

# **Firm Brochure**

(Part 2A of Form ADV)

## **STONEGATE WEALTH MANAGEMENT, LLC**

**2500 Regency Parkway**

**Cary, NC 27518**

**Phone: 201-791-0085**

**[www.stonegatewealth.com](http://www.stonegatewealth.com)**

**[info@stonegatewealth.com](mailto:info@stonegatewealth.com)**

This brochure provides information about the qualifications and business practices of STONEGATE WEALTH MANAGEMENT, LLC. If you have any questions about the contents of this brochure, please contact us at: 201-791-0085, or by email at: [tomg@stonegatewealth.com](mailto:tomg@stonegatewealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about STONEGATE WEALTH MANAGEMENT, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

December 5, 2021

# Material Changes

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## Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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## Material Changes since the Last Update

- Stephen Craffen is no longer an owner of the firm or the CCO
- Thomas Geraghty is now the CCO of this firm.
- The firm is no longer eligible to be registered with the SEC and has applied for state registration.

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## Full Brochure Available

Whenever you would like to receive a complete copy of this document, please contact us by telephone at: 201-791-0085 or by email at:

[tomg@stonegatewealth.com](mailto:tomg@stonegatewealth.com).

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## Advisory Business

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### Firm Description

STONEGATE WEALTH MANAGEMENT, LLC, ("STONEGATE") was founded in 1993.

STONEGATE WEALTH MANAGEMENT, LLC offers personalized confidential financial planning and investment management to individuals, trusts, estates, and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

STONEGATE WEALTH MANAGEMENT, LLC is strictly a fee-only financial planning and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. In addition, STONEGATE WEALTH MANAGEMENT, LLC advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning, or other issues regarding their financial circumstance.

Investment advice is provided, with the client making the final decision on investment model selection. STONEGATE WEALTH MANAGEMENT, LLC does not act as a custodian of client assets. The client always maintains asset control. STONEGATE WEALTH MANAGEMENT, LLC places trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation is provided to the client, often in the form of a financial plan or analysis. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

**Please Note: It remains the client's responsibility to promptly notify Stonegate Wealth Management if there is ever a change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Stonegate's previous recommendations and or services.**

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### **Principal Owners**

Thomas Geraghty is the sole owner.

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### **Types of Advisory Services**

STONEGATE WEALTH MANAGEMENT, LLC provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; furnishes investment advice through consultations; issues periodicals about securities by subscription; issues special reports about securities; and issues, charts, graphs, formulas, or other devices which clients may use to evaluate securities.

On more than an occasional basis, STONEGATE WEALTH MANAGEMENT, LLC furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

STONEGATE WEALTH MANAGEMENT, LLC provides a timing service *in two ways*:

1. We may alter client bond investments based on our perception of the future direction of interest rates. We may lengthen or shorten the duration of clients fixed income investments if we believe interest rates may decrease or increase or remain stable.
2. We rebalance client portfolios on a contingent basis. That is we may sell or purchase assets within a client's portfolio if the representation of an asset it within falls below or exceeds a threshold. At present we use a threshold of 20%. Thus if an asset should represent 10% of a client's portfolio if its representation drops to 8% or rises to 12% we will make trades to restore it to its level as defined in the clients investment policy statement.
3. We do not directly attempt to time price movements in markets.

As of November 6, 2021 STONEGATE WEALTH MANAGEMENT, LLC manages approximately \$52,591,336 million in assets for 72 clients.

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## Tailored Relationships

The goals and objectives for each client are documented in our financial planning software or in our client database system or investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

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## Types of Agreements

The following agreements define the typical client relationships.

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### Financial Planning Agreement

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

Clients may be charged either of two ways:

**Flat Fee:** The fee for a financial plan is predicated upon the facts known at the start of the engagement. The fee range is \$1,500 to \$10,000 and is NEGOTIABLE. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. One half of the planning fee is paid at the start of the process and one half at completion.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-on implementation work is billed separately at the rate of \$150 to \$450 per hour depending on the personnel involved.

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### **Advisory Service Agreement**

Most clients choose to have STONEGATE WEALTH MANAGEMENT, LLC manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes: cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning; and tax preparation, as well as the implementation of recommendations within each area.

The annual Advisory Service Agreement fee for individuals and families is based on a percentage of the investable assets according to the following schedule:

- 1.25% on the first \$500,000;
- 1.00% on the next \$4,500,000 (from 500,001 to 5,000,000); and
- 0.90% on the next \$1,000,000 (from 5,000,001 to 6,000,000); and
- 0.80% on the next \$1,000,000 (from 6,000,001 to 7,000,000); and
- 0.70% on the assets above \$7,000,000.

### **Advisor for Other Investment Advisors**

STONEGATE WEALTH MANAGEMENT, LLC offers its advisory services to other investment advisors. Fees for this service is 0.35% of the managed assets.

### **Fees are Negotiable**

Fees for new clients are billed quarterly in advance. Some current clients may be billed in arrears.

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## Hourly Planning Engagements

STONEGATE WEALTH MANAGEMENT, LLC provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$150 to \$450 depending on the personnel involved.

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## Asset Management

For the growth portion of client portfolio assets are invested primarily in no-load mutual funds and exchange-traded, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

For the domestic fixed income portion of client portfolios client assets are mainly invested in individual bonds issued by US Banks, Municipalities and the Federal Government or Government Agencies. Bonds are typically laddered with maturities coordinated with a client's cash needs or based on our view regarding the interest rate yield curve.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. STONEGATE WEALTH MANAGEMENT, LLC does not receive any compensation, in any form, from fund or brokerage companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not generally available through STONEGATE WEALTH MANAGEMENT, LLC. We may provide access to them only on the request of an individual client, and we do not participate nor do we allocate them.

Stonegate may maintain cash positions for defensive purposes from time to time. All cash positions are considered to be under management for calculating the client's advisory fee.

## NAPFA

Stonegate has paid the National Association of Personal Financial Advisors (NAPFA) a fee to have its web site listed on NAPFA's web site. This is a onetime fee and is not dependent on the number of referrals received as



a result of the listing. The only restriction regarding the ongoing listing is continued membership with NAPFA.

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## Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying STONEGATE WEALTH MANAGEMENT, LLC in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, STONEGATE WEALTH MANAGEMENT, LLC will refund any unearned portion of the advance payment.

STONEGATE WEALTH MANAGEMENT, LLC may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, STONEGATE WEALTH MANAGEMENT, LLC will refund any unearned portion of the advance payment.

## Fees and Compensation

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### Description

STONEGATE WEALTH MANAGEMENT, LLC bases its fees on a percentage of assets under management, hourly charges, and fixed fees.

Some *Retainer Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are *NEGOTIABLE*.

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### Fee Billing

Investment management fees are billed quarterly, in *ADVANCE*, meaning that we invoice you *BEFORE* the three-month billing period has *BEGUN*. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account. (Please note that some existing clients are billed in arrears).

Fees for financial plans are billed 50% in advance, with the balance due upon delivery of the financial plan.

Monthly retainer clients will receive an invoice each month.

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## **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds and notes. These transaction charges can range from \$8.00 to \$50 per transaction. The selection of the security is more important than the fee that the custodian charges to buy or sell the security.

Stonegate may use firms other than our custodians to purchase fixed income for clients. That is done because those outside firms can help us through their expertise in the markets for fixed income vehicles and enable us to purchase bonds that may not be available through the custodians or may not be available with the same yield or other benefits. We receive no additional compensation from those firms. The cost for the purchase or sale of a bond is in the range of .05 to .20% per trade. The custodian may charge the client a fee for this practice which is accomplished as a trade-away or a prime brokerage action. The fee is in the range of \$25 to \$50 per transaction. We believe the fee is justified by the efficiency with which we can structure client fixed income portfolios by utilizing outside experts.

STONEGATE WEALTH MANAGEMENT, LLC, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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## **Expense Ratios**

Mutual funds, and ETF's generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. Additionally they may charge a 12B-1 fee. Those are charged by Mutual Funds to help provide funds to market the fund. Funds may also charge an early redemption fee of \$49.00 or more (1 -2% of the liquidation value) if the fund is sold prior to the funds minimum required holding period of 30-90 days. We may also purchase "A" class shares which incur a front end load but those loads are waived by our custodian. These fees are in addition to the fees paid by you to STONEGATE WEALTH MANAGEMENT, LLC. Stonegate does not receive any part of the Mutual Fund, or ETF fee.

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## **Past Due Accounts and Termination of Agreement**

STONEGATE WEALTH MANAGEMENT, LLC reserves the right to stop work on any account that is more than 30 days overdue. In addition, STONEGATE WEALTH MANAGEMENT, LLC reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in STONEGATE WEALTH MANAGEMENT, LLC's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 15 days.

## **Performance-Based Fees**

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### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

## **Types of Clients**

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### **Description**

STONEGATE WEALTH MANAGEMENT, LLC generally provides investment advice to individuals and high net worth individuals.

Client relationships vary in scope and length of service.

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### **Account Minimums**

The minimum account size is \$500,000 of assets under management, which is negotiable.

STONEGATE WEALTH MANAGEMENT, LLC has the discretion to waive the account minimum. Accounts of less than \$500,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$500,000 within a reasonable time. Other exceptions will apply to employees of STONEGATE WEALTH MANAGEMENT, LLC and their relatives, or relatives of existing clients or to anyone else at our discretion.

For our hourly financial planning and consulting engagements, we do not require minimums as to income, assets, net worth, length of engagement, revenues generated or other conditions for engaging our services.

# Methods of Analysis, Investment Strategies and Risk of Loss

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## Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that STONEGATE WEALTH MANAGEMENT, LLC may use include Morningstar mutual fund information, Bloomberg, TD Ameritrade's web site, and the World Wide Web.

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## Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation with a combination of active managers, index funds and individual bonds. This means that we use actively and passively-managed index and exchange-traded funds and exchange-traded notes as the core investments. Portfolios are globally diversified to control the risk associated with traditional markets. Asset categories may include, large cap, mid-cap and small-cap domestic stocks, international stocks, domestic and foreign real estate (REIT's), Commodities, international and domestic fixed income, and alternative assets.

1. The use of non-normal distributions to model investment return. These distributions will exhibit skew and kurtosis. Most classes of investments exhibit patterns of returns that do not match the normal distribution.
2. The use of "copulas" instead of correlations to model the inter-relationships between price movements for different asset classes. Copula's are complex correlation relationships that exhibit semi-random patterns.
3. Modeling over multiple periods with the use of geometric rates of return instead of average rates of return and simulated rebalancing.

The investment strategy for a specific client is based upon the objectives

stated by the client during consultations. The client may change these objectives at any time.

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## **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the

terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## Disciplinary Information

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### Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## Other Financial Industry Activities and Affiliations

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### Financial Industry Activities

STONEGATE WEALTH MANAGEMENT, LLC is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

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### Affiliations

STONEGATE WEALTH MANAGEMENT, LLC does not have arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships. We do work with a custodian, TD Ameritrade. **Stonegate uses TD Ameritrade to custody client assets we have no other affiliation with them.** Clients may be encouraged to set up their accounts in this firm. We use this firm for their custodial and back-office operations.

Stonegate Financial Fitness LLC is a dormant entity that does not currently do any business.

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

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### Code of Ethics

The employees of STONEGATE WEALTH MANAGEMENT, LLC have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

## **Participation or Interest in Client Transactions**

STONEGATE WEALTH MANAGEMENT, LLC and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the STONEGATE WEALTH MANAGEMENT, LLC *Compliance Manual*.

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### **Personal Trading**

The Chief Compliance Officer of STONEGATE WEALTH MANAGEMENT, LLC is Tom Geraghty. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

## **Brokerage Practices**

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### **Selecting Brokerage Firms**

STONEGATE WEALTH MANAGEMENT, LLC does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. STONEGATE WEALTH MANAGEMENT, LLC recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

STONEGATE WEALTH MANAGEMENT, LLC, may use outside firms to purchase fixed income (trade-away). Stonegate chooses these firms based on their expertise in the bond markets and they may assist Stonegate with bond strategies. Bonds purchased for clients will be custodied at the same custodian as the remainder of their assets.

### **The Custodian and Brokers We Use**

STONEGATE WEALTH MANAGEMENT, LLC (“we”/“our”) does not maintain custody of client assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw advisory fees from client accounts (see Item 15—Custody, below). Client assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use TD Ameritrade a registered broker-dealer and member of the SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with TD Ameritrade. TD Ameritrade will hold client assets in a brokerage account and buy and sell securities when we and/or the client instruct them to. While we recommend that clients use TD Ameritrade as custodian/broker, clients will decide whether to do so and will open an

account with TD Ameritrade by entering into an account agreement directly with them. We do not open the account for the client, although we may assist in doing so. If the clients does not wish to place your assets with TD Ameritrade, then we cannot manage your account on TD Ameritrade (defined below).

## **HOW WE SELECT BROKERS/CUSTODIANS**

We seek to recommend a custodian/broker that will hold client assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Capability to execute, clear, and settle trades (buy and sell securities for your account) itself or to facilitate such services.
- Capability to facilitate timely transfers and payments to and from accounts.
- Availability of investment research and tools that assist us in making investment decisions.
- Quality of services.
- Competitiveness of the price of those services and willingness to negotiate the prices.
- Reputation, financial strength, and stability.
- Prior service to us and our other clients.

## **CLIENT BROKERAGE AND CUSTODY COSTS**

For our clients' accounts that TD Ameritrade maintains, TD Ameritrade charges the client separately for custody/brokerage services, but is compensated as part of TD Ameritrade o (defined below) platform fee, which is charged for a suite of platform services, including custody, brokerage, and sub-advisory services provided by TD Ameritrade.

## **SERVICES AVAILABLE TO US VIA TD AMERITRADE**

TD Ameritrade makes available various support services which may not be available to TD Ameritrade retail customers. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. TD Ameritrade support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us.



Following is a more detailed description of TD Ameritrade support services:

1. **SERVICES THAT BENEFIT YOU.** TD Ameritrade includes access to a low-cost portfolio of ETFs and mutual funds and custody of client assets through TD Ameritrade.
2. **SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU.** TD Ameritrade also makes available to us other products and services that benefit us, but may not directly benefit the client or the client's account. These products and services assist us in managing and administering our clients' accounts, such as software and technology that may:
  - Assist with back-office functions, recordkeeping, and client reporting of our clients' accounts.
  - Provide access to client account data (such as duplicate trade confirmations and account statements).
  - Provide pricing and other market data.
3. **SERVICES THAT GENERALLY BENEFIT ONLY US.** By using TD Ameritrade, we are offered other services intended to help us manage and further develop our business enterprise. These services include:
  - Consulting (including through webinars) on technology and business needs.
  - Access to publications and conferences on practice management and business succession.

#### **OUR INTEREST IN TD Ameritrade**

The availability of these services from TD Ameritrade benefits us because we do not have to produce or purchase them. In addition, we do not have to pay for TD Ameritrade services. We may have an incentive to recommend that clients maintain an account with TD Ameritrade, based on our interest in receiving TD Ameritrade services that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of client transactions. This is a potential conflict of interest. We believe, however, that our selection of TD Ameritrade as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of TD Ameritrade services (see "How we select brokers/custodians") and not TD Ameritrade services that benefit only us or that may not directly benefit the client.

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## Best Execution

STONEGATE WEALTH MANAGEMENT, LLC reviews the execution of trades at each custodian annually. The review is documented in the STONEGATE WEALTH MANAGEMENT, LLC *Compliance Manual*. Trading fees charged by the custodians is also reviewed on an annual basis. STONEGATE WEALTH MANAGEMENT, LLC does not receive any portion of the trading fees.

Please note that:

- i. Stonegate's ability to achieve best execution may be partially or wholly limited by the directed brokerage arrangement since Stonegate may not achieve executions of the nature, quality, speed, or price that it might otherwise achieve if it were not using a directed custodian to execute transactions
- ii. Stonegate will not be able to negotiate or renegotiate commission rates with a client directed custodian or impact or improve the price or quality of the execution services provided
- iii. The client will not be able to participate in volume discount commission rates that may be negotiated by Stonegate with custodians Stonegate uses to effect trades for the advisor's other clients and
- iv. The client may forgo other benefits from savings on execution costs that may otherwise be obtained (aggregating client orders).
- v. Client directed trades at our custodian may not receive the same preferential trading cost that Stonegate receives.

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## Order Aggregation

Most trades are mutual funds or exchange-traded funds or notes where trade aggregation does not garner any client benefit. Individual bonds may occasionally be purchased and allocated.

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## Trade Errors

Stonegate Wealth Management will reimburse accounts for losses resulting from Stonegate's trade errors. Accounts will not be credited for errors resulting in market gains. The gains and losses are reconciled within Stonegate's custodian firm account and Stonegate retains the net gains and losses.

## Review of Accounts

## Periodic Reviews

Account reviews are performed quarterly by Thomas Geraghty, Chief Investment Officer,

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## Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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## Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. *Advisory Service Agreement* clients, *Investment Management* clients, and *Retainer Agreement* clients receive written quarterly updates. The written updates may include a net worth statement, portfolio statement, and a capital gain/loss report.

## Client Referrals and Other Compensation

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### Incoming Referrals

STONEGATE WEALTH MANAGEMENT, LLC has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources.

STONEGATE WEALTH MANAGEMENT, LLC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

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### Other Compensation

STONEGATE WEALTH MANAGEMENT, LLC receives a non-economic benefit from TD Ameritrade in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at TD Ameritrade.

These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices). The availability to us of TD Ameritrade products and services is not based on us giving particular investment advice, such as buying particular securities

for our clients.

## **Custody**

It is Stonegate's policy to not accept custody of a client's securities. In other words, Stonegate is not granted access to the clients' accounts which would enable Stonegate to withdraw or transfer or otherwise move funds or cash from any client account to Stonegate's accounts or the account of any third party (other than for purposes of fee deductions, as explained below).

However, with a client's consent, Stonegate may be provided with the authority to seek deduction of Stonegate's fees from a client's accounts; this process generally is more efficient for both the client and the investment adviser. The account custodian does not verify the accuracy of Stonegate's advisory fee calculation.

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### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

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### **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by STONEGATE WEALTH MANAGEMENT, LLC.

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### **Net Worth Statements**

Clients are frequently provided net worth statements and net worth graphs that are generated from our financial planning software. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

## **Investment Discretion**

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### **Discretionary Authority for Trading**

STONEGATE WEALTH MANAGEMENT, LLC accepts discretionary authority to manage securities accounts on behalf of clients. STONEGATE WEALTH MANAGEMENT, LLC has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, STONEGATE WEALTH MANAGEMENT, LLC consults with the client prior to each trade to obtain

concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. STONEGATE WEALTH MANAGEMENT, LLC does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement changes in the holdings in our models.

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### **Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

## **Voting Client Securities**

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### **Proxy Votes**

STONEGATE WEALTH MANAGEMENT, LLC does not vote proxies for clients.

## **Financial Information**

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### **Financial Condition**

STONEGATE WEALTH MANAGEMENT, LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because STONEGATE WEALTH MANAGEMENT, LLC does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$500 per client, and six months or more in advance.

Stonegate does not solicit fees of more than \$500 per client six months or more in advance.

## **Requirements for State Registered Advisers**

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### **Part A**

Please refer to the Part 2B attached.

Part B

Please refer to the Part 2B attached.

Part C

Please refer to the Part 2B attached.

Part D

Please refer to the Part 2B attached.

Part E

Please refer to the Part 2B attached.

There is one principal of Thomas J. Geraghty. He is the Chief Compliance Officer, and his information is as follows:

## **ADV Part 2B Brochure Supplement – Thomas J. Geraghty**

**Item 1 – Cover Page**

# **Thomas J. Geraghty CFP, CPA/PFS**

**CRD 4348159**

**December 5, 2021**

This Brochure supplement provides information about Thomas Geraghty and supplements the Stonegate Wealth Management Brochure. You should have received a copy of that Brochure. Please contact Thomas Geraghty if you did not receive the Brochure or if you have any questions about the contents of this supplement.

Additional information about Thomas Geraghty, CRD 4348159 is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Educational Background and Business Experience**

Full Legal Name: Thomas Geraghty

Year of Birth: 1948

### **Education**

Seton Hall 1966-1970 BA, Accounting

Fairleigh Dickinson 1998- 2000 CFP Program

### **Professional Certifications**

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by



CFA Institute.

**Business History**

Stonegate Wealth Mgmt 2005-Present

AEPG 1998-2005

**Item 3 – Disciplinary History**

There is no disciplinary history to disclose.

**Item 4 – Other Business Activities**

There is one outside business activity, Stonegate Financial Fitness, LLC. This is a dormant entity that does not perform any business currently.

**Item 5 – Additional Compensation**

Thomas Geraghty does not receive any other compensation.

**Item 6 – Supervision**

Thomas Geraghty is the sole owner and CCO and does all the supervision

**Item 7 – Requirements for State Registered Advisers**

Neither Thomas Geraghty nor the firm have been involved in legal or disciplinary events related to past or present investment clients.

# Business Continuity Plan

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## General

STONEGATE WEALTH MANAGEMENT, LLC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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## Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

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## Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

## Privacy Notice

STONEGATE WEALTH MANAGEMENT, LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

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