

## Form ADV Part 3: Relationship Summary Bay Colony Advisory Group, Inc.

### Introduction

Bay Colony Advisory Group, Inc. (“Bay Colony Advisors” or “we”) is an investment adviser registered with the U.S. Securities and Exchange Commission. We offer our clients investment advisory services. Clients should understand that the services we provide and fees we charge are different than those of a broker-dealer, and that it is important to understand the difference between the two. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about investment advisers, broker-dealers and investing.

### What Investment Services and Advice Can You Provide Me?

**Description of Services:** Bay Colony Advisors offers investment advisory services to retail investors. Our services are split into categories as stated below. The offering of these services is materially limited by the information you provide to us about your investment goals, time horizon, risk tolerance and other relevant factors. Investment Management Services: We provide management services which involves us managing and trading your designated account(s). We may recommend third-party management services or sub-advisory services through an independent manager who we will evaluate, select, and monitor to manage and trade your account(s). We will discuss your investment goals and design a strategy to try and achieve your investment goals. We will continuously monitor your account when providing management services and contact you at least annually to discuss your portfolio. Our management services are offered through wrap fee and non-wrap fee programs. Please see **Item 4 of Form ADV Part 2A**. When engaging us for management services, you can choose whether you’d like us to provide services on a **discretionary** basis (we will have the authority to determine the type and amount of securities to be bought or sold in your account) or a **non-discretionary** basis (we will have to confirm any trades in your account with you before we place them). Please see **Item 16 of Form ADV Part 2A**, for information about our investment authority. Financial Planning & Consulting Services: We provide financial planning and consulting services. Financial planning services involve us creating a written financial plan for you which covers mutually agreed upon topics. Financial consulting is used when a written financial plan isn’t needed. Please see **Item 4 of Form ADV Part 2A**. Family Office Services: We provide these services to higher net worth clients who need more in-depth discussions or analysis on specific topics. We provide Bookkeeping and other Concierge Services when necessary. Retirement Plan Participant Advice: If your retirement plan utilizes our Retirement Plan Participant Advice Service, we are available at your request to provide one-on-one advice to you as a retirement plan participant. Please see **Item 4 of our Form ADV Part 2A**.

**Limited Investment Offerings:** We do not primarily recommend one type of security to clients. Instead, we recommend investment portfolios designed to be suitable for each client relative to that client’s specific circumstances and needs. However, we are limited in investment selection in that we can only invest your account in securities which are available on your custodian/broker-dealer’s platform. When providing you services, we do not recommend or offer advice on any proprietary products. **Account & Fee Minimums:** We require a minimum of \$250,000 in assets in order to open an account managed by us. You can aggregate all household accounts.

**Conversation Starters:** *Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

### What Fees Will I Pay?

**Description of Principal Fees & Costs:** Investment Management Services are charged based on a percentage of assets under management, billed in advance on a quarterly calendar basis, and calculated based on the fair market value of your account as of the last business day of the previous billing period. The annual fee ranges between 0.65% and 1.85%. Sub-Advisory fees range between 0.25% and 0.50%. We have an incentive to recommend that you increase the level of assets in your account. We utilize wrap fee programs which mean that the fee you pay us covers both our advisory services and the transaction fees imposed by the broker-dealer. Wrap accounts tend to be higher than non-wrap fee alternatives. You will also be charged internal fees and expenses by the funds we invest in within your account. Please see **Item 4 of BCA’s Form ADV Part 2A: Appendix 1** or the **ADV Part 2A Appendix 1** of the third-party managers offering wrap fee programs through BCA. Financial Planning & Consulting Services are provided under an hourly fee arrangement ranging between \$250 and \$500 or under a fixed fee arrangement ranging between \$15,000 and \$100,000. Fees are negotiable or waived at the discretion of Bay Colony Advisors. You will pay in advance a mutually agreed upon retainer. Any unpaid hourly fees are due immediately upon completion and delivery of the financial plan

or consultation. Any fees we charge for financial planning and consulting services will not cover the costs associated with implementing any recommendations. *Family Office Services and Concierge Services* are provided for an hourly or flat fee on a client-by-client basis. For our *Retirement Plan Participant Advice Service*, there is no direct charge to the plan participant; rather, we charge the retirement plan an investment advisory fee. **Additional Information:** You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more information about the fees we charge and the other fees and expenses you will incur, please see **Item 5 of Form ADV Part 2A**.

**Conversation Starters:** *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

### **What Are Your Legal Obligations to Me When Acting as My Investment Adviser? How Else Does Your Firm Make Money and What Conflicts of Interest Do You Have?**

**Standard of Conduct:** When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means. 1) When we provide investment management services, we will recommend that you establish an account with Fidelity Brokerage Services LLC to maintain custody of your assets and to effect trades for your account. They also provide us with research, products and tools that help us manage and further develop our business operations. We do not have to pay for such benefits, which save us money; however, these arrangements create a conflict of interest. 2) When we recommend that you utilize a third-party money manager, we will receive a percentage of the fee which they collect from you. This creates a conflict of interest as we have an incentive to recommend managers who have such arrangements with us. We receive a revenue share of 0.10% when we recommend Advisory Alpha as a Sub-Adviser. 3) Some of our investment adviser representatives also serve as insurance agents. Through their role as such they may sell, for commissions, various insurance products. We have a conflict of interest because of the potential for additional revenue. 4) One of our investment adviser representatives also serves as licensed CPA, offering accounting services. A conflict of interest exists whenever there is a recommendation to utilize those accounting services. 5) BCA is deemed to have custody of client funds and securities when a) BCA initiates third-party standing letters of authorization or "SLOAs") to move money from a client's account and b) when BCA's affiliated Investment Adviser Representative acts as Trustee on two client trust accounts.

**Conversation Starters:** *How might your conflicts of interest affect me, and how will you address them?*

**Additional Information:** For more information about our conflicts of interests and the ways we are compensated, please see **Item 5, Item 10, Item 12 and Item 15** of our **Form ADV Part 2A**.

### **How Do Your Financial Professionals Make Money?**

**Description of Salary/Payment of IARs:** We compensate our investment adviser representatives based on the level of assets that the representative brings in to us. This creates a conflict of interest as it gives your representative an incentive to recommend you invest more in your account with us due to the potential for increased payments.

### **Do You or Your Financial Professionals Have Legal or Disciplinary History?**

No. Neither us, nor our investment adviser representatives have a legal or disciplinary history to report. You can look up more information about us and our investment adviser representatives at <https://www.investor.gov/CRS>.

**Conversation Starters:** *As a financial professional, do you have any disciplinary history? For what type of conduct?*

### **Additional Information About Bay Colony Advisors**

Additional information about us and a copy of this relationship summary are available on the Internet at <http://www.baycolonyadvisors.com>. You can also find our disclosure brochures and other information about us at <https://adviserinfo.sec.gov/firm/summary/152583>. If you have any questions or want an up-to-date copy of this relationship summary, we can be reached by phone at 978-369-7200.

**Conversation Starters:** *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*