

HEYDORN|STONE CAPITAL MANAGEMENT LLC

CLIENT RELATIONSHIP SUMMARY

March 25, 2024

Heydorn Stone Capital Management LLC (HSCM) is an independent SEC Registered Investment Advisor (RIA) established in June 2001.

There are different ways you can get help with your investments – from Broker-Dealers or Registered Investment Advisory firms. Services, fees, conflicts of interest, legal obligations, and duties differ. It is important to understand these differences before investing. This summary is intended to provide you with highlights from our perspective as an **investment advisor**. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS> which also provides educational materials about broker-dealers, investment advisors, and investing.

What investment services and advice can HSCM provide me?

We offer investors **discretionary** investment management services for investment portfolios, trust accounts, retirement plans such as IRAs, Roth IRAs, SEP IRAs and pension or profit-sharing plans. In addition, we may provide comprehensive financial planning, retirement planning, college planning, and client 401(k) plan option selection.

We take a financial planner’s approach to developing an investment strategy for each individual client based on information provided and with a focus on helping clients meet their life goals. An appropriate diversified asset allocation is determined so the client is able to weather variable market conditions. Individually tailored portfolios are structured based on the investment objectives, time horizon, cash flow needs, restrictions, and risk profile of the client as well as the value of assets under management. Portfolios may include mutual funds, individual US bonds, traded bank certificates of deposits (CDs), and Exchange Traded Funds (ETF). We generally do not recommend individual stocks, but if a client wants a portfolio of individual stocks, we can recommend a separate account manager, or clients may hold individual stocks as unmanaged positions. The underlying securities in client accounts are continuously monitored. We provide quarterly performance reports in addition to the monthly reports provided by the custodian. The minimum investment relationship size is \$500,000.00. *For additional information, see Form ADV, Part 2A brochure, Items 4&7.*

Please ask us:
 **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 fees will I pay to HSCM?

As fiduciaries, we work only for our clients so 100% of our compensation comes from client fees. This alleviates any conflicts of interest, quotas and propriety product pushes. Our **asset-based** investment advisory fees are billed quarterly based on the market value of assets under management on the last day of the quarter, adjusted for additions and withdrawals. Our standard fee schedule is: 1.00% per year on the first \$1 million, 0.75% per year on the next \$2 million, 0.50% per year on the next \$2 million, and 0.25% per year on any additional assets, with a minimum quarterly fee of \$1,250. Our clients do not pay any loads or deferred sales charges. Our custodian, Charles Schwab & Co., and mutual fund companies may also impose fees. These may include custodial transaction charges and fees, and expenses imposed by mutual funds held in the account. Mutual fund expenses are described in each fund’s prospectus, and generally include a management fee, administrative expenses, and a possible distribution fee. While all mutual funds and ETFs have internal fees, we help our clients decide the most cost-effective manner to pay these fees – either through transactions charges or internal expenses. We do not receive any portion of the fees charged by the custodian, the mutual funds, or any other broker. You will pay fees and costs whether you make or

Please ask us:
 **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?**

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lose money on your investments. Fees and costs will reduce the amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. *For additional information, see Form ADV, Part 2A brochure (Item 5, of Part 2A).*

What are HSCM's legal obligations to me when acting as my investment advisor? How else does HSCM make money and what conflicts of interest do you have?

*Together, we have over 50 years of experience and have passed a number of industry exams including Series 7, 6, 63 and the industry gold standard CFP®. When we act as your investment advisor, we are required by law to act in your best interest and put your interest ahead of ours. As CFP® professionals, we are held to a **fiduciary standard** that covers our entire investment advisory relationship with you. 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. For example, the more money we manage, the more money we make. However, as fiduciaries acting in your best interest, we are obligated to ensure you are not taking on more risk than is appropriate for you. We believe this fiduciary model is built to serve our clients better than any alternative. Our incentive is to help you meet your financial goals. We have no proprietary products, do not engage in principal trading, and do not accept third-party payments or revenue sharing. As mentioned above, we are able to minimize conflicts of interest by never receiving compensation from any source other than our clients' fees.*

How do HSCM financial professionals make money?

The owner receives the profits or losses that the firm makes. Firm income is derived solely from the management fees which are a percentage of the assets under management.

Does HSCM or its financial professionals have any legal or disciplinary history?

No. Our firm, owner and employees of our firm have no legal or disciplinary history to disclose. Visit <https://www.investor.gov/CRS> for a free and simple search tool to research us and our financial professionals.

For Additional Information:

Please contact us at: 914-752-5300 x 2, or by email at: alana@heydornstone.com, or see our website, www.heydornstone.com for additional or up-to-date information about our investment advisory services or to request a copy of the relationship summary. You may also visit the Securities and Exchange Commission's website for complete information on our and other firms at <https://www.sec.gov/check-your-investment-professional>.

We look forward to the opportunity to work with you!

- Please ask us:**
- ✚ **How might your conflicts of interest affect me, and how will you address them?**
 - ✚ **As a financial professional, do you have any disciplinary history? For what type of conduct?**
 - ✚ **What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?**

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