

# Steven G. Blum and Associates, LLC



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**March 23, 2023**

## **FORM ADV PART 2A-2B & PRIVACY POLICY**

This brochure provides information about the qualifications and business practices of Steven G. Blum and Associates, LLC ("Advisor"). If you have any questions about the contents of this brochure, please call (610) 328-7725. 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 the Advisor is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Advisor IARD/CRD number is 130807.

The Advisor is a Registered Investment Advisor. 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 Advisors to amend their brochure when information becomes materially inaccurate. If there are any material changes to an advisor's disclosure brochure, the Advisor is required to notify the client with a description of the material changes.

This brochure has been updated further to our last brochure dated March 14, 2022 and our assets under management have been updated as well. Additionally, we have added Charles Schwab & Company as a potential custodian for clients to use.

In the future, this section will discuss specific material changes that are made to the brochure and provide clients with a summary of such changes. Following the SEC and state rules, the Advisor will ensure that clients receive a summary of any material changes to this and any subsequent brochure within 120 days of the close of the Advisor’s fiscal year. Advisor will provide other ongoing disclosure information about material changes as necessary.

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## Item 4—Advisory Business

Steven G. Blum and Associates, LLC ("Advisor") was created as a registered investment advisor in 2004. The Advisor offers a wide range of investment consulting services. The Members of Steven G. Blum and Associates, LLC are Steven G. Blum, Esq. EdM, JD, LLM (in taxation) and Mary Bonfini, CPA, MBA.

Steven G. Blum, Esq. EdM, JD, LLM (in taxation) provides financial planning, tax planning and other consulting services. He holds a J.D. from Northeastern University School of Law, an L.L.M. in Taxation from New York University School of Law and an Ed.M. from Harvard University. Mr. Blum is a member of the Pennsylvania, New Hampshire and District of Columbia bars. He has been advising clients on financial matters for more than thirty years. He has been a member of the affiliated faculty at the Wharton School of Business at the University of Pennsylvania since 1994. It is important for the client to know that while Mr. Blum maintains a separate and active law practice, retention of the Advisor does not engage Mr. Blum as an attorney or lawyer.

Mary Bonfini, CPA, MBA provides investment, financial planning, tax planning and other consulting services. She holds an M.B.A. from Villanova University and is a Certified Public Accountant ("CPA") in the State of Pennsylvania. Ms. Bonfini previously worked in the financial services industry working on complex financial transactions and asset securitizations. She also has in-depth experience with financial reporting and analysis. She spent several years as a Senior Auditor with a large public accounting firm and also worked in the controller's group of a financial services company. Ms. Bonfini has over thirty years of experience working in the fields of finance and accounting. It is important for the client to know that while Ms. Bonfini is licensed as a CPA, retention of the Advisor does not engage Ms. Bonfini as a CPA, and no CPA-client relationship is established.

### INVESTMENT CONSULTING

Investment consulting services are provided on a discretionary and a non-discretionary basis and may include, but are not limited to:

- Inventory and analysis of client's current assets, liabilities and investments
- Identification of asset class under-exposure and over-exposure
- Discussion of appropriate asset allocations
- Modeling of asset allocations and discussing risk
- Tactical implementation of asset allocation

The Advisor helps clients determine their capacity for risk and then works with the client to select an asset allocation that reflects the unique risk capacity of the client. Investments are chosen to produce the appropriate combination of potential return, diversification, risk reduction, low costs and tax efficiency.

### ADVANCE PLANNING

Advanced planning strategies typically address tax issues, estate planning and risk management issues. The Advisor explains appropriate strategies to help clients meet their goals and integrate their available resources. Services for the advanced planning consultation process may include, but are not limited to:

- Identification of priorities, values and financial goals
- Dollar quantification of future cost of living needs and goals
- Retirement planning
- Statistical modeling of retirement scenarios and cash flow
- Review of workplace benefits and employee pension plan options
- Review of workplace stock option plans
- Estate planning and intergenerational wealth transfer
- Tax planning and tax reduction strategies
- Debt analysis and mortgage leverage recommendations
- Risk management analysis including Life and Disability insurance
- Health and Long-term Care insurance
- Property & Casualty and Liability insurance
- Education planning and college funding strategies

The Advisor guides clients in managing their investments. This means the Advisor helps clients understand their goals, risk tolerances and investment options. Thereafter, in consultation with the client, Advisor helps clients allocate assets by type, choose specific investments and monitor those investments on an ongoing basis. Clients may request specific restrictions on investments.

As of December 31, 2022, the Advisor had a total of \$123,150,931 of assets under management with \$26,273,481 on a discretionary basis and \$96,877,449 on a non-discretionary basis. The Advisor does not participate in any wrap fee programs.

## **Item 5—Fees & Compensation**

If client engages the Advisor, the fee is governed by the terms of a separate Financial Advisory Agreement ("Advisory Agreement").

The standard fee will be based on the fair market value of all investments which Advisor considers in making its recommendations to client and which are the subject of investment decisions which Advisor continues to monitor. This amount shall be multiplied by 0.24%. To that amount shall be added the sum of \$1,800. The total of those two amounts will constitute the quarterly fee. Fees are negotiable. Compensation for these services is payable quarterly. Such fee is collected following each quarter of service.

The Advisory Agreement provides written authorization from client for Advisor to electronically deduct advisory fees from the client's account held by a qualified custodian; although, in certain circumstances the client may pay via check. If client has elected to provide electronic debit authorization, Advisor will send the qualified custodian written or electronic notice of the amount of the fee to be deducted from client's account. The monthly statement from the qualified custodian contains the amount of the quarterly fee deducted and is sent to every client.

A client may terminate his or her contract within five (5) days written notice to the Advisor. Upon such a termination, Advisor shall be entitled to a pro-rata amount of the fee that would have been due at the conclusion of the quarter. Furthermore, at the time of entering into a contract, client may terminate that contract without penalty within five business days after entering into the contract and the client would not owe any fees for this five-business-day period. Although the Advisor does not collect prepaid fees, if such a situation should arise, all prepaid fees would be returned if the client decides to terminate within the five business day period.

Unless the client directs otherwise, the Advisor will generally recommend TD Ameritrade ("TD"), Charles Schwab & Company ("Schwab"), Fidelity, or Shareholder Services Group ("SSG") to serve as the broker-dealer/custodian ("Custodian") for client assets, although client retains the ultimate authority for determining where their assets are held. All Custodians charge transaction fees for effecting certain securities transactions (i.e. transaction fees for certain no-load mutual funds, individual equity and fixed income securities transactions, etc.). In addition to Advisor's fee, and transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund ("ETF") purchases, charges imposed at the fund or ETF level (e.g. management fees and other fund expenses). Accordingly, client should review the fees charged by the investments, Custodian(s) and the Advisor to fully understand the total amount of the fees being paid. Additionally, the investments selected for the clients are not exclusively available to the Advisor and may be obtained through other unaffiliated firms and potentially at a lower fee.

## **Item 6—Performance Based Fees**

The Advisor does not charge management fees based on the performance of a client's portfolio. No warranty of performance is either written, or implied, and there is no guarantee that client's return objectives will be achieved.

## **Item 7—Types of Clients**

The Advisor is engaged in the business of providing investment consulting to affluent clients who are individuals, families, pension and profit sharing plans, estates, charitable organizations, and corporations or business entities.

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

Representatives of the Advisor consider themselves to be students of the science of financial economics. The Advisor engages in continuous study of that science as new learning is produced at leading universities and business schools throughout the world. Steven G. Blum has taught at the Wharton School of Business at the University of Pennsylvania since 1994.

Economists know that market risks can be partially reduced through broad diversification. The Advisor guides clients to invest in portfolios that are broadly diversified by country, region, size, and asset class. The Advisor also, in some instances, diversifies by time.

Notwithstanding the above, investing in financial markets always involves significant risk. All clients are always exposed to market risk, default risk, interest rate risk, inflation risk and currency risk. The Advisor works hard to avoid any risk that would be inappropriate in light of the client's particular circumstances but wants the client to understand investing always bears financial risks.

Because economists know that diversification reduces the risk inherent in a particular security or a particular type of security, the Advisor will recommend broadly diversified portfolios to all clients.

## **Item 9 – Disciplinary Information**

The Advisor has not been the subject of any disciplinary actions, criminal or civil actions.

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

The Advisor receives no compensation, direct or indirect, from any source whatsoever beyond direct payment of fees paid by clients. Mary Bonfini is a Certified Public Accountant in the State of Pennsylvania and is not associated with any Accounting Firm. Steven G. Blum, Esq. maintains a part-time solo practice of law and is a member/partner with the Law Offices of Blum & Simenhoff, LLP. There is no direct or indirect compensation or transfer of client data between the Advisor and either of Mr. Blum's law practices. The Advisor does not refer clients to Mr. Blum's law firms.

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

The Advisor requires all IARs and Advisor access persons be subject to its Code of Ethics ("Code"), which sets standards of behavior intended to establish a high level of professionalism, integrity and fair dealing with clients. The Code does allow Representatives and Advisor access persons to maintain personal securities accounts at any broker-dealer. The Advisor does not require prior review or approval for trades in those accounts. Additionally, access persons of the Advisor are allowed to purchase investments for their accounts that are also purchased in client portfolios. This could create a conflict of interest in that the access person could benefit from personal trading using the knowledge gained through their affiliation with the Advisor. The Advisor has created policies to ensure that access persons are not using their position for their own economic advantage. The access persons of the Advisor are not allowed to:

- Trade on inside information.
- "Front-run" or trade in anticipation of client transactions.
- Trade or participate in any activity prohibited under the federal securities laws.
- Place their interests in front of clients' interests.

## **Item 12 – Brokerage Practices**

The Custodian holds the assets and provides the trading and custody platform used by the Advisor. Neither the Advisor nor its access persons have the authority to determine which brokers or Custodians its clients use to hold their assets or the fees charged by the Custodian. However, for reasons of familiarity and efficiency, the Advisor tends to recommend either TD Ameritrade, Schwab, Fidelity or Shareholder Services Group ("SSG"). Advisor is not affiliated with TD Ameritrade, Schwab, Fidelity or SSG. Custodian does not supervise the Advisor, its agents, or activities, or its regulatory compliance. Factors used to determine which Custodian to recommend include the client's Custodian prior to coming to Advisor, electronic access to trading and client accounts, compliance, and trading costs. Advisor does not receive research or other products or services from third parties that would constitute "soft dollar benefits" or any form of direct compensation from the Custodian. In all such recommendations, the Advisor must and does place the interest of the client in front of their own.

It is unlikely that the Advisor would allow a client to direct brokerage to a specific broker-dealer. However, if such an arrangement was allowed, the Advisor would not be able to ensure best execution or fair commissions for the client. In some cases, the Advisor may aggregate or block trade multiple client accounts. Doing so allows some efficiency in the transactions, although it does not ensure the client will receive a reduction in trading costs or a better execution price than if the trade was enacted separately. It is

possible that rebalancing/trading accounts is done to a degree of randomness that it could result in clients holding different positions and receiving higher or lower prices than other accounts with similar investment objectives. It may be possible for the Advisor or its access persons to buy or sell securities in their personal accounts that were also purchased in the client account. As noted earlier, the Advisor has a strict policy against using the trade flow of clients to economically benefit the Advisor or its access persons.

### **Item 13 – Review of Accounts**

Client accounts are reviewed by Steven G. Blum JD, EdM, LLM and/or Mary Bonfini, CPA, MBA on a semi-annual basis or as otherwise necessitated by major financial events or changes in the client's situation. Unexpected world events that trigger significant market volatility are typically the factor that invites a review. Rebalancing trades occur to synchronize the portfolio with the asset allocation decided on by client.

The Custodian sends statements monthly to the client. The reports contain asset positions, cost basis, fees debited and transactions in the account. The Advisor may send reports that contain asset positions, performance, transactions, billing information and various charts and graphs. The client should note that the values used to calculate the Advisor's fee may differ slightly from the amount shown on the Custodian statement. This difference may be attributed to settlement date versus trade date accounting. It is important for the client to rely on the statement provided by the Custodian for the total value of accounts.

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

No one, except clients, pays Advisor or provides Advisor with any economic benefit whatsoever. Neither the Advisor nor any of its access persons directly or indirectly compensates any person for client referrals.

### **Item 15 – Custody**

Advisor receives written authority to debit Advisory Fees directly from the client's account. Additionally, Advisor is reporting custody on assets where the client has requested the ability to electronically transfer assets to a third-party through a standing letter of authorization (known as an SLOA). Other than these situations, the Advisor does not have custody of any client assets. The Custodian sends reports monthly to the client. The reports contain asset positions, cost basis and transactions in the account.

The Advisor urges the client to compare the account statements they receive from the qualified Custodian with those received from the Advisor and to rely on the Custodian for the total value of accounts. Advisor is not affiliated with the Custodian. The Custodian does not supervise the advisor, its agents, or activities, or its regulatory compliance.

### **Item 16 – Investment Discretion**

Through specific authorization contained in the Advisory Agreement, the client may engage the Advisor on a discretionary or a non-discretionary basis. Non-discretionary authority requires the Advisor to first seek client's permission before buying, selling or effecting any investment transactions on behalf of the client. Discretionary authority allows the Advisor to buy and sell investments without first obtaining client approval.

### **Item 17 – Voting Client Securities**

The Advisor typically does not vote client proxies.

### **Item 18 – Financial Information**

The Advisor does not bill in advance and does not require pre-payment of fees. The Advisor is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts. The Advisor has never been the subject of any bankruptcy petition.

## Privacy Policy

Advisor's Privacy Policy follows and is applicable to current and former clients. Throughout the policy, Advisor refers to information that personally identifies client or client accounts as "personal information." Advisor collects personal information in the normal course of business to better manage and serve clients. (1) Advisor collects client information (that has been provided to the Advisor) when opening an account. The information Advisor collects may include the client's name, address, phone number, e-mail address, drivers license, social security number, and information about the client's interests, investments, financial goals and investment experience. (2) Once a client opens an account with Advisor, personal information is collected and maintained about the client's transaction history, holdings, and account balances. Advisor may include the client's name and other data in internal data bases and lists that reflect the client's activities with Advisor.

Advisor uses personal information to fulfill regulatory and audit obligations and to help Advisor deliver the best possible client service. Advisor does not sell personal information to anyone. Advisor does not disclose personal information to third parties unless one of the following limited exceptions applies: (1) Advisor discloses personal information to companies that help process or service client transactions or accounts, including, but not limited to, the Custodian, back-office service providers, data aggregation software, customer management software, etc. Advisor has contracts with these companies that prohibit them from using personal information for their own purposes. (2) Advisor may disclose or report personal information in limited circumstances where there is a good faith belief that disclosure is required or permitted under law, for example: to cooperate with regulatory or law enforcement authorities, to resolve consumer disputes, to perform credit/authentication checks, or to control institutional risk.

***Outside of these exceptions, Advisor will not share personal information with third parties unless the client makes a specific request.***

Advisor protects the confidentiality and security of personal information. (1) Companies that Advisor hires to provide support services are not allowed to use personal information for their own purposes. Advisor limits their use of personal information to performance of the specific service requested. (2) Advisor restricts access to personal information to access persons and agents for business purposes only. (3) All access persons are trained and required to safeguard such information. (4) Advisor maintains physical, electronic, and procedural safeguards for personal information.

Advisor continues to evaluate efforts to protect personal information and make every effort to keep personal information accurate and up-to-date. If clients identify any inaccuracy in their personal information, or need to make a change to that information, they should contact Advisor. If, at any time in the future, it is necessary to disclose clients' personal information in a way that is inconsistent with this policy, advance notice of the proposed change will be provided to client so they can opt out of such information sharing.

Clients with any questions or concerns may call Advisor at (610) 328-7725.

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**March 23, 2023**

**Steven G. Blum, Esq. EdM, JD, LLM**

## **FORM ADV PART 2B SUPPLEMENTAL BROCHURE**

This brochure provides information about Steven G. Blum that supplements the Steven G. Blum and Associates, LLC ("Advisor") firm brochure. You should have received a copy of that brochure. If you did not receive the brochure or have any questions please call (610) 328-7725.

Additional information about Steven G. Blum and Associates, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **Item 2 - Educational Background and Business Experience**

Steven G. Blum was born in 1958 . He obtained his bachelor's degree in American Studies from Wesleyan University in 1981; his Juris Doctorate ("JD") from Northeastern University in 1984; his Master of Education ("Ed.M") from Harvard University in 1989; and his Master of Laws (LLM) from New York University in 1996.

Mr. Blum has practiced law with Steven G. Blum Attorney at Law since 1994. From 1996 to 2007 he was a Professor at Athens Laboratory of Business Administration in Athens, Greece. He has been a Lecturer at the Wharton School in Philadelphia since 1994. He is the founding member of Steven G. Blum and Associates, LLC, which he started in 2004.

## **Item 3 - Disciplinary Information**

Mr. Blum does not have, nor has he ever had, any disciplinary disclosures.

## **Item 4 - Other Business Activities**

Steven G. Blum is the controlling member of Steven G. Blum and Associates, LLC. In addition, Mr. Blum maintains a part-time solo practice of law. Mr. Blum is also a member of Blum & Simenhoff Attorneys at Law, LLP. There is a distinct divide between Mr. Blum's legal and investment advisor entities. There is no direct or indirect compensation or transfer of client data between the entities. Steven G. Blum and Associates, LLC does not refer clients to either of Mr. Blum's law firms. When acting as an attorney, Mr. Blum may, on occasion, refer clients to the Advisor when the client's interests are best served by such a referral.

## **Item 5 - Additional Compensation**

None.

## **Item 6 - Supervision**

Steven G. Blum is the Chief Compliance Officer of the Advisor and is responsible for the supervision of all access persons. All advisory accounts opened are supervised in accordance with the policies established by the Advisor. Any questions regarding supervision or other matters should be addressed to Mr. Blum at (610) 328-7725.

# Steven G. Blum and Associates, LLC



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**March 23, 2023**

**Mary Bonfini, CPA, MBA**

## **FORM ADV PART 2B SUPPLEMENTAL BROCHURE**

This brochure provides information about Mary Bonfini that supplements the Steven G. Blum and Associates, LLC ("Advisor") firm brochure. You should have received a copy of that brochure. If you did not receive the brochure or have any questions please call (610) 328-7725.

Additional information about Steven G. Blum and Associates, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Educational Background and Business Experience**

Mary Bonfini was born in 1968. She obtained a Bachelor's Degree in Accounting from St. Joseph's University in 1990. In 1999 she earned her Master's in Business Administration from Villanova University. Ms. Bonfini was an Auditor with Deloitte & Touche from 1990 to 1993. From 1993-2002, Ms. Bonfini worked for MBNA Corporation. During that time, Ms. Bonfini advanced to Vice-President. She is a Member of Steven G. Blum and Associates, LLC and has been with the Advisor since 2004. From 2011 through 2013 Ms. Bonfini was registered with Three Pillars Wealth Management.

In 1993 Ms. Bonfini earned her Certified Public Accountant ("CPA") designation. CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period).

## **Item 3 - Disciplinary Information**

Ms. Bonfini does not have, nor has he ever had, any disciplinary disclosures.

## **Item 4 - Other Business Activities**

None.

## **Item 5 - Additional Compensation**

None.

## **Item 6 - Supervision**

Steven G. Blum is the Chief Compliance Officer of the Advisor and is responsible for the supervision of all access persons. All advisory accounts opened are supervised in accordance with the policies established by the Advisor. Any questions regarding supervision or other matters should be addressed to Mr. Blum at (610) 328-7725.