

INVESTMENT ADVISER BROCHURE
FOR
STONEGATE FINANCIAL GROUP, LLC

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MATERIAL CHANGES:

NONE

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Advisory Business:

Stonegate Financial Group, LLC (Stonegate) is an independent Registered Investment Advisor (RIA). To become a RIA, the principals of Stonegate had to pass a specific test as well as provide acceptable background information. Being a RIA does not imply a certain level of skill or training. Jameson Van Houten is the owner and CEO/President of Stonegate.

We help you to invest your assets. We find out your goals and needs. We analyze your assets and liabilities. We measure your tolerance for risk. We develop a proper asset allocation model for you. We then pick an investment portfolio to meet your goals and needs. We will confirm the portfolio with you.

We will transfer your existing investment assets to an account(s) at TD Ameritrade Institutional, Division of TD Ameritrade, Inc., member FINRA/SIPC/NFA. With your agreement, we will sell those securities that do not fit your portfolio model and buy those that do fit it. These may include no-load mutual funds, stocks, bonds, options and other securities.

After your initial portfolio is established, we will continue to monitor your portfolio. We will make adjustments or changes in the portfolio periodically as our continuing research recommends. You will receive monthly statements from TD Ameritrade. You will receive quarterly statements from Stonegate.

We work closely with you to help you to build your wealth, reduce taxes, enjoy a comfortable retirement, and leave a legacy for your families and communities. We may also provide advice in other financial and non-financial matters.

We currently have over \$ 195 million in assets under management.

Fees and Compensation:

Stonegate is compensated for its advisory services on a fee basis. The fee is based upon the amount of assets under management that you have with Stonegate. You may have multiple accounts (for example, an IRA, a trust account, or a Roth IRA, etc). The values of all your accounts are added up to find the appropriate fee.

Stonegate's Investment Advisory Fee Schedule is:

Assets Under Management	Quarterly Fee	Annualized Fee
\$250,000 - \$ 349,999	.375%	1.50%
\$350,000 - \$ 499,999	.3125%	1.25%
\$500,000 - \$ 3,000,000	.25%	1%
\$3,000,000 - \$ 4,000,000	.225%	.9%
Over \$4,000,000	.1875%	.75%

This fee schedule is subject to change with prior notice to our clients. For any accounts that have fallen below the \$ 250,000 minimum account size per household, the fee is increased to 1.75% with a minimum fee charge per household of no less than \$ 500 per quarter.

The fees are deducted directly from each account. The quarterly fee is deducted in January, April, July and October each year. The fee is determined by multiplying the quarterly fee percentage rate times the account balance as of the close of business on the first day of the next billing period, or the applicable billing date.

TD Ameritrade charges transaction fees of \$ 9.99 for stock trades and \$ 20 for mutual fund trades.

There may be some transactions where you purchase an investment that provides us with a commission. This would be in cases like variable annuities, limited partnerships in real estate, oil and gas, or equipment leasing programs. In those cases, no fees are charged on those assets. These investments create a potential conflict where we get paid a commission up front instead of a management fee paid over years. Investments of this type are sometimes included in a portfolio design. Before a purchase is made, you will be given full disclosure information to make an informed decision. You will also be informed that you could purchase the same security or investment product from certain brokers that are not affiliated with Stonegate.

Performance-Based Fees and Side-By-Side Management:

Not Applicable

Types of Clients:

Stonegate works with individuals, businesses, retirement plans, trusts, estates, and charitable organizations. We require that the amount of investable assets to be put under Stonegate's management be at least \$ 250,000 per household initially. If your assets fall below this minimum, you can continue as a client.

Methods of Analysis:

Stonegate employs a unique model of investing. Rather than to try to outguess the capital markets, this model utilizes the performance of the capital markets.

To better understand this model, it helps to acknowledge the following principles:

- Capital markets work and are efficient in pricing. Attempting to predict the future is too often incorrect and proves costly.
- In the long term: (1) Equities outperform fixed income; (2) Small companies outperform large companies; (3) Value companies outperform larger higher-priced growth stocks.
- Composing a well-diversified portfolio of global and domestic index funds provides great diversification and lower fund fees.

To assist in the design of the portfolios, Stonegate utilizes the research services of Dimensional Fund Advisors. Stonegate also uses information from various other research services, financial publications, prospectuses, and annual reports. Stonegate's analysis methods also include charting and analyzing cycles.

The Stonegate portfolios are primarily long term purchases (securities held for at least one year). There are some short term purchases (securities sold within a year).

Investment in securities involves the risk of the loss of principal. Using index funds provides a great deal of diversification to help mitigate market risk.

Cash balances are invested in money market accounts.

Disciplinary Information:

None

Other Financial Industry Activities and Affiliations:

TD Ameritrade is our chosen third party custodian for our investment advisory clients. TD Ameritrade will effect securities transactions for our clients. TD Ameritrade has quality services and competitive expenses. TD Ameritrade will: charge for brokerage transactions; use best efforts in its execution of transactions; deduct investment advisory fees from clients' accounts as directed by us; and, may receive additional compensation for directing clients' orders to particular broker/dealers or market makers. TD Ameritrade Institutional is a division of TD Ameritrade, Inc., a member of FINRA/SIPC/NFA, an unaffiliated SEC registered broker/dealer and FINRA member. TD Ameritrade offers services to independent investment advisors which include custody of securities, trade execution, clearance and settlement of transactions.

Stonegate participates in the institutional customer program offered by TD Ameritrade. Stonegate receives some benefits from TD Ameritrade through its participation in the program. There is no direct link between Stonegate's participation in the program and the investment advice it gives its clients, although Stonegate receives economic benefits (Additional Services) through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to mutual funds with no transaction fees; access to an electronic communications network for client order entry and account information; and discounts on compliance, marketing, research, technology and practice management products and services provided to Stonegate by third party vendors.

Some of the products and services made available by TD Ameritrade through the program may benefit Stonegate but may not benefit its clients' accounts. These products or services may assist Stonegate in managing and administering clients' accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Stonegate manage and further develop its business enterprise. The benefits received by

Stonegate through the program do not depend on the amount of brokerage transactions. With its fiduciary duties to clients, Stonegate endeavors at all times to put the interests of its clients first. Clients should be aware that the receipt of economic benefits by Stonegate creates a potential conflict of interest and may indirectly influence Stonegate's choice of TD Ameritrade for custody and brokerage services.

Stonegate also receives from TD Ameritrade certain additional economic benefit that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the additional economic benefit is the contribution of funds towards the costs of the Junxure and Morningstar, which provide client management, reporting reports, and research services.

TD Ameritrade provides this additional economic benefit to Stonegate in its sole discretion and at its own expense, and Stonegate does not pay any fees to TD Ameritrade for the additional economic benefit. Stonegate and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the additional economic benefit.

Stonegate's receipt of this additional benefit raises potential conflicts of interest. In providing this additional benefit to Stonegate, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Stonegate's clients' accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Stonegate in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the additional service from TD Ameritrade, Stonegate may have an incentive to recommend to its clients that the assets under management by Stonegate be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Stonegate's receipt of this additional service does not diminish its fiduciary duty to act in the best interests of its clients, including the need to seek the best execution of trades for client accounts.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading:

Stonegate maintains a Code of Ethics to avoid any possible conflicts of interest in personal trading and related activities. The fundamental guiding principles embodied within our Code of Ethics are:

1. Protecting the interests of clients and placing them above our own interests;
2. Conducting our personal investing activities in a way that avoids any factual or potential conflict of interest or abuse of trust; and,
3. Ensuring that we do not take inappropriate advantage of our position.

Stonegate will provide you a copy of our Code of Ethics upon your request.

We invest in the same securities that are recommended to you. The securities used are unaffiliated to Stonegate.

Brokerage Practices:

Covered in section on Other Financial Industry Activities and Affiliations

Review of Accounts:

We typically meet with clients quarterly after the end of the calendar quarter but each client may vary in timing and frequency. The frequency of the review of your accounts will be determined by you and your advisor. These reviews are conducted by those members of Stonegate who are licensed securities representatives.

Client Referrals and Other Compensation:

Not Applicable

Custody:

You will receive monthly statements directly from TD Ameritrade. You should carefully review account statements you receive from TD Ameritrade. You should also review the statements you receive from Stonegate to the statements you receive from TD Ameritrade.

Investment Discretion:

In the Investment Agreement signed by you, investment discretion is granted to Stonegate. That means that Stonegate can tell TD Ameritrade what sales or purchases are to be made in your accounts. This investment discretion remains in effect until revoked by you.

Voting Client Securities:

Since you own the securities held in your accounts, you retain the power to vote your securities. Any proxies or other fund communications are sent directly to you.

Financial Information:

Not Applicable