



Baron Financial Group, LLC

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Baron Financial Group, LLC. If you have any questions about the contents of this brochure, please contact us at 866-333-6659 or info@baron-financial.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 Baron Financial Group, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 144234.

Item 2 Material Changes

We have the following material changes to report since the last annual filing of this Firm Brochure:

- Item 4: We have updated the description of our Financial Planning services.
- Item 5: We have revised the wording of our fee schedule for clarification purposes only. We have not changed our investment management fee or the way the fee is calculated.
- Item 5: As of October 8, 2020, for clients with investment management, there will be an initial one-time planning fee of \$2,500 which is waived if the initial Assets Under Management is \$500,000 or greater.
- Item 18: We have reported receiving a Payroll Protection Program loan.

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Item 4 Advisory Business

Baron Financial Group, LLC is a SEC-registered investment adviser with its principal place of business located in New Jersey. Baron Financial Group, LLC began conducting business in 2007 when a new partnership was formed.

Our purpose is to protect and grow your wealth, organize your affairs and prepare you for each financial circumstance that you will encounter. We act as your advocate and provide you with expert, objective advice. We have experience working with retirees, women and families with special needs. Our clients include individuals, families, and organizations.

Listed below are the firm's principal shareholders (i.e. those individuals and/or entities controlling 25% or more of this company).

- Anthony John Benante, Managing Member
- Victor P. Cannillo, Managing Member

Baron Financial Group, LLC offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Commercial paper

- Certificates of deposit
- Municipal securities
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Options contracts on commodities
- Futures contracts on tangibles and intangibles
- Interests in partnerships investing in real estate and oil and gas interests

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

FINANCIAL PLANNING

We provide financial planning services as an added benefit, included in the money management service. Clients can also hire us for financial planning, without the money management component. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** review of family records, budgeting, personal liability, estate information and financial goals
- **TAX & CASH FLOW:** analysis of the client's current income tax and future tax liability, based on the structure of the investment portfolio and on planned retirement withdrawals.
- **INVESTMENTS:** analysis of investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** review of the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** assessment and development of long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicare and elder law.

- COLLEGE PLANING: review of college funding needs and available options.
- HEALTHCARE PLANNING: analysis of your estimated future healthcare costs and the effects on your retirement planning.
- MEDICARE SPECIALIST ANALYSIS: access to a Medicare consultant is included in the money-management service, to help review your Medicare options.
- MORTGAGE AND REFINANCE RESOURCES: guidance on your mortgage and refinance decisions with access to third-party mortgage referrals.
- SOCIAL SECURITY PLANNING: evaluation of your Social Security options, based on your age, marital status, and financial need, to help guide you with your application decisions.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client.

AMOUNT OF MANAGED ASSETS

As of 12/31/2020, we were actively managing \$284,432,608 of clients' assets on a discretionary basis plus \$4,242,930 of clients' assets on a non-discretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT FEES

The **annualized fee** for Investment Supervisory Services will be charged as a percentage of assets under management, according to the following schedule:

| |
|---|
| 1.00% on the first \$2,000,000 |
| 0.75% on amounts greater than \$2,000,000 and up to \$5,000,000 |
| 0.50% on any amount over \$5,000,000 |

Limited Negotiability of Advisory Fees: Although Baron Financial Group, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client situation, assets to be placed under management, anticipated future additional assets, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Fees Billed in Advance: Our advisory fees will be charged in advance. Advisory fees are billed in advance at the beginning of each calendar quarter based upon the asset value of the client's account equity at the end of the previous quarter.

When authorized by the client, fees will be debited from the account in accordance with the terms set forth in the Advisory Agreement.

FINANCIAL PLANNING FEES

Stand-alone Financial Planning fees for clients without investment management are agreed upon prior to entering a contract with any client.

For clients with investment management, there will be an initial one-time planning fee of \$2,500 which is waived if the initial Assets Under Management is \$500,000 or greater.

Financial Planning Fee Offset: Baron Financial Group, LLC reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Portfolio Management Services.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to Baron Financial Group, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Grandfathering of Fees: Pre-existing advisory clients are subject to Baron Financial Group, LLC's advisory fees in effect at the time the client entered into the advisory relationship.

ERISA Accounts: Baron Financial Group, LLC is deemed to be a fiduciary to advisory clients that are

employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income Security Act (“ERISA”). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation.

Retirement Rollovers-Potential for Conflict of Interest:

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options):

- (i) leave the money in the former employer’s plan, if permitted,
- (ii) roll over the assets to the new employer’s plan, if one is available and rollovers are permitted,
- (iii) roll over to an Individual Retirement Account (“IRA”), or
- (iv) cash out the account value (which could, depending upon the client’s age, result in adverse tax consequences).

If we recommend that a client roll over their retirement plan assets into an account to be managed by our firm, such a recommendation creates a conflict of interest if we will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by our firm. Our Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Under no circumstances do we require or solicit payment of fees more than six months in advance of services rendered.

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

Baron Financial Group does not provide any services for which it charges performance-based fees. Baron does not have any required disclosures for this item.

Baron Financial Group, LLC does not charge performance-based fees.

Item 7 Types of Clients

Baron Financial Group, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Non-profit organizations
- Trusts
- Estates
- Charitable organizations
- Pension and profit-sharing plans

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

METHODS OF ANALYSIS

We may use any of the following methods of analysis in formulating our investment advice and/or managing our clients' assets:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself).

Risk: Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

Technical Analysis. We review charts of market and security activity in an attempt to identify market trends, as well as possible support and resistance levels.

Risk: Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of technical indicators.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a security's quantifiable data.

Risk: A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement.

Risk: A risk in using qualitative analysis is that our subjective judgment may prove incorrect

Asset Allocation. We attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

Risk: A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the mutual fund or ETF. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

Risk: A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Other forms of analysis: Other forms of analysis, not listed here, may be used.

Risk: Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy in managing client accounts, provided that such strategy is appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Our approach to portfolio design is based on Nobel Prize-winning investing principles. The mix of stocks, bonds, cash and other asset classes is perhaps the most important factor in determining the overall return and risk of a portfolio. Our goal is to preserve assets and to grow those assets responsibly. The best way to accomplish this goal is to build a diversified portfolio with multiple asset classes. Appropriate asset allocation should enable an investor to achieve attractive compound asset growth in the good years, while providing acceptable downside protection during the bad years. Asset allocation and rebalancing are the primary elements in the success of your investment portfolio.

Risk of Loss: A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss that you should be prepared to bear. We will work with you to help us understand your tolerance for risk. If there are any significant changes to your personal and/or financial situation, we should be notified immediately to determine whether any review and/or revision of your investment profile is warranted.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Baron Financial Group, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Baron Financial Group, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to info@baron-financial.com, or by calling us at 866-333-6659.

Baron Financial Group, LLC and individuals associated with our firm are prohibited from engaging in principal transactions.

Baron Financial Group, LLC and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

Item 12 Brokerage Practices

For discretionary clients, Baron requests that it be provided with written authority to determine the broker dealer to use for client transactions and the commission costs that will be charged to our clients for these transactions.

Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

Baron will endeavor to select those brokers or dealers which will provide the best services at the lowest

commission rates possible. The reasonableness of commissions are based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help Baron in providing investment management services to clients. Baron may, therefore recommend (or use) the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

Baron Financial Group, LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Baron Financial Group, LLC will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Baron Financial Group, LLC will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Baron Financial Group, LLC's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Baron Financial Group, LLC, or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Baron Financial Group, LLC to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata

- basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
 - 8) Baron Financial Group, LLC's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
 - 9) Funds and securities for aggregated orders are clearly identified on Baron Financial Group, LLC's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
 - 10) No client or account will be favored over another.

Baron Financial Group, LLC may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Baron Financial Group, LLC is independently owned and operated and not affiliated with Schwab.

Schwab provides Baron Financial Group, LLC with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

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

Schwab Institutional also makes available to our firm other products and services that benefit Baron Financial Group, LLC but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and

v. assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Baron Financial Group, LLC. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Anthony Benante, Managing Member; Victor Cannillo, Managing Member; and Nicholas Scheibner, Member.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is Baron Financial Group, LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

As a matter of policy and practice, Baron Financial Group, LLC does not maintain physical custody of client assets. Baron Financial Group, LLC's general policy is to ensure that we maintain client funds and securities with "qualified custodians" which provide at least quarterly account statements directly to our clients or a selected "independent representative." Baron Financial Group, LLC's is deemed to have constructive custody of client funds solely because it has the ability to debit advisory fees and maintain Standing Letters of Authorization (SLOA) instructions. Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account, or if you grant us authority to move your money to another person's account through standing letters of authorization. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab's account statements with the periodic account statement/portfolio reports you will receive from us.

Standing Letters of Authorization: Certain clients have granted us a limited power of attorney in Standing Letters of Authorization (SLOAs) to disburse funds to one or more third parties as designated by the client. Pursuant to SEC No-Action Letter (Investment Adviser Association, February 21, 2017), Baron Financial, its clients and the client's qualified custodian adhere to the following procedures:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's

signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.

2. The client authorizes Baron Financial, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client's qualified custodian performs an appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client's custodian.
5. Baron Financial has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instructions.
6. Baron Financial maintains records showing that the third party is not a related person of Baron Financial or located at the same address as Baron Financial.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instructions and an annual notice reconfirming the instruction.

Direct Debiting of Advisory Fees: We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send reports outlining their current positions, security cost basis, and current market values directly to our clients on an annual basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

This Investment Advisory Services section pertains to non-discretionary accounts only:

Adviser will direct, with Client's prior written or oral approval, the investment and reinvestment of the assets in Client's account (the "Account") in securities and cash or cash equivalents. Client understands that neither Adviser nor its representatives will exercise any discretionary authority with respect to Client's Account or transactions. Client agrees to notify Adviser promptly of any significant change in the information provided by the Client on Schedule B or any other significant change in Client's financial circumstances or investment objectives that might affect the manner in which Client's account should be invested. Client also agrees to provide Adviser with such additional information as Adviser may request from time to time to assist it in advising Client. Adviser's authority under this Agreement will remain in effect until changed or terminated by Client in writing.

Item 17 Voting Client Securities

We vote proxies for all client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies in your account.

We will vote proxies in the best interests of its clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Nicholas Scheibner by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact Nicholas Scheibner by telephone, email, or in writing.

You can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting us at 866-333-6659 or info@baron-financial.com.

Item 18 Financial Information

Given the uncertainty and lack of financial clarity related to the overall economic impact of the coronavirus pandemic, Baron Financial prudently applied for and received a \$160,655 loan under the Treasury Department's Payroll Protection Program. Baron Financial is using the proceeds of the loan primarily to pay employee salaries, including a portion of the salaries of employees who are primarily responsible for performing advisory functions for its clients. Baron Financial believes the loan and the potential obligation to repay it will have no impact on its ability to provide investment advisory services to clients. Baron Financial is financially capable of meeting all contractual commitments to clients.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Baron Financial Group, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.