We offer investment advice to a limited number of qualified investors. Our goal is to tailor each portfolio to preserve wealth through growth of capital and income and to teach investors more about their own investments. Stark Asset Management, Inc. ("Stark Asset Management") was founded in 1984 by Richard J. Stark, CFA, and was first registered with the SEC in 1991. Mr. Stark continues to manage the company, which he owns with Linda J. Stark.

As of December 31, 2020, Stark Asset Management had \$582,585,034 of discretionary client assets under management. We are not currently providing services on a non-discretionary basis.

We believe preserving and continuing to build wealth requires the selection and retention of long-term investments. This strategy avoids the high cost of excessive transactions and taxes created by market timing. The percentage that we allocate to each asset class (stocks, fixed income and cash reserves) reflects client income needs and tolerance for portfolio volatility.

Our investment philosophy for equity securities is to concentrate selection in a limited number of investment themes whose time horizon can vary in length. Individual issues are purchased with the intent of creating a portfolio with a five-year time horizon.

Some of our investment themes are top-down-driven by economic factors. However, most themes evolve on a bottom-up basis as a number of attractive stocks actually define economic segment or industry. For example, themes can be based on demographics, new product cycles, the direction of interest rates, commodity cycles, capitalization cycles, beta, dividend yield, etc.

We invest in fixed income securities with a focus on the income and stability needs of the individual client. Cash reserves are used to provide liquidity.

Our focus at Stark Asset Management is on client service with an emphasis on education. On a quarterly basis, clients are updated on their portfolio's

performance and structure, Stark Asset Management's economic and investment outlook, and are provided custom-tailored reports showing the clients investment positions, actual income to date, and a value-added analysis. In addition, we meet with the clients on a regular basis, generally quarterly, to monitor client objectives, discuss the current portfolio, and increase the client's understanding of the investment holdings. We also provide periodic phone updates on current strategy and holdings and to discuss each recommendation and the reasons for retaining individual holdings.

Item 5 – Fees and Compensation

The specific manner in which fees are charged by Stark Asset Management is established in a client's written agreement. Clients are billed quarterly for the three months following the quarterly valuation date; the fee is payable within thirty days of this valuation date. Invoices reflect asset values generated by an in-house computer system and are reconciled with statements produced by the custodian bank or brokerage firm.

Fees are calculated at 0.5% of client assets under supervision at the beginning of the period. The current minimum fee is \$25,000 per year. Although not negotiable, our fees exclude some "client controlled" assets if the client does not seek our advice on such holdings but desires to see said assets reflected in our reports.

The service may be terminated by the client upon ninety days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded on a pro-rata basis, and any earned, unpaid fees will be due and payable.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Stark Asset Management's fee, and Stark Asset Management shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Stark Asset Management considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

Stark Asset Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or participate in side-by-side management. Our fees are calculated as described in the Advisory Business section above and are not changed 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

Stark Asset Management provides portfolio management services to high net worth individuals, trusts, estates, and charitable organizations.

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** – Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The 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.
- **Cyclical Analysis** – Cyclical analysis involves evaluating business cycles and their impact on the investments. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

- Options Writing - a securities transaction that involves selling (writing) an option.

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

Our strategies and investments may have unique and significant tax implications. Regardless of the client's account size or any other factors, we strongly recommend that the client continuously consult with a tax professional prior to and throughout the investing of their assets.

Investing in securities involves risk of loss that the client 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 the client's financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client's evaluation of Stark Asset Management or the integrity of our management. Stark Asset Management has been providing investment advisory services since March 1984. Neither our firm nor any management persons has any reportable disciplinary information.

Item 10 – Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker

2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

Item 11 – Code of Ethics

Stark Asset Management has adopted a written Code of Ethics (“Code”) that, among other things, sets forth standards of conduct expected of Stark Asset Management’s owners and employees (collectively, “access persons”), addresses conflicts that arise from personal trading, and emphasizes Stark Asset Management’s fiduciary obligation to put client interests first. The Code of Ethics is designed to detect and prevent personal conduct that might create an actual or potential conflict of interest with a client. Under the Code, certain personal securities transactions of access persons are prohibited, while others are subject to pre-approval and/or reporting requirements.

The Code’s restrictions on personal trading apply to any account over which an access person and certain immediate family members have investment discretion or a beneficial interest. Employees are required to pre-clear most personal securities transactions prior to execution, except as specifically exempted under the Code. Participation in Initial Public Offerings (“IPOs”) or private placements is prohibited.

Subject to satisfying the Code and applicable laws, Stark Asset Management access persons may trade for their own accounts in securities that are held in client accounts; however, the Code imposes a 3 day period whereby employee trading in a security may be prohibited if Stark Asset Management is initiating or exiting a “core holding” for its clients. Core holding is defined as a security that is recommended for all clients. Exceptions to the Code’s personal trading restrictions are considered on a case-by-case basis and are granted only when Stark Asset Management’s CCO determines the potential for conflict or harm does not exist or is insignificant. All access persons are required to provide quarterly reports of their securities transactions to the CCO (in the form of confirmations and statements) and to certify that all personal securities transactions have been reported. On an annual basis, access persons are required to report all accounts which can be used to purchase or sell securities. Stark Asset Management’s CCO reviews each access person’s transactions, confirmations, and other account documentation to look for indications of improper personal transactions.

Stark Asset Management will provide a copy of its Code to any client or prospective client upon request.

Item 12 – Brokerage Practices

Brokerage firms used by Stark Asset Management provide economic, strategy and individual company research, and pricing/news services.

Brokerage commissions at firms selected by us are paid at a rate of \$0.10 per share for stocks and \$0.01-\$0.10 per share on options (this is dependent on the option price and where the client account is located). This rate may be higher than those attainable from other brokers in return for those products and services. Brokerage firms selected by us are nationally recognized for their trading expertise and competence, as well as financial stability. Consistent with best execution practices, the quality of research services is a factor in the selection of brokerage firms used by Stark Asset Management.

We aggregate orders whenever possible in order to allow clients to benefit from a more advantageous average price. The benefit that is obtained as a result of such aggregation is allocated pro-rata among the clients which participated in the transaction.

In some cases, our clients have chosen their own brokerage firm. That may cause those clients to pay a different commission rate or to not be able to benefit from potential improvement in trading prices by having their orders aggregated with similar orders of other clients. To the extent that we obtain

a client's consent to executing a trade, that may also result in the benefits of aggregating orders to not be realized by such client. In those instances, we inform the client of any economic disadvantage they may incur by not taking advantage of our execution ability, our ability to potentially achieve lower commission rates or our ability to aggregate orders.

The products, research and services received are used to benefit all clients and not just those whose transaction pays for a particular service. Each client's commissions are intended to benefit the composite client portfolio. Allocation of commissions are monitored by way of computer programs and adjustments are made as needed to provide the maximum benefit to all clients.

Item 13 – Review of Accounts

All client portfolios are reviewed on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Portfolios are reviewed for equity exposure, adherence to equity themes, individual equity weightings, average fixed income maturity, net gain/loss and adherence to client income requirements. When changes in strategy are made, all portfolios are reviewed immediately.

Client equity portfolios usually contain 25-35 actively researched issues. Industry concentration, theme concentration and individual stock characteristics are generally the same among portfolios. Fixed income portfolios are structured with emphasis on the after-tax income needs of the individual client and are almost exclusively invested in bonds rated A or better. We employ a "laddered maturities" strategy to reduce volatility and lock in the desired income stream. Average maturity of the ladder is adjusted depending on interest rate outlook.

Equity exposure varies between clients, a function of client income needs and risk tolerance. Based on these two factors, an equity percentage is set with the client for the balanced portfolios and works as a policy objective, unemotionally leading to sale of equities near market highs and purchase near market lows. Individual stock selling decisions are fundamentally based with the catalyst being company performance below expectations, the trimming of a successful stock for diversification purposes, or a better alternative investment (i.e., the source of funds).

A quarterly report is sent to all clients that includes: (1) performance of balanced assets, equities, bonds and cash reserves against commonly used benchmarks (e.g., the S&P 500, NASDAQ, Municipal and Treasury issues); (2) flow of funds analysis showing the dollar value added by the portfolio;

(3) an investment position statement showing asset structure and details on individual holdings such as cost and market value per unit, income received to date and projected for the remainder of the year and (4) Stark Asset Management's "Economic and Investment Outlook." The E&I Outlook includes updates on the three best and worst performing equities in the previous quarter.

At client meetings other reports used include market cap weighting, top 10 holdings, bond maturity and quality, municipal bonds by state, realized and unrealized gains to date, monthly cash flow analysis and up-to-date investment position statements showing projected income for the next twelve months.

Clients are also encouraged to request, create and modify reports to their particular needs.

Item 14 – Client Referrals and Other Compensation

Stark Asset Management does not provide any form of compensation for client referrals.

Item 15 – Custody

Custody is defined as having access to client and/or investor securities or funds. Stark Asset Management does not have custody of any client funds. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Stark Asset Management urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Stark Asset Management generally accepts discretionary authority to manage the accounts of its clients pursuant to investment guidelines and restrictions established by the client. Prior to assuming this authority, Stark Asset Management enters into an investment management agreement, which either includes or incorporates by reference the client's specific investment objectives, restrictions, and guidelines.

Clients who engage Stark Asset Management on a discretionary basis may provide additional guidelines or restrictions to Stark Asset Management at any time (i.e. limit the types/amounts of particular securities purchased/sold for their account, exclude the ability to purchase securities pursuant to that client's employment restrictions, etc.).

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Stark Asset Management does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. We may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Stark Asset Management does not require the prepayment of more than \$1,200 in fees per client six or more months in advance and therefore, has not included a balance sheet for its most recent fiscal year. Stark Asset Management has no financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

**Form ADV Part 2B
Brochure Supplement**

December 31, 2020

**Stark Asset Management, Inc.
d/b/a Boulder Asset Management**

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Englewood, CO 80112
(303) 779-8772

Richard J. Stark, CFA

This brochure supplement provides information about Richard J. Stark, CFA, that supplements the Stark Asset Management, Inc. Brochure. You should have received a copy of that brochure. Please contact Stark Asset Management at (303) 779-8772 or bam@boulderasset.com if you did not receive a copy of our Brochure or if you have questions about the contents of this supplement.

Additional information about Richard J. Stark, CFA is available on the SEC's website at www.adviserinfo.sec.gov.

Richard J. Stark, CFA

Item 2- Educational Background and Business Experience

Richard Joseph Stark, CFA (born 1940) has served as President of Stark Asset Management since he founded the company in 1984. Immediately prior to founding Stark Asset Management, Mr. Stark was a Senior Vice President and Senior Investment Officer for Interfirst Investment Management (Dallas, Texas). He holds a B.S. degree from Marquette University and an MBA from the University of Illinois. Mr. Stark attained his Chartered Financial Analyst designation in 1974.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Item 4- Other Business Activities

Beyond Mr. Stark's capacity as President of Stark Asset Management, he is not engaged in any other business activity.

Item 5- Additional Compensation

Mr. Stark does not receive any additional compensation beyond that received as a result of his capacity as President of Stark Asset Management.

Item 6 - Supervision

Mr. Stark is the President of Stark Asset Management; therefore, supervision is not required.