

**Brochure**  
**Form ADV Part 2A**

**Item 1. Cover Page**



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**March 21, 2024**

This brochure provides information about the qualifications and business practices of Stone Creek Capital Management, LLC (“Stone Creek”). If you have any questions about the content of this brochure, please contact us by telephone at (678)867-7050 or email at [compliance-stonecreek@stonecreekcapmgt.com](mailto:compliance-stonecreek@stonecreekcapmgt.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about Stone Creek is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term “registered investment adviser” and description of Stone Creek Capital Management, LLC and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm’s associates who advise you for more information on the qualifications of our firm and its employees.

## **Item 2. Material Changes**

Advisers must disclose all material changes since their last annual update to Form ADV Part 2A. This section describes the material changes to Part 2A since the last annual update, March 2023.

No material changes were made to Part 2A.

### Item 3. Table of Contents

Item 1. Cover Page.....	1
Item 2. Material Changes.....	2
Item 3. Table of Contents.....	3
Item 4. Advisory Business .....	4
Item 5. Fees and Compensation .....	4
Item 6. Performance-Based Fees and Side-by-Side Management .....	5
Item 7. Types of Clients.....	5
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9. Disciplinary Information .....	8
Item 10. Other Financial Industry Activities and Affiliations .....	8
Item 11. Code of Ethics .....	8
Item 12. Brokerage Practices .....	9
Item 13. Review of Accounts .....	11
Item 14. Client Referrals and Other Compensation.....	11
Item 15. Custody .....	12
Item 16. Investment Discretion .....	12
Item 17. Voting Client Securities.....	12
Item 18. Financial Information.....	12

## Item 4. Advisory Business

Stone Creek Capital Management, LLC (“Stone Creek”) is organized as a Limited Liability Company under the laws of the State of Florida. This Brochure provides information regarding the qualifications, business practices and consulting services provided by Stone Creek. Stone Creek has been in business since 2017 and is owned by Merit Holdings, LLC.

Stone Creek has partnered with its broker-dealer custodians for margin loans to be offered to its clients. In this program, clients engage Stone Creek as a consultant on a negotiable fixed fee basis to assist in procuring the margin loan between the client and the broker-dealer custodian. Stone Creek provides ongoing consulting and other related services to these accounts as requested by the client. These services are tailored to meet the needs of individual clients and include but are not necessarily limited to performance reporting and access to research. Stone Creek does not manage client assets, either on a discretionary or non-discretionary basis. Stone Creek has an economic incentive to recommend its advisory services to clients as it will earn more fees, presenting a conflict of interest. You should be aware that you may obtain these services elsewhere in the market for less.

## Item 5. Fees and Compensation

Stone Creek offers its services on a negotiable fixed fee basis. For all services, Stone Creek’s fee is exclusive of, and in addition to commissions paid to custodians, transaction fees, and other related costs and expenses which are incurred by the client. Stone Creek does not, however, receive any portion of these brokerage commissions, fees, and costs. Clients may also pay the custodian for services such as wire transfers, checks, ATM withdrawals, etc. Some investments, such as mutual funds and Exchange Traded Funds (“ETFs”), impose additional fees that will reduce the value of the client’s investments over time. Please see **Item 12** for additional information.

Stone Creek will consult and assist in securing margin loans with its custodians while also providing research and other advice to its clients. Clients may be able to secure these services elsewhere for less, presenting a conflict of interest. Stone Creek does not have discretionary authority over any accounts in this program. Stone Creek’s fees are negotiable, but generally charge up to \$75,000 per year depending on the amount of work and consulting needed.

Stone Creek reserves the right, at its discretion, to increase its consulting fees with a 2.5% annual inflation increase. If imposed, this increase would take effect on January 1<sup>st</sup>, in accordance with the agreement.

### Other Fees and Expenses

Stone Creek generally recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc. (“*Schwab*”) and the brokerage services of *Trade-PMR, which utilizes First Clearing for custodial services*, collectively referred to herein as the “*Custodians*.” Stone Creek may only open an account after the client has furnished us with all information and authorization required by the *Custodian*.

Stone Creek's fee does not include certain other fees and expenses, which are either charged directly to the client's account by the *Custodian* or deducted by the fund company from the underlying mutual funds or ETFs in which the account is invested.

*Custodians* may deduct administrative service fees, fees associated with certain money market and mutual funds, or fees on other services it offers, which are typically driven by a client's particular situation. Examples of the latter could include transfer fees and taxes, wire transfer fees, account closing fees, paper statement delivery fees, non-standard asset fees, or fees imposed by regulators. Stone Creek does not receive any portion of these fees.

Fund company fees and expenses may include management fees, administrative fees, operating costs, other fund expenses, a distribution fee (12b-1 fee), or other asset-based costs incurred by the fund. Some funds may also impose sales charges, either an initial or deferred sales charge. Please consult the prospectuses of the relevant mutual funds or ETFs in your account for further information on these fees and expenses.

Advisory fees are billed quarterly, in advance. Stone Creek's client agreement and *Custodian* agreement typically authorizes the *Custodian* to debit the client's account for the amount of its fee and directly remit to Stone Creek. Fees paid in advance are refunded to the client on a prorated basis if the advisory agreement is terminated during the quarter. Any *Custodians* recommended by Stone Creek have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Stone Creek.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

Stone Creek does not charge a performance-based fee and has no side-by-side management.

## **Item 7. Types of Clients**

Stone Creek provides its services to individuals, high net worth individuals, trusts, and corporations.

### **Minimum Account Size**

Stone Creek generally imposes a minimum portfolio size of \$250,000. Stone Creek may, at its sole discretion, accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities.

Stone Creek may aggregate the portfolios of family members to meet the minimum portfolio size.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

Stone Creek's primary methods of analysis are fundamental and technical:

*Fundamental analysis* involves the fundamental financial condition and competitive position of a Company or asset class. Stone Creek, upon the unsolicited request from a client, may analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's or asset class's markets and position amongst its competitors. The primary risk in using fundamental analysis is that while the overall health and position of a company or asset class may be good, market conditions may negatively impact the security.

*Technical analysis* involves the analysis of past market data rather than specific company data. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical patterns may not help to predict such patterns in the future. Even if the pattern will eventually reoccur, there is no guarantee that Stone Creek will be able to accurately predict such a reoccurrence.

### **Investment Strategies**

Stone Creek does not recommend specific investment strategies to its clients. Upon request, Stone Creek will furnish research and specific market views to clients.

### **Risk of Loss**

#### *Market Risk*

The price of a mutual fund, ETF, or other investment may rise or fall in reaction to market, economic, political, or issuer-specific events. Because the value of investment holdings will fluctuate, there is a risk that a client will lose money and clients should be prepared to bear a loss. Further, the profitability of an investment position will depend on such price movements and there can be no assurance that the client will attain a certain return.

#### *Frequent Trading Risk*

Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and expenses.

#### *Margin Risk*

Clients can elect to borrow funds against his/her investment portfolio for uses other than investing inside a brokerage account. When securities are purchased, they may be paid for in full or a client may borrow part of the purchase price from the account custodian. If a client borrows part of the purchase price, the client is engaging in margin transactions, and there is risk involved with investing on margin. The securities held in a margin account are collateral for the custodian that loaned the client money. If those securities decline in value, then the value of the collateral supporting the margin loan also declines. As a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in the client's account. The brokerage firm may issue a margin call and/or sell other assets in an account to accomplish this. It is important that clients fully understand the risks involved in trading securities on margin, including but not limited to:

- It is possible to lose more funds than are deposited into a margin account;
- The account custodian can force the sale of assets in an account;
- The account custodian can sell assets in the client's account without contacting the client first;

- The client is not entitled to choose which assets in a margin account may be sold to meet a margin call;
- The account custodian can increase its “house” maintenance margin requirements at any time without advance written notice; and
- The client is not entitled to an extension of time on a margin call.

#### *Cybersecurity Risk*

The computer systems, networks, devices, and service providers Stone Creek uses to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, and security breaches. Despite the various protections utilized, these systems, networks, devices, and providers potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality.

Cybersecurity breaches can cause disruptions and affect business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences can result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, these entities can incur substantial costs to prevent or mitigate the risk of cybersecurity breaches in the future.

#### *Pandemic Risk*

The outbreak of the novel coronavirus rapidly became a pandemic and has resulted in disruptions to the economies of many nations, individual companies, and the markets in general, the impact of which cannot necessarily be foreseen at the present time. This has created closed borders, quarantines, supply chain disruptions and general anxiety, negatively impacting global markets in an unforeseeable manner. The impact of the novel coronavirus and other such future infectious diseases in certain regions or countries may be greater or less due to the nature or level of their public health response or due to other factors. Health crises caused by the recent coronavirus outbreak or future infectious diseases may exacerbate other pre-existing political, social, and economic risks in certain countries. The impact of such health crises may be quick, severe and of unknowable duration. This pandemic and other epidemics and pandemics that may arise in the future could result in continued volatility in the financial markets and could have a negative impact on investment performance.

The above list of risk factors is not intended to be a complete list or explanation of the risks involved in an investment strategy, and due to the dynamic nature of investments and markets, strategies may be subject to additional and different risk factors not discussed above.

## **Item 9. Disciplinary Information**

Stone Creek is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Stone Creek does not have any required disclosures to this Item.

## **Item 10. Other Financial Industry Activities and Affiliations**

Stone Creek is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons, which are described below.

Stone Creek is registered with the SEC as a related adviser to Merit Financial Group, LLC ("Merit"), which is also registered with the SEC and provides investment advisory services as an entity separate from Stone Creek. Stone Creek and Merit are under the common control by Merit Holdings, LLC. Certain employees of Merit such as, but not limited to, marketing, compliance, information technology and human resources will provide support to Stone Creek in order for it to operate and service clients effectively. Merit provides services for its clients under a separate agreement and as a separate entity. Stone Creek refers prospects and clients to Merit for investment management services. This presents a conflict of interest as clients may be able to obtain these services elsewhere for less. This conflict is mitigated in several ways. Stone Creek is not compensated for these referrals, and the Merit investment adviser representative reviews the client's financial goals, investment objectives, and risk tolerance – when onboarding and thereafter at the annual client review – to ensure that the portfolio is in the client's best interest.

### **Other Compensation**

Certain Stone Creek employees are also licensed to sell insurance products and receive commissions or other remuneration as a result. They have an incentive to recommend insurance products, which creates a conflict of interest. Clients will pay these commissions, in addition to paying a consulting fee to the firm. These fees and services are exclusive of each other. Stone Creek discloses all forms of compensation both the firm and its employees receive before any such transaction is executed.

## **Item 11. Code of Ethics**

Stone Creek has established a Code of Ethics ("the Code") which applies to all personnel (called "associated persons"). Stone Creek has a fiduciary duty to all clients and must provide fair and full disclosure of all material facts and to act solely in the best interest of each of clients at all times. Stone Creek's fiduciary duty is the core underlying principle of the Code, which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. Stone Creek requires all associated persons to conduct business with a high level of ethical standards, in an honest and fair manner and comply with federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all associated persons sign an acknowledgement that they have read, understand, and agree to comply with the Code.

The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain



types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. In the event of any identified potential trading conflicts of interest, Stone Creek's goal is to place client interests first. The Code also provides for disciplinary action as appropriate for violations.

Clients and prospective clients may contact Stone Creek to request a copy of its Code of Ethics.

## Item 12. Brokerage Practices

### *Broker Selection*

Factors which Stone Creek considers in selecting and recommending *Custodians* to clients include their financial strength, reputation, execution quality, pricing, research, and service. Stone Creek recommends that clients custody with either Charles Schwab & Co. ("Schwab") First Clearing via Trade-PMR, Inc. ("Trade-PMR"). Schwab enables Stone Creek to trade in most mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by any one *Custodian* may be higher or lower than those charged by other *Custodians*, however the firm is not required to move accounts to that *Custodian*. While it may be possible to obtain similar services elsewhere at a lower cost, Stone Creek recommends that clients establish a brokerage account with one of the *Custodians* it has selected.

While Stone Creek recommends that clients establish a brokerage account with Charles Schwab & Co., Inc., a FINRA registered broker-dealer, member SIPC, as the qualified custodian to maintain custody of the client's assets, it is ultimately the client's decision to custody assets with Schwab. Stone Creek is independently owned and operated and is not affiliated with Schwab. Schwab Advisor Services provides Stone Creek with access to institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also makes available various support services. Some of those services help Stone Creek manage or administer the client's account, while others help Stone Creek manage and grow the firm. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them. Schwab's brokerage services for Stone Creek's clients include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other fees on trades that it executes or that settle into the client's Schwab account. Certain trades at Schwab do not incur commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in the client's account.

Stone Creek also recommends Trade-PMR, Inc. ("Trade-PMR") for brokerage and trade execution services. Trade-PMR clears trades and custodies assets with First Clearing, FINRA member broker-dealer. First Clearing is a trade name used by Wells Fargo Clearing Services, LLC., a non-bank affiliate of Wells Fargo & Company. Trade-PMR acts as an introducing broker dealer on a fully disclosed basis. Trade-PMR and First Clearing are members of SIPC and are unaffiliated registered broker dealers and FINRA members. The brokerage commissions and/or transaction fees charged by Trade-PMR or any other designated broker-dealer are exclusive of and in addition to Stone Creek's fee.

*Best Execution*

Clients may direct Stone Creek to place trades in non-discretionary accounts at the *Custodians*. Stone Creek has the responsibility to select broker-dealers and in these instances also execute client trades. As a fiduciary, Stone Creek has an obligation to seek to obtain “best execution” of client transactions, taking into consideration the circumstances of the particular transaction. Stone Creek must execute securities transactions for clients in such a manner that the client’s total costs or proceeds in each transaction are the most favorable under the circumstances. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Custodian’s* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Stone Creek seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions. Stone Creek periodically and systematically reviews its policies and procedures regarding its recommendation of *Custodians* in light of its duty to obtain best execution.

*Directed Brokerage*

Stone Creek does not enter into directed brokerage arrangements with clients.

*Order Aggregation*

To the extent Stone Creek determines and is able to aggregate client orders for the purchase or sale of securities, including securities in which Stone Creek’s associated persons may invest, Stone Creek generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Stone Creek does not receive any additional compensation or remuneration as a result of such aggregation.

In the event that Stone Creek determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Stone Creek may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis. No client will be favored over any other client.

*Research and Other Potential Economic Benefits*

Consistent with obtaining best execution, brokerage transactions may be directed to certain *Custodians* in return for investment research products and/or services which assist Stone Creek in its investment decision-making process. Such research generally will be used to service all of Stone Creek’s clients, but brokerage commissions paid by one client may be used to pay for research that is not used in

managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Stone Creek does not have to produce or pay for the products or services.

Stone Creek and/or its affiliated firm, Merit may receive from *Schwab*, without cost, computer software and related systems support, which allow Stone Creek to better monitor client accounts maintained at *Schwab*. Stone Creek may receive the software and related support without cost because Merit renders investment management services to clients that maintain assets at *Schwab*.

Stone Creek utilizes some of these products and services to benefit all or a substantial number of its clients' accounts, including accounts not maintained at Schwab. These services are not soft dollar arrangements and are part of the institutional platform offered by Schwab.

Trade-PMR provides Stone Creek with access to its institutional trading and custody services, which are typically not available to retail investors. These brokerage services include the execution of securities transactions, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

The software and related systems support provided by Custodians may benefit Stone Creek, but not its clients directly. In fulfilling its duties to its clients, Stone Creek endeavors at all times to put the interests of its clients first. Clients should be aware, however, that such an arrangement may influence Stone Creek's choice of broker-dealer(s) over another broker-dealer that does not furnish similar software, systems support, or services poses a conflict of interest because clients may not receive services which they otherwise would from that other broker-dealer.

### **Item 13. Review of Accounts**

Stone Creek does not provide investment management services and consequently does not regularly monitor client portfolios. However, upon request from a client, Stone Creek's employees will provide certain services to clients such as research, reporting and other services. Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the *Custodian* for their accounts.

### **Item 14. Client Referrals and Other Compensation**

Stone Creek is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. Stone Creek receives economic benefits from non-clients (Stone Creek's Custodians) for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to **Item 12**, above. This conflict is mitigated by the initial and ongoing due diligence that Stone Creek performs on its Custodians, arising from its fiduciary obligation to ensure best execution. Custodians are selected and retained after considering a number of factors such as financial strength, reputation, execution quality, pricing, research, and service.

Stone Creek does not have any referral arrangement in which it pays compensation to a third party for client referrals.

## **Item 15. Custody**

As described in **Item 12** above, Stone Creek recommends several broker-dealers to the client for custody and safekeeping of client assets. Stone Creek's agreement and/or the separate agreement with any *Custodian* may authorize Stone Creek through such *Custodian* to debit the client's account for the amount of Stone Creek's fee and to directly remit that consulting fee to Stone Creek in accordance with applicable agreement with the client. The *Custodians* recommended by Stone Creek have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account. We urge clients to carefully review the statements received from the custodian to verify the accuracy of their balances, fees, and expenses.

While Stone Creek does not maintain actual possession or physical custody of client assets in the manner of its qualified custodians, as disclosed in Form ADV Part 1A we do have custody of client funds or securities under applicable SEC guidance for certain clients who have granted us the limited power to transmit funds to one or more third parties as specifically designated by the client through a Standing Letter of Authorization. However, even in such situations the custodian maintains actual possession of the clients' assets.

## **Item 16. Investment Discretion**

Stone Creek does not maintain discretionary authority over client accounts. Stone Creek will not implement trading recommendations or other actions in the account unless and until the client has provided the instructions or action, in accordance with the client agreement.

## **Item 17. Voting Client Securities**

Stone Creek does not vote proxies on behalf of clients. With respect to shareholder class action litigation and similar matters, Stone Creek generally will not make any filings in connection with any shareholder class action lawsuits involving securities currently or previously held in clients' accounts but will forward these notices to clients if they are received. Stone Creek recommends that its clients promptly review such materials, as they identify important deadlines and may require action on the clients' part. Stone Creek will not be required to notify third party custodians or clients who utilize third party custodians of shareholder class action lawsuits and similar matters.

## **Item 18. Financial Information**

Stone Creek does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. Stone Creek is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Stone Creek has no disclosures pursuant to this Item. Stone Creek has not been the subject of any bankruptcy petition at any time during the past ten years.