

**FORM ADV****Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

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Name of Investment Adviser:

**Stone House Investment Management, LLC**

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code: Telephone Number:

**210 Maple Street****Montrose****PA****18801****( 570 ) 278-6926**

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**Potential persons who are to respond to the collection of information contained in this form  
are not required to respond unless the form displays a currently valid OMB control number.**

**FORM ADV****Part II - Page 2**

Applicant:

Stone House Investment Management, LLC

SEC File Number:

801-68425

Date:

11/17/2010

**1. A. Advisory Services and Fees.** (check the applicable boxes)For each type of service provided, state the approximate % of total advisory billings from that service.  
(See instruction below.)**Applicant:**

- |                                     |     |   |            |
|-------------------------------------|-----|---|------------|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services .....  | <u>65%</u> |
| <input checked="" type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services .....  | <u>10%</u> |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above .....  | <u>5%</u>  |
| <input type="checkbox"/>            | (4) | Issues periodicals about securities by subscription .....   | <u>%</u>   |
| <input type="checkbox"/>            | (5) | Issues special reports about securities not included in any service described above .....   | <u>%</u>   |
| <input type="checkbox"/>            | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ..... | <u>%</u>   |
| <input checked="" type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities .....   | <u>10%</u> |
| <input type="checkbox"/>            | (8) | Provides a timing service .....   | <u>%</u>   |
| <input checked="" type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above .....   | <u>10%</u> |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

**B.** Does applicant call any of the services it checked above financial planning or some similar term? .....Yes ☒ No ☐**C.** Applicant offers investment advisory services for: (check all that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management      | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges                               | <input type="checkbox"/> (5) Commissions       |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input checked="" type="checkbox"/> (6) Other  |

**D.** For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions                | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input type="checkbox"/> G. Other (describe on Schedule F)   |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**FORM ADV****Part II - Page 3**

Applicant:

Stone House Investment Management, LLC

SEC File Number:

801- 68425

Date:

11/17/2010

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Equity securities                   | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities         |  |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | I. Options contracts on:   |
| <input type="checkbox"/> (3) foreign issues                                | <input checked="" type="checkbox"/> (1) securities                         |
|  | <input type="checkbox"/> (2) commodities                                   |
| <input checked="" type="checkbox"/> B. Warrants                            | J. Futures contracts on:   |
| <input checked="" type="checkbox"/> C. Corporate debt securities           | <input type="checkbox"/> (1) tangibles                                     |
| (other than commercial paper)  | <input type="checkbox"/> (2) intangibles                                   |
| <input checked="" type="checkbox"/> D. Commercial paper                    | K. Interests in partnerships investing in:                                 |
| <input checked="" type="checkbox"/> E. Certificates of deposit             | <input checked="" type="checkbox"/> (1) real estate                        |
| <input checked="" type="checkbox"/> F. Municipal securities                | <input checked="" type="checkbox"/> (2) oil and gas interests              |
|  | <input type="checkbox"/> (3) other (explain on Schedule F)                 |
| G. Investment company securities:  | <input checked="" type="checkbox"/> L. Other (explain on Schedule F)       |
| <input checked="" type="checkbox"/> (1) variable life insurance            |  |
| <input checked="" type="checkbox"/> (2) variable annuities                 |  |
| <input checked="" type="checkbox"/> (3) mutual fund shares                 |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

## A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input checked="" type="checkbox"/> Cyclical           |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

## B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services  |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases   |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)  |

## C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |  |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input checked="" type="checkbox"/> Short sales  |  |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**FORM ADV****Part II - Page 4**

Applicant:

Stone House Investment Management, LLC

SEC File Number:

801-68425

Date:

11/17/2010

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? .....

Yes No  
☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| • name          | • formal education after high school               |
| • year of birth | • business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.....

Yes No  
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**FORM ADV**
**Part II - Page 5**

Applicant:

**Stone House Investment Management, LLC**

SEC File Number:

801- **68425**

Date:

**11/17/2010**
**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? . . . . .

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**Please refer to Schedule F**

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

**Please refer to Schedule F**

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

Applicant:

Stone House Investment Management, LLC

SEC File Number:

801-68425

Date:

11/17/2010

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

(1) securities to be bought or sold? . . . . .

Yes No

☒ ☐

(2) amount of the securities to be bought or sold ? . . . . .

Yes No

☒ ☐

(3) broker or dealer to be used ? . . . . .

Yes No

☐ ☒

(4) commission rates paid? . . . . .

Yes No

☐ ☒

B. Does applicant or a related person suggest brokers to clients? . . . . .

Yes No

☒ ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? . . . . .

Yes No

☐ ☒

B. directly or indirectly compensates any person for client referrals? . . . . .

Yes No

☒ ☐

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities unless applicant is registered or registering only with the Securities and Exchange Commission; or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? . . . . .

Yes No

☐ ☒

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Stone House Investment Management, LLC	801- 68425	11/17/2010

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Stone House Investment Management, LLC</b>		IRS Empl. Ident.No.: <b>26-0430996</b>
Item of Form (identify)	Answer	
Item 1.D.	<p><b><u>ADVISORY SERVICES AND FEES</u></b></p> <p>Stone House Investment Management, LLC (hereinafter “Stone House” or the “Firm”) offers personalized investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. The Firm’s services and fee arrangements are described in the following pages.</p> <p>Stone House is a limited liability company formed under the laws of Delaware. This Schedule F narrative provides clients with information regarding Stone House and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of the Firm. Individuals associated with Stone House will provide its investment advisory services. These individuals that are to provide advisory services are appropriately licensed, qualified, or authorized to provide advisory services on behalf of Stone House. Such individuals are known as Investment Adviser Representatives (IARs). Additional information about Stone House is available on the Internet at <a href="http://www.adviserinfo.sec.gov">www.adviserinfo.sec.gov</a>. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Stone House is 139410.</p> <p><b><u>ASSET MANAGEMENT SERVICES</u></b></p> <p>1) Premier Separate Account Management: Currently, for a 3% annual fee charged quarterly, in advance, based on the end-of-period balance for the previous period, we provide management of clients' accounts using our proprietary strategies and provide basic investment advisory services as well as maintain and service the account. This Includes our Keystone &amp; Cornerstone Portfolios. These fees are subject to change with prior notice to clients.</p> <p>2) Traditional Separate Account Management: Currently, for an annual fee of 0.80% to 1.5% charged quarterly, in advance, based on the end-of-period balance for the previous period, we provide management of clients' accounts using traditional diversification and allocation techniques and provide basic investment advisory services as well as maintain and service the account. This Includes our Essential and Essential Gold portfolios. These fees are subject to change with prior notice to clients.</p> <p>3) Principal Protect Separate Account Management: Currently, for an annual fee of 0.75% charged quarterly, in advance, based on the end-of-period balance for the previous period, we provide management of clients' accounts using our Stone House Principal Protect investment concept. These fees are subject to change with prior notice to clients.</p> <p>4) Separate Account Management: Currently, for an annual fee ranging from .20% to 1.5% charged quarterly, in advance, based on the end-of-period balance for the previous period, we provide management of clients' accounts that can incorporate client directed holdings, securities of many types, and client specific management strategies. This is an open structure management platform and will be custom tailored to the client's needs. We also provide basic investment advisory services as well as maintain and service the account. These fees are subject to change with prior notice to clients.</p> <p>5) Stone House Select: Currently, for a 1% annual fee charged quarterly based on the average daily balance for the period and a performance fee of 20% of New Net Profits Charged Quarterly (See Client Agreement for details), we provide active management of the investment accounts using our proprietary strategies and provide basic investment advisory services as well as maintain and service the account. Due to applicable regulations, Stone House Select accounts are only available to qualified clients generally defined as clients with over \$750,000 under Stone House’s management or with a net worth of at least \$1,500,000 (additional requirements may apply, see contract for details). These fees are subject to change with prior notice to clients.</p> <p>6) Third Party Account Management: Currently, for a fee ranging from 1% to 2%, we provide active management of investment accounts for clients of other Registered Investment Advisors and Broker/Dealers using our proprietary strategies.</p>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of****Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Stone House Investment Management, LLC	801- 68425	11/17/2010

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Stone House Investment Management, LLC	IRS Empl. Ident.No.: 26-0430996
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Item of Form (identify)	Answer
	<p>7) Sub-Advisory Account Management: Currently, for a fee ranging from 1% to 2%, we provide active management of investment accounts for clients of other Registered Investment Advisors using our proprietary strategies.</p> <p>Fees may be collected from the client or withdrawn directly from his/her account with the client's permission as defined in the Investment Advisory Agreement. Fees are collected in advance of each quarter of service for Investment Advisory. In its discretion, Stone House may waive investment management fees up to \$500 annually to offset client expenses for certain professional fees (i.e., accountant, attorney, tax preparation, etc.) that the client may incur as part of implementing the investment advice.</p> <p>If and when a contract for the above services is terminated, prepaid fees, if any, will be promptly refunded without penalty on a pro-rata basis for time under management in the period for which fees were prepaid.</p> <p><b><u>FINANCIAL PLANNING SERVICES</u></b></p> <p>Stone House engages in financial planning services for a fee. Financial planning and consulting will typically involve providing a variety of services, principally advisory in nature, to clients regarding the management of their financial resources based upon an analysis of their individual needs. An IAR of Stone House will first conduct an initial consultation. After the initial consultation, if the client decides to engage Stone House for financial planning services, an IAR will conduct follow up meetings as necessary, during which pertinent information about the client's financial circumstances and objectives is collected. Once such information has been reviewed and analyzed, a financial plan – designed to achieve the client's stated financial goals and objectives – may be presented to the client.</p> <p>Stone House charges either an hourly fee of \$185 or a negotiable fixed fee ranging from \$250 to \$1,000 for financial planning services. Financial planning fees are negotiable depending on the scope and complexity of the plan, the client's situation, and/or the client's objectives. In limited circumstances and for complex financial planning, the cost/time could potentially exceed the Firm's standard fee range. In either instance, an estimate of the total time/cost will be determined at the start of the advisory relationship. Stone House, in its sole discretion, reserves the right to waive or lower financial planning fees for clients who also maintain managed accounts with Stone House. Also in its discretion, Stone House may waive financial planning fees up to \$500 annually to offset client expenses for certain professional fees (i.e., accountant, attorney, tax preparation, etc.) that the client may incur as part of implementing the financial plan. If the client is dissatisfied with the financial planning services for any reason, Stone House reserves the right to issue a full-refund to the client. Clients have thirty (30) days from the completion of the financial plan or hourly consultation to request a refund.</p> <p>Stone House requires that the financial planning fee be paid in advance. In certain circumstances and at the Firm's sole discretion, other fee paying arrangements may be negotiated. Under no circumstances will Stone House require prepayment of a fee more than 6 months in advance and in excess of \$500, as services will be rendered within six months of the date of contract.</p> <p>Clients may act on the Firm's recommendations by placing securities transactions with any brokerage firm the client chooses. The client is under no obligation to act on the Firm's financial planning recommendations. Moreover, if the client elects to act on any of the recommendations, the client is under no obligation to implement the financial plan through Stone House.</p> <p>Financial plans are based on the client's financial situation at the time the plan is presented and on financial information disclosed by the client to Stone House. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. Stone House cannot offer any guarantees or promises that the client's financial goals and objectives will be met. As the client's financial situation, goals, objectives, or</p>

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).



**Schedule F of****Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:

Stone House Investment Management, LLC

SEC File Number:

801- 68425

Date:

11/17/2010

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Stone House Investment Management, LLC</b>		IRS Empl. Ident.No.: <b>26-0430996</b>
Item of Form (identify)	Answer	
	<p>needs change, the client must notify Stone House promptly.</p> <p>If the disclosure brochure - Part II of the Form ADV - is not delivered to the client within 48 hours prior to the client entering into the financial planning agreement, the client may terminate the agreement within five business days of the date of acceptance without penalty. Where the client has received the disclosure documents 48 hours in advance or if the five-day grace period has expired, either party may terminate the agreement upon written notice to the other party. If applicable, unearned, pre-paid fees are returned to the client.</p> <p><b><u>GENERAL INFORMATION ON ADVISORY SERVICES AND FEES</u></b></p> <p>Stone House shall never have custody of any client funds or securities except when the client has provided written authorization for the Firm to directly debit advisory fees and the services of an independently qualified custodian are used for such services. Stone House employs safeguards to prevent unauthorized transactions from occurring in clients' accounts. These safeguards are:</p> <ol style="list-style-type: none"> <li>1) The Advisor has written authorization from the client to deduct advisory fees from the account held with a qualified custodian.</li> <li>2) Each time a fee is directly deducted from a client's account, the adviser concurrently sends the qualified custodian notice of the amount of the fee to be deducted from the client's account and sends the client an invoice itemizing the fee including the formula used to calculate the fee, the amount of assets under management upon which the fee is based, and the time period covered by the fee.</li> <li>3) The Custodian sends statements, on at least a quarterly basis, to the client showing all disbursements for the custodian account, including the amount of the advisory fees.</li> </ol> <p>The fees charged are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory client unless the client is a qualified client. Stone House does not represent, warrant, or imply that the services or methods of analysis used by the Firm can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections.</p> <p>Advice offered by Stone House may involve investments in mutual funds. Clients are hereby advised that all fees paid to Stone House for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. Further, transaction charges may apply when purchasing or selling securities. Stone House does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the client funds or securities. The client should review all fees charged by mutual funds, Stone House, and others to fully understand the total amount of fees to be paid by the client.</p>	
Item 3.L.		
Item 5.	<p><b><u>TYPES OF INVESTMENTS</u></b></p> <p>Stone House reserves the right to advise clients on any other types of investments deemed appropriate based on the client's stated goals and objectives. The Firm may also provide advice on other types of investments held in a client's portfolio at the inception of the advisory relationship or on investments for which the client requests advice.</p> <p><b><u>EDUCATION AND BUSINESS STANDARDS</u></b></p> <p>Stone House requires one of the following qualifications of any advisor/employee involved in determining investment or planning advice.</p> <ol style="list-style-type: none"> <li>1) A Bachelor's Degree</li> <li>2) The CFP® Designation</li> </ol>	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of****Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Stone House Investment Management, LLC	801- 68425	11/17/2010

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Stone House Investment Management, LLC</b>		IRS Empl. Ident.No.: <b>26-0430996</b>
Item of Form (identify)	Answer	
Item 6.	<p>3) 3 years of experience in a similar field Successful completion of required examinations as well as the completion of our training program is required of any advisor/employee involved in determining investment or planning advice.</p> <p><b><u>EDUCATION AND BUSINESS BACKGROUND</u></b></p> <p>Date of Birth: 05/19/1971 <b>Robert J. Brown</b> has been a Managing Member of Stone House Investment Management, LLC since 9/25/08. He was a Managing Member of Stone House Wealth Management, LLC from 4/1/07 to 4/30/09. Robert served as the President of Robert J. Brown, CFP® Planning &amp; Advisory, Inc. from 01/01/06 to 3/31/07 and as a Managing Member of the Stone House Partners, LLC from 01/01/07 to 2/28/08 and as a member of the Legg Brown Stone House Partnership since 01/01/05. Robert was a Registered Representative of Pan-American <u>Financial Advisers</u>, Inc from June 2002 to November 2005 and an Investment Advisor Representative of Pan-American <u>Investment Advisers</u> from September of 2003 to December, 2004. From June of 2002 to December 2003 Bob was an owner of Brown &amp; Noble Financial Group, LLC. From January 2004 to December 2005 Bob operated under the sole proprietor DBA's of Blue Sky Financial and Robert J. Brown Planning and Advisory. Prior to working with the Pan-American Companies, Robert was a Registered Representative of AXA Advisors (Formerly The Equitable) from July of 1998 to May of 2002. Robert J. Brown has earned a Bachelor's Degree in Business Administration from Bloomsburg University and the prestigious Certified Financial Planner™ Mark.</p> <p>Date of Birth: 11/14/1979 <b>Raymond Scott Stone</b> has been a Managing Member of Stone House Investment Management, LLC since 9/25/08. He was also a Managing Member of Stone House Wealth Management, LLC from 04/01/07 to 4/30/09. Raymond Scott Stone served as Vice President of Robert J. Brown, CFP® Planning &amp; Advisory, Inc. from 01/01/06 to 03/31/07 and is a Managing Member of the Stone House Partners, LLC from 01/01/07 to 2/28/08. Scott was employed by Robert J. Brown, CFP® Planning &amp; Advisory from 01/01/05 to 12/31/05. He was a Registered Representative of Pan-American Financial Advisers from February 2003 until November 2005. He was an Investment Advisor Representative of Pan-American Financial Advisers from July 03 until December 2004. During this time, Scott was employed from March of 2003 to December 2003 by Brown and Noble Financial Group, LLC. From January of 2004 to December of 2005, Scott was employed by Blue Sky Financial. Prior to his affiliation with Pan-American companies, Scott was the General Manager of The Bose Factory Outlet Center in Tannersville, PA beginning May of 2002, prior to which he was a sales representative of the same company. Raymond Scott Stone has earned a Bachelor's Degree in Economics from East Stroudsburg University.</p> <p>Date of Birth: 07/14/1975 <b>John Burke</b> has been an Investment Adviser Representative of Stone House Investment Management, LLC since 9/25/08. He is also currently employed as an Operations Manager at Procter &amp; Gamble which he has worked for since 06/1998. John served as an Investment Adviser Representative of Stone House Wealth Management, LLC from 3/1/08 to 9/24/08. From 1/02 to 6/07, John was a Partner in Creative Analog &amp; Digital, LLP. John attended the University of Notre Dame from 9/94 to 06/98 where he was awarded the John R Malone Award in 1998 for finishing at the top of his MBA class and earned a BS in Electrical Engineering, graduating Summa Cum Laude.</p> <p>Date of Birth: 10/22/1976 <b>Christine M. Slusark</b> earned her Bachelor of Science in Business Management from Lock Haven University in 1998. After graduating, she spent time working for Prudential Insurance Company of America where she earned licenses to sell Life, Health and Accident Insurance as well her Series 6 and Series 63. Christine then held the position of Sales Assistant II at PNC Brokerage Corporation where she worked assisting Advisors and their clients From May of 1999 to August 2000. In October 2000, she accepted a position as a Client Service Specialist for American Express Financial Advisors, which later became Ameriprise</p>	

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**Schedule F of****Form ADV****Continuation Sheet for Form ADV Part II**

Applicant:

Stone House Investment Management, LLC

SEC File Number:

801- 68425

Date:

11/17/2010

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	<p>Financial, inc. In March 2001, she became a Paraplanner for Ameriprise after earning her Series 7 license.</p> <p>Christine is not only well educated in the insurance arena, but has spent numerous years in the financial advising industry. As a Paraplanner, she played an integral part in the financial planning process working very closely with clients gathering data and analyzing information. She also has experience in asset management, portfolio rebalancing, and securities trading. She resigned from her position at Ameriprise Financial, Inc. in 2010 in order to become the most recent addition to Stone House Investment Management, LLC.</p>	
Items 7.A., 7.B., 7.C., & 8.C.9	<p><b><u>OTHER BUSINESS ACTIVITIES / OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS</u></b></p> <p>Stone House is a corporate insurance agent. Additionally, its IARs may be independent insurance agents. These IARs, in their capacity as independent insurance agents, may sell insurance products to advisory clients. These individuals will receive normal and customary commissions as a result of selling insurance products and may share these commissions with Stone House. Clients hereby advised that such commissions and advisory fees are separate and apart from advisory fees paid to Stone House. Clients are under no obligation, contractually or otherwise, to purchase insurance products through these IARs persons.</p> <p>Although the above referenced activities are not the principal business activities, IARs of Stone House may allocate up to 20% of their professional time to these activities.</p>	
Item 9.E.	<p><b><u>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</u></b></p> <p>From time to time, Stone House or persons associated with Stone House may buy or sell securities that are recommended to its clients or securities in which its clients are invested. This presents a conflict of interest. To mitigate this conflict, it is Stone House's policy that associated persons of Stone House shall not have priority over any client account in the purchase or sale of securities. Under certain circumstances, exceptions to the trading policy may be made.</p> <p style="text-align: center;"><b><u>CODE OF ETHICS</u></b></p> <p>Stone House has established a code of Ethics ("Code") which sets forth the policies, practices and values that are expected to be followed. This Code applies to all directors, officers, employees and access persons of the Firm ("Covered Persons"). The purpose of the Code is to promote and foster the honest and ethical conduct of Covered Persons.</p> <p>Our Basic Principles are:</p> <ul style="list-style-type: none"><li>· place the interests of Advisory clients first;</li><li>· avoid taking inappropriate advantage of our position; and</li><li>· conduct all personal securities transactions in full compliance with the Code of Ethics including both pre-clearance and reporting requirements.</li></ul> <p>A Covered Person must know, respect and comply with all laws, rules, and regulations applicable to the conduct of the Firm's business in the areas in which you work. The Firm actively promotes compliance with the laws, rules, and regulations that govern the Firm's business. Obeying both the letter and spirit of the law is one of the foundations of the Firm's ethical standards. A Covered Person must follow and obey the laws where the Firm operates. While a Covered Person is not expected to be an expert on every detail of all the laws that govern our business in every jurisdiction, a Covered Person is expected to understand the laws and regulations applicable to his or her duties at the Firm and to understand the regulatory environment within which the firm operates well enough to know when to seek advice from a Senior Officer.</p>	

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**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Stone House Investment Management, LLC	801- 68425	11/17/2010

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Stone House Investment Management, LLC</b>		IRS Empl. Ident.No.: <b>26-0430996</b>
Item of Form (identify)	Answer	
	<p><b>A. Brokerage Accounts</b> The Firm will manage Brokerage Accounts that the client establishes with brokerage firms determined to be acceptable by the Firm. The Firm will transact business within these brokerage accounts with the authority provided by the clients through agreements and contracts to perform the Firms duties to the best of the Firms abilities. The Firm will do its best to provide for the safety and efficiency of business transactions with these brokerage firms while remaining conscious of the costs of these transactions.</p> <p><b>B. Insider Trading</b> Securities laws and the Firm's policies prohibit acting upon material non-public information for personal benefit or the benefit of others.</p> <p><b>C. Proper Record-Keeping and Disclosure Requirements</b> The Firm requires honest and accurate accounting and recording of financial and other information in order to make responsible business decisions and provide an accurate account of the Firm's performance to regulators.</p> <p><b>D. Document Retention and Destruction</b> Without exception, all officers and employees must fully comply with the Firm's document retention and destruction policy.</p> <p><b>E. Cooperation with Investigations and Law Enforcement</b> It is the Firm's policy to cooperate with government investigators and law enforcement officials.</p> <p><b>F. Privacy</b> All Firm personnel must comply with all applicable privacy laws in their handling of client matters as well as client and Firm records. All Firm personnel must comply with all applicable privacy laws in their handling of client matters as well as client and Firm records.</p> <p><b>G. Conflicts of Interest</b> Each Director, Senior Executive, Financial Officer or employee of the Firm, is required to avoid any investment, interest or association that interferes, might interfere, or might be perceived to interfere, with his or her independent exercise of judgment in the best interests of the client. In that a perceived conflict of interest arises, each Director, Senior Executive, Financial Officer or employee must report that conflict to the Chief Compliance Officer who will properly disclose any material information to clients. Covered Persons must deal fairly with the Firm's clients, suppliers, service providers, competitors, and employees. Competitive advantage must result from superior performance, not unethical or illegal business dealings. While the Firm seeks to outperform our competitors, it must be done honestly and fairly. This Code will be revised from time to time as and when deemed necessary to reflect changing legal, regulatory and market environments. For a complete copy of the Code, please contact the Firm.</p> <p>Advisors and employees of Stone House Investment Management, LLC may already own a security or investment product which may be recommended to clients if believed to be in their best interest. In the event that an advisor recommends a security that the advisor or a related person owns or could benefit from the recommendation, the advisor is required to notify the chief compliance officer that a conflict of interest may exist. Advisors are also required to disclose any recommendations that involve thinly traded or penny stocks to the chief compliance officer.</p>	
Item 10.	<p><b><u>CONDITIONS FOR MANAGING ACCOUNTS</u></b> Stone House Investment Management, LLC requires assets under management to be held at custodians/brokers approved by Stone House. Stone House may establish certain performance fee compensation arrangements with qualified clients who are able to certify that they meet certain criteria.</p>	

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**Schedule F of****Form ADV****Continuation Sheet for Form ADV Part II**

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Items 11.A. & 11.B.	<p><b><u>REVIEW OF ACCOUNTS &amp; REPORTS TO CLIENTS</u></b></p> <p>When Stone House is acting as the primary advisor, reviews will be made available according to the client's expectations. It will be at least annually and no more than quarterly. The reviews will be done by an Investment Advisor Representative familiar with the client(s). The reviews may be initiated by said Investment Advisor Representative by office staff, or by request of the client. In addition to regular reviews, clients are encouraged to update their plan and portfolio in the event of any significant change to their lives or manner of thinking. During reviews, the client may receive a number of reports and documents such as: Statement of Net Worth, Asset Allocation, Investment Policy Statement, Cash Flow, Performance, etc. When Acting as a sub-adviser or portfolio manager or secondary adviser, agreements between Stone House Investment Management, LLC and the primary adviser will define if and how often reviews will be made available by Stone House Investment Management, LLC to the Primary Advisor And/or the End Client. Investment Advisory Clients will receive quarterly statements on investment accounts.</p>	
Items 12.A.(1),(2)	<p><b><u>INVESTMENT OR BROKERAGE DISCRETION</u></b></p> <p>Stone House exercise trading discretion over clients' accounts. Discretion is limited to trading as defined by the investment management agreement. Other than payment of fees, the investment managers are not authorized to withdraw any money or securities from the client's account. The client will also receive confirmation of the trade or change to his/her account.</p>	
Item 12.B.	<p><b><u>SUGGESTION OF BROKERS</u></b></p> <p>The adviser recommends the use of Fidelity Investments as the broker for advisory accounts. Fidelity investments provide advanced trading software, low cost trading of mutual funds, which are essential to the advisor's investment management. Fidelity provides a full range of account management services allowing for maximum flexibility for clients. Fees associated with the account are competitive with the industry. Fidelity also provides information services and strategic partnerships with outside companies that may reduce cost of third party services for the advisor. The Advisor is also an approved third party investment advisor for Prudential variable annuity contracts. Prudential provides an internet trading platform at no cost to the advisor or client and offers fee deduction directly from the annuity to the advisor for investment advisor fees. Prudential offers a variety of Variable Annuity product that offer many investment options and allow for our active management strategy. We may recommend these products to clients if it is suitable. Prudential also provides informational seminars and provides free Continuing Education Credits, in which members of our firm may participate.</p>	
Item 13.B.	<p><b><u>COMPENSATION FOR CLIENT REFERRALS</u></b></p> <p>Stone House may enter into arrangements with individuals or entities (the "Solicitor") under which the Solicitor will refer potential clients to Stone House for investment advisory services. In return, Stone House will agree to pay to such Solicitor a referral fee, which may be a fixed amount or a percentage of the advisory fee collected. Remuneration to the Solicitor is predicated on the prospect entering into an advisory agreement with Stone House.</p> <p>In any case, applicable state laws may require these persons to become either licensed as representatives of Stone House or as an independent investment adviser. The client will be requested to acknowledge this arrangement prior to acceptance of the clients' account for investment advisory services.</p> <p><b><u>MISCELLANEOUS</u></b></p> <p><b><u>Privacy Policies</u></b></p> <p>The Firm views protecting its customers' private information as a top priority and, pursuant to the requirements of the federal Gramm-Leach-Bliley Act, the Firm has instituted policies and procedures to ensure that customer information is kept private and secure.</p> <p>Stone House does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client's account, Stone House may</p>	

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	<p>share some information with its service providers, such as, but not limited to, transfer agents, custodians, broker-dealers, accountants, lawyers, and contact/portfolio management service providers in order to provide client services. Stone House restricts internal access to nonpublic personal information about the client to those associated persons of the Firm who need access to that information in order to provide services to the client. As emphasized above, it has always been and will always be the Firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the Firm's policy not to share information unless required to process a transaction, at the request of a customer or client, or as required by law. A copy of the Firm's privacy policy notice is provided to each client prior to, or contemporaneously with, the execution of the advisory agreement. Thereafter, Stone House delivers a copy of the current privacy policy notice to its clients annually.</p> <p><u><b>Proxy Voting / Class Action Lawsuits</b></u></p> <p>Stone House Investment Management, LLC does not vote proxies. Proxies are instructed to be sent to the client. In the event that Stone House inadvertently receives proxies on behalf of the client, the advisor will make best efforts to have those proxies reissued and delivered to the client and correct the issue for future proxy votes.</p> <p>Stone House has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. Stone House also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, Stone House has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients. Where Stone House receives written or electronic notice of a class action lawsuit, settlement or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials, to the client. Electronic mail is acceptable where appropriate if the client has authorized contact in this manner.</p> <p><u><b>Trade Errors</b></u></p> <p>In the event a trading error occurs in the client account, Stone House's policy is to restore the client account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the proceeds are allocated to a trade error account maintained with the broker-dealer/custodial account.</p>	

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