

Part 2A of Form ADV: Firm *Brochure*

Item 1 Cover Page

STONE SECURITIES, INC
281 East Grove Street
Clarks Green PA 18411

Brochure Date: 08/22/2023

Telephone Number: (570).585.0825

Website: www.stonesecurities.com

Stephen D. Moore
President

Cheryl Chin
Vice President

Clare B. Kull
Associate Vice President

Glenn F. Ferrell
Registered Investment Advisor

THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF STONE SECURITIES, INC. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURES, PLEASE CONTACT US AT (570) 585 0825 OR EMAIL smoore@stonesecurities.com, cchin@stonesecurities.com, ckull@stonesecurities.com, or gferrell@stonesecurities.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.

CLIENTS, WHO DO NOT RECEIVE A COPY OF THIS BROCHURE 48 HOURS PRIOR TO SIGNING AN ADVISORY CONTRACT, HAVE FIVE BUSINESS DAYS IN WHICH TO CANCEL THE CONTRACT, WITHOUT PENALTY.

ADDITIONAL INFORMATION ABOUT STONE SECURITIES, INC IS ALSO AVAILABLE ON THE SEC'S WEBSITE AT: www.adviserinfo.sec.gov

Item 2 Material Changes

There have been material changes since my last update on 1/31/2023.

Item 3 Table of Contents

Item 1 Brochure Cover Page: Provides firm name and contact information

Item 2 Material Changes: Provides updated firm information

Item 3 Table of Contents:

Item 4 Advisory Business: How long we have been in business; Principal Owner(s) Types of services; Discretionary vs non-discretionary accounts.

Item 5 Fees and Compensation: Fee schedule; Minimum Fees: How a client may terminate an agreement; How to obtain a refund if an agreement is terminated; Transaction cost; Custodial fees

Item 6 Performance – Based Fees and Side by Side Management: Not Applicable

Item 7 Types of Clients:

Item 8 Methods of Analysis, Investment Strategies Risk of Loss

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Item 11 Code of Ethics, Participation of Interest in Client Transactions and Personal Trading

Item 12 Brokerage Practices: If we recommend brokers/agents; Markups/commission; Soft Dollar Consideration

Item 13 Review of Accounts: Review frequency; Review Process: Performance Reports

Item 14 Client Referrals and other Compensation

Item 15 Custody: Who has custody of client assets; Who issues account statements/annual reporting

Item 16 Investment Discretion

Item 17 Voting Client Securities: Who may vote client securities; Who send proxies/solicitation; Who to contact for assistance regarding proxies/solicitation

Item 18 Financial Information: Not applicable

Item 19 Requirements for State Registered Advisors: Principal Executive Officer(s) of SSI; Formal education and background of Officer(s); Licenses held; Other Business Activities of Officer(s)

Item 4 Advisory Business

- A) STONE SECURITIES, INC. (SSI) was founded in September of 1999 by Stephen D. Moore, President and Cheryl Chin Vice President with 1 office located in Clarks Green, PA. In January of 2014, Glenn F. Ferrell joined the firm as an Investment Advisor. In January of 2020, Clare B. Kull joined the firm as an Investment Advisor. As of September 1999, to present, Mr. Moore and Mrs. Chin have been a financial advisor registered with Leigh Baldwin & Co. LLC. In April 2002, Mr. Ferrell was registered as a financial advisor with Leigh Baldwin & Co. LLC until October 2013. As of December 2013, to present, Mrs. Kull has been a registered representative with Leigh Baldwin & Co LLC. Mr. Moore is the sole owner of (SSI). Mr. Moore is the sole owner of 281 East Grove Street, which is a commercial real estate property. SSI is located at this address. Mr. Moore does rent out commercial space and spends approximately 1-5 hours per month doing work for 281 East Grove Street. Mr. Moore also has an ownership position in Rehab-bookings.com It is a nonprofit website to find availability for rehab centers. Mr. Moore spends about 2 hours per month during non-business hours. His relationship is non investments related.
- B) (SSI) offers financial planning and asset management services to individuals, trusts, estates and small corporations. Financial planning entails comprehensive analysis of the client(s) financial situation, goals, and objectives. A written strategy is implemented, monitored, and adjusted as economic conditions and the client(s) needs change. This service is included with no additional fee to the client. Asset management entails development, monitoring and adjustment of the client(s) investment portfolio according to risk tolerance, income and/or growth objectives and economic conditions. (SSI) offers investment advice on securities such as: government, municipal and corporate bonds; preferred stock, common stock, exchange traded funds (ETFs) and mutual funds. No additional fees are incurred for these services.
- C) As of December 31st, 2022, (SSI) has assets under management for discretionary accounts totaling \$40,657,809.37. The total number of household accounts under management is Ninety-One (91).

Item 5 Fees and Compensation

- A) (SSI) is compensated by charging a fee based on assets under management. The annual fee ranges from .75% to 3.0% depending on the asset value, account type and investment objective. All fees are subject to negotiation
- B) Fees are calculated and deducted from client accounts quarterly in arrears. Either party may terminate an advisory agreement with a 30-day written notice.
 - 1.) SSI possesses written authorization from the client to deduct advisory fees from an account held by a qualified custodian
 - 2.) SSI sends the qualified custodian written notice of the amount of the fee to be deducted from the client's account;
 - 3.) SSI will send the client a written invoice itemizing the fee, including any formula used to calculate the fee, the time period covered by the fee and the amount of assets under management which the fee was based upon request.
- C) The account will pay all its expenses, including, without limitation: interest and taxes, brokerage commissions and other cost in connection with the purchase and sale of securities and other investment instruments and custodian fees and expenses. As of 12/31/2022, the following brokerage and/or transaction cost will apply per transaction: Equities – Listed/OTC \$14; Mutual Funds \$14; Mutual Fund Exchanges \$14; Options \$14 plus \$1.50 per contract; Corporate Bonds \$18/ Municipal Bonds \$20; CDs and Government Bonds \$20 and UITs \$20. Custodial Fees apply to IRA accounts and are currently \$35 per account per year. Paper statements are currently being charged \$2.50 per quarter, per account, unless enrolled in e-delivery.
- D) Clients have the option to purchase investments (SSI) recommends through other brokers or agents not affiliated with (SSI).

Item 6 *Performance-Based fees* and Side-By-Side Management

Not applicable

Item 7 Types of *Clients*

(SSI) offers investment advisory services to individuals; Trusts; and Small Corporations

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

- A) (SSI) uses the following methods of analysis: Fundamental, Technical and Charting.
- 1.) Fundamental Analysis is the process of analyzing a company's financial statements, senior management and competitive advantages and/or disadvantages. Both past and present information is used. The objective is to determine a company's current value and predict what the future value and dividends may be during a specified period.
 - 2.) Technical Analysis and Charting is the process of studying the past price and volume history of securities and markets. The Objective is to determine entry and exit points of securities based on historical data.
 - 3.) Another technical method of stock selection used is the CAN SLIM methodology of investing. CAN SLIM is an acronym for the formula used in stock selection. Stephen D. Moore has successfully completed the CAN SLIM Masters Program Exam in 2005.
- B) (SSI) investment strategy is to actively manage securities with strong fundamentals employing a disciplined approach towards taking profits, cutting losses and investing in missed priced securities and/or markets.
- C) Investing in securities does involve risk of loss and you should be prepared to bear potential losses.
- D) Transaction cost and taxes will affect investment performance and should be considered.
- 4.) (SSI) will recommend to their advisory clients, investments the affiliated persons of (SSI) may invest in themselves. To avoid any conflict of interest, affiliated persons of (SSI) must always be the last in, on the buy and the last out, on the sell side. Affiliated persons of (SSI) may never be on the opposite side of a buy or sell recommendation to a client.
 - 5.) (SSI) has a relationship established with Leigh Baldwin and Co. LLC, member FINRA or SIPC. Stephen D. Moore, Cheryl Chin, Clare Kull, and Glenn F. Ferrell recommend using Leigh Baldwin and Co. LLC as custodian for your investments.

Item 9 Disciplinary Information

Stephen D. Moore has no legal or disciplinary events required to be disclosed in response to this item. There are items that are contained on brokercheck, finra.org or www.adviserinfo.sec.gov that you may wish to review and consider in your evaluation of my background.

Cheryl Chin has no legal or disciplinary events required to be disclosed in response to this item. There are no items contained on brokercheck, finra.org or www.adviserinfo.sec.gov should you wish to review and consider in your evaluation of my background.

Clare B. Kull has no legal or disciplinary events required to be disclosed in response to this item. There are no items contained on brokercheck, finra.org or www.adviserinfo.sec.gov should you wish to review and consider in your evaluation of my background.

Glenn F. Ferrell has no legal or disciplinary events required to be disclosed in response to this item. There are no items contained on brokercheck, finra.org or www.adviserinfo.sec.gov should you wish to review and consider in your evaluation of my background.

Item 10 Other Financial Industry Activities and Affiliations

Stephen D. Moore is a registered representative of Leigh Baldwin and Co., LLC member FINRA, SIPC. Leigh Baldwin and Co., LLC is a registered broker dealer. (SSI) does effect securities transaction for its advisory clients through Leigh Baldwin and Co., LLC. Transaction costs do vary from firm to firm and clients may use another broker if they so choose. The transaction costs will be the same as listed on Item 5 under Fees and Compensation of this document, if the client chooses to use Leigh Baldwin and Co. LLC. Stephen D Moore does not have any financial ownership and/or interest in Leigh Baldwin Co., LLC nor does Leigh Baldwin and Co., have any financial ownership or interest in (SSI). Stephen D. Moore is licensed to conduct business in the following states, CT, DE, FL, GA, MD, MA, MI, NH, NJ, NY, NC, PA, TX, VA and WY.

Cheryl Chin is a registered representative of Leigh Baldwin and Co., LLC member FINRA, SIPC. Leigh Baldwin and Co., LLC is a registered broker dealer. (SSI) does effect securities transaction for its advisory clients through Leigh Baldwin and Co., LLC. Transaction costs do vary from firm to firm and clients may use another broker if they so choose. The transaction costs will be the same as listed on Item 5 under Fees and Compensation of this document, if the client chooses to use Leigh Baldwin and Co. LLC. Cheryl Chin does not have any financial ownership and/or interest in Leigh Baldwin Co., LLC nor does Leigh Baldwin and Co., have any financial ownership or interest in (SSI). Cheryl Chin is licensed to conduct business in the following states, AZ, CA, CT, FL, MS, NJ, NY, PA and VT.

Clare B. Kull is a registered representative of Leigh Baldwin and Co., LLC member FINRA, SIPC. Leigh Baldwin and Co., LLC is a registered broker dealer. (SSI) does effect securities transaction for its advisory clients through Leigh Baldwin and Co., LLC. Transaction costs do vary from firm to firm and clients may use another broker if they so choose. The transaction costs will be the same as listed on Item 5 under Fees and Compensation of this document, if the client chooses to use Leigh Baldwin and Co. LLC. Clare B. Kull does not have any financial ownership and/or interest in Leigh Baldwin Co., LLC nor does Leigh Baldwin and Co., have any financial ownership or interest in (SSI). Clare B Kull is licensed to conduct business in the following states, FL, IL, MI, NV, NJ, PA, and VA.

Glenn F. Ferrell is a registered investment advisor of Stone Securities, Inc. (SSI) does effect securities transaction for its advisory clients through Leigh Baldwin and Co., LLC. Transaction costs do vary from firm to firm and clients may use another broker if they so choose. The transaction costs will be the same as listed on Item 5 under Fees and Compensation of this document, if the client chooses to use Leigh Baldwin and Co. LLC. Glenn F. Ferrell does not have any financial ownership and/or interest in Leigh Baldwin Co., LLC nor does Leigh Baldwin and Co., have any financial ownership or interest in (SSI). Glenn F. Ferrell is licensed to conduct business in the state of Pennsylvania.

Item 11 Code of Ethics, Participation or Interest in *Client* Transactions and Personal Trading

Stephen D. Moore, Cheryl Chin, Clare B. Kull, Glenn F. Ferrell and/or affiliated persons of (SSI) may invest in the same securities they recommend to advisory clients. To avoid a potential conflict of interest, Stephen D. Moore, Cheryl Chin, Clare B. Kull, Glenn F. Ferrell and/or affiliated persons of (SSI) must always be the last in on the buy and the last out on the sell side. Stephen D. Moore, Cheryl Chin, Clare B. Kull, Glenn F. Ferrell and/or affiliated persons of (SSI) may never be on the opposite side of a buy or sell recommendation to a client.

(SSI) has adopted a Code of Ethics to maintain a reputation for integrity and high ethical standards, with relevant federal and state securities laws. The Code of Ethics is designed to help ensure that (SSI) conducts business with a high standard of consistency.

(SSI) will provide a copy of the Code of Ethics to any client and/or prospective client upon request.

Item 12 Brokerage Practices

Stephen D. Moore, Cheryl Chin, and Clare B. Kull are registered representatives of Leigh Baldwin and Co., LLC member FINRA, SIPC. Leigh Baldwin and CO., LLC is a registered broker dealer. Glenn F Ferrell is a registered investment advisor with Stone Securities, Inc. Stephen D. Moore, Cheryl Chin, Clare B. Kull, and Glenn F. Ferrell do recommend Leigh Baldwin and CO., LLC but does not require clients to use Leigh Baldwin and CO., LLC. Stephen D. Moore, Cheryl Chin, Clare B. Kull, and Glenn F. Ferrell do not receive mark ups, commissions or any other financial consideration including soft dollar or otherwise for recommending and/or using Leigh Baldwin and CO., LLC for advisory account transactions.

Stephen D. Moore, Cheryl Chin, Clare B. Kull, and Glenn F. Ferrell and/or associated persons of (SSI) do not have ownership and/or a financial interest in Leigh Baldwin and CO., LLC nor does Leigh Baldwin and CO., LLC have ownership and/or a financial interest in (SSI).

Item 13 Review of Accounts

- A) Investment advisory accounts are generally reviewed at least monthly, based upon account positions. In addition, updated daily analyses of all followed (including owned) stocks to indicate stocks that are buy or sell candidates, which then are cross-referenced to stocks held in individual accounts. If a client has a question, request, deposits or withdrawals of funds, a relevant review of his or her portfolio is triggered.
- B) Account reviews can be conducted by either Stephen D. Moore, President of (SSI), Cheryl Chin, Vice President of (SSI), Clare B. Kull, Associate Vice President of (SSI) or Glenn F. Ferrell, Registered Investment Advisor with (SSI).
- C) Each investment advisory client will receive a monthly and/or quarterly statement regarding their investments.

Item 14 *Client* Referrals and Other Compensation

(SSI) does not compensate clients monetarily or otherwise for client referrals.

Item 15 Custody

- A) (SSI) is deemed to have limited custody of client securities and/or funds, solely because advisory fees are directly deducted from client's account by the custodian on behalf of (SSI).
- B) National Financial Services LLC (NFS) is the qualified custodian. (NFS) issues all monthly/quarterly client statements and required annual reporting directly to the client(s). Client(s) should carefully review said statements and reporting.

Item 16 Investment Discretion

(SSI) plans to offer advisory services whereas, the Client will employ (SSI) as the Investment Advisor with discretionary investment authority with respect to certain assets of the Client in accordance with the terms and conditions of the Investment Advisory Agreement and the Advisor is willing to so act. This will include investments in the Client's account in accordance with their investment objectives or either (1) long-term growth of capital and income ("Growth"), (2) a balanced portfolio of equities ("Balanced"), or (3) a bond portfolio ("Bond").

(SSI) plans to limit discretionary trading authority to sell (including short sales), purchased, exchange convert, tender, trade or otherwise acquire or dispose of stocks, bonds, and any other securities including the purchase and/or sale of option contracts (exchange traded or over-the-counter, puts, calls, etc.) to open new option positions or close existing positions, to exercise options contracts and to sell option contracts as either a covered or uncovered writer.

(SSI) can use limited discretionary trading authority to make mutual fund purchases using no-load funds, Class A shares at NAV or specialized "Fee Based" account shares, such as Class "F" etc., for managed accounts. If a client is holding an "A" share mutual fund, when entering into a managed account program and it is not in the best interest of the client to liquidate the position, the 12b-1 fees may be paid to (SSI). Clients will be verbally made aware of this fee prior to entering into the managed account agreement.

(SSI) will require the Client to execute a Trading Authorization Limited to Purchases and Sales of Securities giving (SSI) this authorization.

Item 17 Voting *Client* Securities

(SSI) does not have authority to vote client securities. Clients will receive their proxies or other solicitations to vote securities directly from their custodian or transfer agent and not from (SSI). Clients may contact (SSI) with any questions about a particular proxy and/or solicitation and receive assistance.

ITEM 18 Financial Information

Not applicable.

Item 19 Requirements for State-Registered Advisers

A) (SSI) Principal executive officer(s):

Stephen D. Moore is President of Stone Securities, Inc. Formal Education: High School Graduate. Specialized Training: Investor Business Daily CAN SLIM Masters Program Exam in 2005. Securities Licenses held: Series 4, 7, 24, 63, and 65. Business Background: Founded Stone Securities, Inc. in September 1999.: Financial Advisor since 1980 to present.

Cheryl Chin is the Vice President of Stone Securities, Inc. Formal Education: High School Graduate. Specialized Training: Investor Business Daily Level II Workshop of Investing. Securities Licenses held: Series 4, 7, 24, 63, and 65. Business Background: Founded Stone Securities, Inc. in September 1999.: Financial Advisor since 1999 to present. Licensed since April 1995, while working at Merrill Lynch. Also worked at Prudential Securities before forming Stone Securities, Inc.

Clare B. Kull is the Associate Vice President of Stone Securities, Inc. Formal Education: Bachelors Degree in Music. Securities Licenses held: Series 7 and 66. Business Background: Licensed Financial Advisor since 2013 to present with Leigh Baldwin & Co., LLC. She joined Stone Securities, Inc. in 2014.

Glenn F. Ferrell is a Registered Investment Advisor of Stone Securities, Inc. Formal Education: Masters Degree of Business Administration. Financial Advisor from 1997. Licensed in 1997, while working at Prudential Securities. Also worked at Morgan Stanley and Leigh Baldwin and CO., LLC before joining Stone Securities, Inc.

B) Other Business activities: Mr. Moore is the sole owner of 281 E Grove Street. E Grove Street is a real estate commercial Property (SSI) is located in the property. Mr. Moore also rents space to other commercial tenants. Mr. Moore spends approximately 1-5 hours per month doing work for the property.

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