



# Stonehaven

## STONEHAVEN LLC FORM CRS – CUSTOMER RELATIONSHIP SUMMARY 06-01-2024

### **Item 1. Introduction**

Stonehaven, LLC (“Stonehaven”) is registered with the Securities and Exchange Commission as a broker-dealer and is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Stonehaven is affiliated with Stonehaven Advisors, LLC, which is a New York State registered investment adviser. Brokerage and investment advisor services and fees differ, and it is important for you to understand these differences and how they may be applicable to you. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. Additionally, free and simple tools are available to research broker-dealers and registered representatives at [Brokercheck.FINRA.org](https://www.brokercheck.finra.org).

### **Item 2. Relationships and Services - What investment services and advice can you provide me?**

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

We engage as a registered broker-dealer in the private placement of securities on behalf of issuers, and in select situations we may engage as a registered investment adviser to facilitate separately managed accounts. The brokerage services we provide to retail customers are limited to recommendations of private and/or unregistered securities. We do not offer any proprietary products to retail clients. We impose no minimum investment size, amount or volume of transactions for brokerage services. However, some unregistered securities require a minimum investment. These investments may also require certain specific criteria such as a minimum net worth, a certain investment objective or level of investment experience. On occasion, we offer brokerage services to retail investors, including recommending and facilitating the purchase or sale of a registered or unregistered security as placement agent, investment banker, or in a similar capacity.

We neither carry customer accounts nor maintain any clearing arrangement with any clearing firm. We introduce our private issuer clients to qualified investors who independently consider each investment opportunity or service. Our clients are the private issuers that we represent. Any transactions that occur as a result of our introduction to a retail investor will be defined through a direct engagement between the retail investor and our private issuer client. The private issuers that we represent have sole discretion as to whether they accept capital from any investor. We will not monitor your account. The illustration below explains how we typically engage private issuer clients:



It's important to understand that Stonehaven's registered representatives, as well as Stonehaven Advisors' investment adviser representatives, are independently branded capital raising agents. We refer to these agents as Affiliate Partners. Affiliate Partners hold securities licenses (such as the Series 7 and Series 63, and/or the Series 65) that enable the Affiliate Partner to engage in regulated activities like selling private placement securities or facilitating a separately managed account. On average, our Affiliate Partners have several years of experience within the financial industry, have undergraduate and in some cases post-graduate degrees, and some hold industry designations such as the Chartered Financial Analyst (CFA), and Chartered Alternative Investment Analyst (CAIA). These qualifications merely demonstrate that the holder of the license and or designation met the testing standards set forth by the sponsor of the license and or the sponsor of the designation. These qualifications do not mean that any individual holder is an expert in any of the content.

### **Item 3. Fees, Costs, Conflicts, and Standards of Conduct - What fees will I pay?**

You will pay fees and costs whether you make or lose money on your investments. For brokerage services, we charge a

transaction-based commission or placement fee that varies according to the security and the amount invested. In some instances, the commission or fee we earn is a separate fee and increases the cost of your purchase. In other instances, the commission or fee is paid to us directly from the issuer or sponsor of the security. In these instances, the commission or fee does not increase the amount of your investment. The specific commission or fee you will pay will be disclosed to you in a separate document at the time the recommendation is made. This document might be an offering memorandum, private placement memorandum, or another type of disclosure document. When we provide you with a recommendation, 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 recommendations we provide you. Here are some examples to help you understand what that means.

### **How do you financial professionals make money?**

Stonehaven will take a minority percentage of the commission generated by our Affiliate Partners. This arrangement creates a conflict of interest that you should be aware of. Affiliate Partners consider their fees when selecting private issuers to represent. Only when you invest in an offering will the Affiliate Partner get paid a commission. In some cases, our Affiliate Partners will collaborate with each other and share commissions. You should understand that we will only introduce you to the private issuers who have engaged us as clients. You can find other private issuers elsewhere who might be better suited to your investment needs or goals.

### **Conversation Starter: 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?**

It is important to understand that most private issuers manage investment vehicles that charge fees to the investors who have invested in these vehicles – these fees are referred to as entity-level fees.

Stonehaven and its Affiliate Partners typically get paid a commission or fee which can take several forms. First, if an issuer is a private “open-ended” fund, then you will normally pay management and performance fees to the fund over the course of your investment, and typically the fund will pay us a small percentage of the entity-level fees charged to you. Second, if an issuer is a “closed-end” fund, then you will normally pay fees to the fund over the course of the investment timeline for the fund, and typically the fund will pay us a small percentage of the entity-level fees charged to you. Third, if an issuer is a private company, then we are paid a commission relating to a direct transaction. Sometimes the buyer pays this type of commission, and sometimes the seller pays it, and sometimes the buyer and the seller split the commission. An issuer sometimes pays us in its warrants or equity interests, rather than only in cash. An issuer sometimes pays us a monthly retainer that is an advance, forgivable by the issuer, against future commissions. Each of these arrangements creates conflicts of interest.

### **What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?**

We are external capital raising agents acting on behalf of our clients, the private issuers. Because of this simple intermediary construct and because we will have no access to your overall portfolio, you must independently determine if an investment opportunity is suitable in light of your investment goals, risk tolerance, portfolio or similar considerations for sub-advised accounts for which you act if you are a fiduciary.

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

We only get paid if you invest in an opportunity that we have brought to you. This arrangement creates a conflict of interest. Moreover, we are paid a transactional commission whether your investment appreciates or depreciates. We have an incentive to present certain investments because the manager or sponsor of those investments shares with us the revenue it earns on those investments.

### **Item 4. Disciplinary History – Do you or financial professionals have legal or disciplinary history?**

Yes, we have legal and disciplinary events. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals. **Conversation Starter: As a financial professional, do you have any disciplinary history? For what type of conduct?**

### **Item 5. Additional Information - We encourage you to seek additional information**

For additional information about our brokers and services, visit [Investor.gov](http://Investor.gov), or FINRA BrokerCheck ([BrokerCheck.Finra.org](http://BrokerCheck.Finra.org)). To report a problem to the SEC, visit [Investor.gov](http://Investor.gov) or call the SEC’s toll-free investor assistance line at (800) 732-0330. To report a problem to FINRA, please call (301) 590-6500. If you would like receive a copy of this relationship summary or if you have any issues with any of our registered representatives or would like to contact us directly, please contact us in writing at [compliance@stonehaven-llc.com](mailto:compliance@stonehaven-llc.com). We do not have a general line to call into. **Conversation Starter: Who is the 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?**