



## Firm Brochure – Form ADV Part 2A

17102 Conneaut Lake Road  
Meadville, PA 16335  
(814) 853-3379

[matt@brookhouseadvisors.com](mailto:matt@brookhouseadvisors.com)

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This brochure provides information about the qualifications and business practices of Brookhouse Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (814) 853-3379 or by email at: [matt@brookhouseadvisors.com](mailto:matt@brookhouseadvisors.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 Brookhouse Advisors LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Brookhouse Advisors LLC's CRD number is 287837.

Brookhouse Advisors LLC is a registered investment adviser. Registration with the United States Securities Exchange Commission or any state authority does not imply a certain level of skill or training.

Version Date: 11/28/2023

## Item 2: Material Changes

Investment advisers are required to update this brochure when material changes occur and at least annually. Annually Brookhouse Advisors LLC will either deliver a copy of our updated brochure to our clients free of charge or prepare and deliver a Summary of Material Changes document reporting material changes made to this brochure since the last annual update. If a Summary of Material Changes is prepared it will be attached to the brochure filed with our Annual Amendment.

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Part 2B Supplement Brochure for: Matthew R. Stearns

## Item 4: Advisory Business

### A: Description of Advisory Firm

Brookhouse Advisors LLC is a registered investment advisor established under the laws of the State of Pennsylvania. Matthew Robert Stearns, CFP<sup>®1</sup>, CKA<sup>®</sup>, RICP<sup>®</sup> of Saegertown, Pennsylvania is Brookhouse Advisors LLC's sole owner, executive officer, and investment adviser representative.

### B: Types of Advisory Services

Brookhouse Advisors LLC (hereinafter "Brookhouse") offers the following services:

- Asset Management
- Investment Consultation
- Financial Planning (including Retirement Planning)
- Financial Consultation

#### Asset Management:

Every client of Brookhouse has real-time access to their funds and a fully integrated online experience. Brookhouse creates an investment policy statement for each client that outlines their financial situation, needs, goals, and strategy moving forward. This statement typically includes the following, but is not limited to risk tolerance level, time horizon outlook, income and tax level, special requirements, and goals. Brookhouse then uses that plan to construct a portfolio that is congruent with a client's needs. Brookhouse actively manages model portfolios and funds and allocates them in a weighted manner to match an investor's particular situation. Brookhouse uses several strategies and methods of analysis that are outlined later in the Form ADV.

#### Investment Consultation:

This service provides investment consultation to clients that do not use Brookhouse as their money manager. This consultation is typically provided to clients with employee sponsored 401(k) accounts, and other self-directed investment vehicles. Brookhouse will consider a client's current investment portfolio and analyze it using the same methods we use for our asset management clients, including tactical allocation, diversification, time horizon consideration, and risk exposure. Brookhouse will provide portfolio strategies, recommendations, and action we designed and constructed to assist you in meeting your stated investment goals and objectives.

Brookhouse generally limits its investment advice and management to equities, bonds, fixed income assets, debt securities, ETFs, mutual funds, and derivatives.

#### Financial Planning (including retirement planning):

This service takes a comprehensive look at a client's current financial situation and tailors a plan to

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<sup>1</sup> Certified Financial Planner Board of Standards Inc. (CFP Board) owns the certification marks CFP<sup>®</sup>, CERTIFIED FINANCIAL PLANNER<sup>™</sup>, CFP<sup>®</sup> (with plaque design) in the United States, which it authorizes use of by individuals who successfully complete CFP Board's initial and ongoing certification requirements.

fit their specific needs. Upon review, Brookhouse examines clients' current income and tax levels, investment planning, financial time horizon, debt/credit standing, and retirement outlook. After examination, Brookhouse takes into consideration a client's particular concerns and goals and then constructs a synopsis of their current situation, their future outlook, areas of concern, and corrective action as deemed fit by the adviser. All of this is laid out in a formal customized plan that a client can use to reevaluate and improve their financial situation in an ongoing manner.

**Financial Consultation (Hourly):**

This service is aimed at addressing a client's specific and immediate needs without the necessity for a comprehensive financial plan. This service considers a client's current financial situation and offers advice pertinent to the specific requests of the clients. This service is separate and distinct from investment management consultation.

Clients may terminate their contracts without penalty for any reason within the first five (5) business days after signing and receive a 100% refund of any prepaid fees.

**C. Tailored Services and Client Imposed Restrictions**

Brookhouse is committed to providing customized one-on-one service to every client based on their individual needs, no matter the size of their account. All services are offered to all clients, and some services may be offered complimentary depending on whether the client is an investing client or requires special consideration.

Clients may impose restrictions on investing in certain securities or types of securities.

**D. Wrap Fee Programs**

A wrap fee program is a program where all fees associated with the management of an account are lumped together into a single fee regardless of activity and managerial level. Brookhouse does not participate in any wrap fee programs.

**E: Assets under Management**

Total Assets under Management as of December 31, 2022: \$20,360,920 Discretionary

AUM: \$13,219,331

Non-Discretionary AUM: \$7,141,589

## Item 5: Fees and Compensation

**A. Advisory Fees:**

**Asset Management Fee:**

Our asset management fee is based upon the value of your account(s) at quarter end and the following fee schedule is applied:

<i>Total Assets Under Management</i>	<i>Annual Fee</i>
First \$50,000	1.50%
Next \$50,000.01-\$499,999.99	1.25%
Next \$500,000.00-\$999,999.99	1.0%
Over \$1,000,000+	0.75%

The fee is calculated and collected quarterly in advance. The initial quarter's management fee is calculated and collected when assets are deposited into the Account and it is prorated for the number of days remaining in the quarter. Thereafter, the management fee calculation is based upon the Account's custodian reported value as of last business day of the previous quarter. Cash balances and investments in money market funds, demand deposit accounts, and certificates of deposit held in the Account are included in the fee calculations.

**Fee Calculation Example** (based upon a portfolio with a market value of \$550,000.00 on the last business day of the quarter):

<b>Tiered Fee</b>		<b>Quarterly Fee Assessed/Tier</b>	
First \$50,000.00	1.50%	$[\$50,000 \times .015 = \$750]/4$	\$187.50
Next \$50,000.00 - \$499,999.99	1.25%	$[\$450,000 \times .0125 = \$5,625.00]/4$	\$1,406.25
Next \$500,000.00 - \$999,999.99	1.00%	$[\$50,000 \times .010 = \$500.00]/4$	\$125.00
Over \$1,000,000.00	0.75%	$[\$0.00 \times .0075 = \$0.00]/4$	\$0.00
<b>Total Fee for the Quarter:</b>			\$1,718.75

Asset management fees are negotiable, at our sole discretion and depending on the needs of the Client.

The fee for our Asset Management Service is payable in advance. Should either one of us terminate the investment advisory agreement before the end of a billing period, any unearned fees deducted from your account will be returned. Using the example above, the amount refunded to you is calculated as follows:

Billing Period	Quarterly Fee Paid in Advance	Agreement Termination Date	# of Unearned Days	Calculated Fee to be Returned
2 <sup>nd</sup> Quarter April 1 <sup>st</sup> – June 30 <sup>th</sup> 91 days	\$1,718.75	April 23	67	$(\$1,718.75/91 = \$18.89) \times 67 = \$1,265.63$

#### **Investment Consultation Fee:**

Services offered are detailed in *Item 4, Part A* of this form. The fee for investment consultation is \$150 per hour. The fees may be negotiated depending on client needs and complexity. The client specific fee will be laid out in the relationship agreement. Investment consultation fees are to be billed upon execution of the consultation at the agreed upon amount. Brookhouse reserves the right to waive the fee or request full or partial payment prior to delivery of service.

**Financial Planning Fee:**

Services offered are detailed in *Item 4, Part A* of this form. The engagement fee for planning services starts at \$600 per plan. The ongoing retainer fee for follow-up meetings and plan access is \$200/month. These fees may be negotiated depending on client needs and complexity. The client specific fee will be laid out in the relationship agreement. Brookhouse requests an engagement fee to be paid upon execution of the agreement. Retainer fees are paid monthly thereafter, billed no sooner than 30 days after execution of agreement. There is no minimum contract period. Brookhouse reserves the right to waive the fee, require full or partial payment prior to completion, or accept payment upon delivery of the service.

**Financial Consultation Fee:**

Services offered are detailed in *Item 4, Part A* of this form. The fee for financial consultation is based on a \$150 per hour rate. Total hours billable are based on time of engagement with advisor and duration of work done by advisor. That includes meeting time, correspondence via phone or email, and duration of work to complete client requested tasks. Hours are tracked and reported to client and client is billed upon completion of all work. This hourly rate may be negotiated depending on client need and complexity. Brookhouse reserves the right to waive the fee or request full or partial payment prior delivery of the service.

**B. Payment of Fees****Payment of Investment Management Fees:**

All investment management fees are calculated by the method described above. Fees will be withdrawn directly from client accounts on a quarterly basis in advance with prior written client approval in the relationship agreement. Brookhouse will send the clients and the clients' custodian an invoice specifying the fee, the formula used to calculate the fee, the assets under management the fee is based on, and the period covered by the fee. Client may terminate this authorization at any time by giving Brookhouse or clients' custodian notice.

**Payment of Financial Planning Fees:**

Financial planning engagement fees are to be billed upon execution of agreement with a due date no later than 5 days following invoice date. Monthly retainer fees are to be billed no sooner than 30 days following the execution of the agreement.

**Payment of Consultation Fees (including Investment Consultation and Financial Planning Consultation):**

All consultation fees are to be billed upon completion of service with a due date no later than 5 days following completion of service.

**C. Third Party Fees**

Investing clients of Brookhouse may incur third party fees that accrue because of normal business activity. These fees are separate and distinct from the fees charged by Brookhouse. The fees may include any transactional fees that occur because of trading, including but not limited to brokerage fees, custodial fees, ticket charges, mutual fund fees, etc. As a fiduciary, Brookhouse will always act in a way that minimizes these fees as much as possible within reason. Brookhouse has also

carefully selected their broker and custodian with consideration of the third party fees they impose on clients. Please refer to *Item 12* of this form for more information regarding Brookehouse's recommended broker/custodian.

#### **D. Outside Compensation for Sale of Securities**

Brookhouse has no affiliation or loyalty to any outside investment firm or their products and receives no compensation in any form thereupon.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

Brookhouse does not charge or collect any performance-based fees based on capital gains or appreciation on a client's account.

## **Item 7: Types of Clients**

MMM generally provides investment advice to the following clients:

- Individuals
- High net worth individuals
- Small businesses
- Pension and Profit-Sharing Plans
- Non-Profit Organizations

Brookhouse does not have require a minimum account size.

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

#### **A. Methods of Analysis and Investment Strategies**

The following analyses and strategies represent the main techniques that Brookhouse utilizes to construct model portfolios and investment strategies for its clients:

**Industry Analysis:** Identifying current and future industrial trends is one of the fundamental investment strategies at Brookhouse. We look at current and future growth opportunities, potential threats, sustainability, and consistency that may affect individual stocks within an industry or the entire industry as a whole.

**Regional Analysis:** This analysis examines the economic outlook in the major regions of the world as it relates to investment opportunity. We then use this data to properly allocate our portfolios with securities in the region that we find the most suitable.

**Value Analysis:** This concentrates on individual securities to determine their future value in relation to their current price. We do this by examining a company's financial statements, historical earnings, future competitive landscape, etc. This allows us to determine potential price movement and future growth potential.

**Technical Analysis:** This approach looks at basic fundamentals including past market data and charting movements in order to confirm support and resistance price levels and predict future price movements.

**Active Management Strategy:** Brookhouse is committed to providing regular monitoring of all accounts and portfolios. This includes portfolio rebalancing and strategy updates that reflect real-time market conditions. Brookhouse systematically monitors the global investing climate with particular attention to various news reports, economic outlooks, regulatory changes, and consumer trends.

**Diversification Strategy:** A balanced investment approach includes a mixture of asset types and allocation that fits the needs and risk-tolerances of each investor. Brookhouse utilizes mutual funds and Exchange Traded Products (ETPs), in order to give investors coverage to hundreds or even thousands of individual securities, including various asset types.

**Tactical Allocation Strategy:** A key part of our strategy at Brookhouse is tactical asset allocation that provides every investor with a customized portfolio of assets that represent the risks and desired returns of each client. Portfolio allocation generally includes a mix of equities, bonds and fixed-income assets that suit the investor's special financial needs.

**Time Sensitive Strategy:** A thorough investment strategy always includes a time component that correlates with each client's particular situation. Brookhouse will utilize both short-term and long-term trading in order to provide the most customized services to clients.

**All strategies seek to limit risk to the greatest extent possible, however, all investments in securities involve risk of loss that a client should be prepared to bear.**

## **B: Material Risks Involved**

For every analysis and investment strategy there are associated risks. Brookhouse's methods of analysis and investment strategies generally do not involve significant or unusual amounts of risk. Brookhouse also does not partake in unusually frequent trading of securities that may affect investment performance through increased third-party fees. Below are listed the major risks associated with the analyses and strategies used at Brookhouse. They do not totally capture all the risks associated with each method.

**Industry Analysis Risk:** Judgements about an industry can differ and are subject to rapid change. Industry specific threats such as political legislation, consumer trends, and overall economic healthiness may impose risk.

**Regional Analysis Risk:** Judgements about a region's economic and investment suitability are often subject to rapid and unforeseen changes. Some of these risks include international conflict, worsening global economic outlook, and political policy change.



**Value Analysis Risk:** Comparing a company's current financial position to its future value and predicted price movement involves subjective judgement. For this reason, there is inherent risk in value analysis.

**Technical Analysis Risk:** Predicting a security's future price movement according to its past movements is never a certain process. Technical analysis is utilized to help predict these price movements but is not 100% reliable.

**Active Management Strategy Risk:** With all trading activity there are associated fees. Over active management may subsequently incur unwanted fees or timing errors.

**Diversification Strategy Risk:** Though diversification is widely accepted as a risk reducing practice, over-diversification may lead to reduced investment gain.

**Tactical Allocation Risk:** Different assets classes perform differently at any given time. Due to this, there is inherent risk that a portfolio may be over or under exposed to a certain asset class.

**Time Sensitive Strategy Risk:** Setting goals and time horizons are an important part of the investment process. Typically, a shorter time horizon can mean greater risk, depending on the targets of the individual.

### **C. Risks of Specific Securities and Practices**

Investing in securities (stocks, bonds, mutual funds, etc.) always involves risk of loss. Brookhouse does not recommend or utilize any investment vehicles that may result in unreasonable risk. Brookhouse may utilize short selling, margin transactions and options writing; and, clients should be aware that these strategies generally involve increased risk. Clients should be prepared to bear any investment loss, including loss of principle. Past performance is not necessarily indicative of future results. Due to the inherent risks of investing, Brookhouse cannot guarantee that our methods of analysis and strategies or selection of securities will result in positive results, nor insulate a client from market corrections or decline. The associated risks of investing with Brookhouse are described below. They do not totally capture all the risks associated with each security.

**Equity Risk:** The decrease in value of a piece of equity, typically stock. Stock prices fluctuate and are subject to movements that correlate to the value of a particular company. Stock price fluctuations are subject to changes in valuation, perception, or confidence in a stock's future value. Negative perceptions, valuation, and confidence generally decrease a stock's price and possibly a client's investment value.

**Fixed Income and Debt Risk:** These investments typically involve promised fixed periodic payments in the future. There is risk that the issuer will default on the principle, be unable to make payments, or that inflation or interest rates may fluctuate resulting in a change in the value of the security.

**ETF and Mutual Fund Risk:** These investments may bear additional costs associated with trading due to heightened managerial fees outside of Brookhouse. The risk of owning an ETF or mutual fund generally reflects the risk of owning the underlying securities. Mutual funds can include several types of asset classes.

**Options Risk:** Like other securities - including stocks, bonds, and mutual funds - options carry no guarantees, and a person must be aware that it is possible to lose all of the principal he/she invests, and sometimes more. As an option holder, a person risks the entire amount of the premium he/she paid. But as an options writer, a person takes on a much higher level of risk. For example, if a person writes an uncovered call, he/she faces unlimited potential loss, since there is no cap on how high a stock price can rise. However, since initial options investments usually require less capital than equivalent stock positions, potential cash losses as an options investor are usually smaller than if someone bought the underlying stock or sold the stock short. The exception to this general rule occurs when an option is used to provide leverage: Percentage returns are often high, but it is important to remember that percentage losses can be high as well.

### **Additional Risks:**

**Market Risk:** The stock market or economy as whole may at any time decrease in value or healthiness. This typically results in a decrease in the value of a client's investments. Also, referred to as systemic risk.

**Margin Risk:** Securities purchased on margin are the broker-dealer's collateral for the loan to the client. If the securities in the account decline in value, so does the value of the collateral supporting the loan, and, as a result, the broker-dealer can take action, such as issue a margin call and/or sell securities or other assets in any of the client's accounts held with the member, in order to maintain the required equity in the account. It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- The client can lose more funds than deposited in the margin account.
- The broker-dealer can force the sale of securities or other assets in client's account(s).
- The broker-dealer can sell the client's securities or other assets without contacting the client.
- The Client is not entitled to choose which securities or other assets in the account(s) are liquidated or sold to meet a margin call.
- The broker-dealer can increase its "house" maintenance margin requirements at any time and is not required to provide the client advance written notice.
- The client is not entitled to an extension of time on a margin call.

**Managerial Risk:** Inherent risks related to the human judgement exercised at Brookhouse, including timing, asset selection/allocation, and insufficient returns.

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization Proceedings**

There are no self-regulatory proceedings to report.

## **Item 10: Other Financial Industries and Activities**

### **A. Registration as a Broker-Dealer or Broker Dealer Representative**

Neither Brookhouse nor its representatives are registered or have an application pending to register as broker-dealer or a registered representative of a broker-dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Brookhouse nor its representatives are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **C. Registration Relationships Material to the Advisory Business and Conflicts of Interest**

Neither Brookhouse nor its representatives have material relationships with any person or entity that might represent a conflict of interest with its clients.

### **D. Selection of Other Advisors, Compensation and Conflicts of Interest**

Brookhouse does not recommend, select, or utilize other investment advisers for its clients or receive compensation for doing so.

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

### **A. Code of Ethics**

Brookhouse has an established Code of Ethics that applies to all clients, prospective clients, and associated persons of Brookhouse. The core principle and underlying duty of our Code of Ethics is to act as a faithful fiduciary to our clients. This duty includes placing client interest ahead of Brookhouse's interest, disclosing all material facts and information, and always acting with loyalty and in good faith towards the client. In addition, Brookhouse seeks to avoid and reduce possible conflicts of interest at all times, and to conduct manners in the most ethical, fair, and honest way possible. This section is only a summary of our Brookhouse's Code of Ethics. We will provide you with a copy of our Code of Ethics upon request.

### **B. Recommendations Involving Material Financial Interests and Related Persons**

Neither Brookhouse nor its related people have a material financial interest in a security.

## C. Personal Investment in Same Securities as Clients

Brookhouse or its employees and representatives may invest in the same securities we recommend to our clients. Client investment objectives can be the same or similar to the investment objectives of our employees or representatives. Investing in securities our clients also invest in presents a potential conflict of interest. Should an employee or representative of the firm become aware of a recommendation for client accounts that could potentially impact the price of a security (for example the firm may be contemplating selling a large position held in many client accounts and when sold the price of the security may fall significantly), in anticipation of the stock price falling, the employee or representative may be tempted to sell that security before it is sold in client accounts. This is also known as front-running.

To avoid front-running we require firm personnel to adhere to our Code of Ethics and our fiduciary duty to always place our clients' interests before our own. We require personnel to be cognizant of client trading activity and ensure transactions placed for their own accounts are appropriate prior to executing the personal trade. When firm personnel are aware of potential transactions in mutually owned securities, and if applicable and appropriate, all orders (employee, representative, and client) are aggregated in a block trade (described below in Item 12. Brokerage Practices) or client orders are placed before our own.

Brookhouse does not directly buy securities from or sell securities to our clients (i.e. principal transactions). Neither Brookhouse nor any of its investment adviser representatives act as a general partner in a partnership. If so, we would not solicit clients to invest in the partnership. Neither Brookhouse nor any of its investment adviser representatives act as an investment adviser to an investment company we recommend to clients.

## Item 12: Brokerage Practice

Brookhouse does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15: Custody, below). Your assets must be maintained in an account at a "qualified account", generally a broker-dealer or bank. We recommend our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian.

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below in Item 14: Client Referrals and Other Compensation. You should consider these conflicts of interest when selecting your custodian.

We do not open a brokerage account for you, although we may assist you in doing so. If you do not wish to open a brokerage account with Schwab, then we cannot manage that particular account. Not all investment advisers require their clients to use a particular broker-dealer or custodian selected by the adviser.

## HOW WE SELECT BROKERS/CUSTODIANS

In selecting Schwab as our recommended custodian/broker-dealer, we considered a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Competitiveness of transaction fees
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security, and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see PRODUCTS AND SERVICES AVAILABLE TO US FROM SCHWAB)

## YOUR BROKERAGE AND TRADING COSTS

For our clients' accounts maintained at Schwab, Schwab generally does not charge you separately for custody services but is compensated by charging fees on transactions executed in or that settle into your Schwab account. Certain trades (for example, many mutual funds, and U.S. exchange-listed equities and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program.

We are not required to select the broker or dealer that charges the lowest transaction fees, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined executing most trades through Schwab is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors including those listed above (see "**HOW WE SELECT BROKERS/CUSTODIANS**"). Other brokers or dealers may charge lower transaction fees.

## PRODUCTS AND SERVICES AVAILABLE TO US FROM SCHWAB

Schwab Advisor Services<sup>TM</sup> is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through our firm. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available at no charge to us. Following is more detailed description of Schwab's support services:

**Services that benefit you.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services that do not directly benefit you.** Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, record keeping, and client reporting

**Services that generally benefit only us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Education conferences and events
- Consulting on technology and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees.

## **SCHWAB'S ACQUISITION OF TD AMERITRADE AND TRANSITION**

It's important to note that Schwab recently acquired TD Ameritrade. Prior to 2023 we recommended our clients open and maintain accounts at TD Ameritrade as the custodian of their accounts and the broker to execute account transactions. The transition of our clients' accounts held at TD Ameritrade to Schwab was completed in September 2023. We will continue to use the products and services offered by Schwab including those products and services *that do not directly benefit you* listed above to assist us in managing and administering our clients' accounts and operating our firm,. We have not yet taken advantage of many of the services listed above *that generally benefit only us*.

## **OUR INTEREST IN SCHWAB'S SERVICES**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. [These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in



custody.] The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "HOW WE SELECT BROKERS/CUSTODIAN") and not Schwab's services that benefit only us.

#### **CLIENT DIRECTED BROKERAGE**

Brookhouse does not permit clients to direct brokerage to a broker-dealer other than Schwab at this time.

#### **ORDER AGGREGATION**

Client orders executed through the same broker dealer may be aggregated to achieve best execution. You will receive the average share price of all orders executed to fill the aggregated order. Clients incur the same transaction fee regardless of whether the order was aggregated or executed individually. Trading activity directed by clients may not be aggregated simply because we may not be trading that same security in other accounts at that time.

## **Item 13: Review of Accounts**

### **A. Periodic Review of Client Accounts and Financial Plans**

Matthew Stearns, CFP®, CKA®, RICP® will conduct reviews of client accounts on a quarterly basis, at the minimum. The process involves strategy re-evaluation, portfolio rebalancing, and an allocation critique.

Financial plans will be evaluated on an annual basis, typically in the form of an interpersonal meeting. If no meeting can be had, Brookhouse will review the financial plan and notify the client of any changes and provide a status update.

### **B. Factors That Trigger Non-Periodic Review of Client Accounts**

Special circumstances or individual client inquiries may trigger a non-periodic review of client accounts. These reviews may be triggered by a general change in strategy at Brookhouse, a disruption in the market (economic, political, or otherwise), or a change in a client's financial situation.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Clients will be provided transaction confirmation notices (including fee withdrawals), as well as quarterly account statements written and delivered directly from the broker/custodian. Brookhouse may also provide periodic reports, as requested by the client, summarizing account activity, performance, and strategy changes.

## Item 14: Client Referrals and Other Compensation

Brookhouse does not, directly or indirectly, compensate any person or entity for client referrals.

Brookhouse receives products and services from Schwab at no charge. These products and services are available to us and other independent investment advisors whose clients maintain their accounts at Schwab. This is an economic benefit because we do not have to pay for these products and services that we may otherwise have to purchase from other vendors. This creates a conflict. You should consider these conflicts of interest when selecting a custodian. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12: BROKERAGE PRACTICES).

## Item 15: Custody

Under securities industry regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account, or if you grant us authority to disburse funds from your account to a third-party.

Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. The account statements will be sent to the email or postal mailing address you provide to Schwab. You should carefully review those statements promptly when you receive them. We also urge you to compare information reported on Schwab's account statements to any reports you may receive from Brookhouse.

## Item 16: Investment Discretion

Brookhouse accepts discretionary trading authority over all investment management accounts. This grants Brookhouse the authority to determine the type and number of securities to be bought or sold, without obtaining a client's consent for each transaction. Discretionary authority must be granted before Brookhouse can act on a client's behalf. Discretionary authority will be granted through the execution of a limited power of attorney written in the client-advisor relationship agreement.

Once discretion is agreed upon, Brookhouse is responsible for all decisions made regarding the trading of investments on behalf of a client. Clients may, at any time, impose restrictions, in writing, on our discretionary authority (limit the types/amounts of particular securities purchased for their account, limit our use of margin, etc.).

## Item 17: Voting Client Securities

Brookhouse will not require or accept voting authority on behalf of the client. Clients will receive proxies directly from the issuer or custodian. Clients may contact Brookhouse with any questions about proxy votes.



## Item 18: Financial Information

### A. Balance Sheet

Brookhouse does not require or solicit prepayment of more than \$500 in fees per client six month or more in advance and therefore does not need to include a balance sheet with this brochure.

### B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Brookhouse does not have any financial conditions that are likely to impair the ability to meet contractual commitments to its clients.

### C. Bankruptcy Petitions in Previous Ten Years

Brookhouse has not been the subject of a bankruptcy petition at any point during the past ten years.

## Item 19: Requirements for State Registered Advisors

Matthew R. Stearns, CFP®, CKA®, RICP® is Brookhouse's sole owner, executive officer, and investment adviser representative. Additional information about Mr. Stearns can be found in the supplement to this brochure.

- Brookhouse is not actively engaged in any business other than providing investment advice either through our asset management services or through our investment consultation and financial planning and consultation services.
- Neither Brookhouse nor any of our advisory representatives are compensated with performance-based fees.
- Neither Brookhouse nor or management or representatives, have been found liable in arbitration claims, or in any civil, self-regulatory, or administrative proceedings.
- Neither Brookhouse nor any of our management persons has any relationship or arrangement with any issuers of securities.



17102 Conneaut Lake Road  
Meadville, Pa 16335  
(814) 853-3379  
[matt@brookhouseadvisors.com](mailto:matt@brookhouseadvisors.com)

Supplement Brochure – Form ADV Part 2B

*For*

**Matthew Robert Stearns**

Investment Adviser Representative

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This brochure supplement provides information about Matthew Robert Stearns that supplements the Brookhouse Advisors LLC's firm brochure. You should have received a copy of that brochure. Please contact Matthew Robert Stearns at (814) 853-3379 if you did not receive Brookhouse Advisors LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Matthew Robert Stearns is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Mr. Stearns CRD number is 6775942.

Version Date: 11/28/2023

## Item 2: Educational Background and Business Experience

**Name:** Matthew Robert Stearns, CFP®<sup>1</sup>, CKA®, RICP®

**Year of Birth:** 1993

### **Education:**

BS/BA International Business; German – Washington & Jefferson College (2015)

### **Business Background:**

*Brookhouse Advisors LLC (formerly Millennial Money Management, LLC) - April 2017 to Present*

- Managing Member
- Investment Adviser Representative

*Covestro LLC – June 2015 to June 2016*

- Commercial Operations Trainee in sales, logistics, marketing, and product management

### **Professional Designations:**

**Certified Financial Planner, CFP®:** Mr. Stearns is a CERTIFIED FINANCIAL PLANNER™ practitioner (earned in 2020). The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with plaque design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold the CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services and attain a bachelor’s degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three (3) years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

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<sup>1</sup> Certified Financial Planner Board of Standards Inc. (CFP Board) owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, CFP® (with plaque design) in the United States, which it authorizes use of by individuals who successfully complete CFP Board's initial and ongoing certification requirements.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete thirty (30) hours of continuing education hours every two (2) years, including two (2) hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**Certified Kingdom Advisor, CKA®:** Mr. Stearns earned the CKA® certification in 2020. This certification is designed for professionals serving clients in the Christian faith and who take a values-based approach to financial matters. Kingdom Advisors created and administers the CKA® training and certification process. Founded in 1997 (under the original name Christian Financial Professionals Network), this group provides advocacy, education, and networking for financial professionals. Its mandate is to help its members offer “biblically wise” advice to their clients and promote a strong, mutually reinforcing tie between religious teaching and finance.

To obtain this certification the candidate participates in a 6 month course and must achieve passing scores on 20 different course exam modules. The candidate then must pass a final five (5) hour proctored exam. The exam is one hundred (100) questions and includes one (1) case study. Pastor and client references must also be submitted. To maintain the certification the professional must complete ten (10) hours of continuing education annually.

**Retirement Income Certified Professional, RICP®:** Mr. Stearns earned the RICP® certification in 2020. A Retirement Income Certified Professional, RICP® is a certified financial advisor specializing in retirement income planning. This is one of the certifications offered by The American College of Financial Services. An RICP® professional has a high level of knowledge, experience, and commitment to best practices in the area of retirement income. RICP® professional guides individuals and their families in creating sustainable retirement income plans and assists in understanding the complexities of the current economic environment. The RICP® professional is equipped to handle the financial challenges associated with longer life spans, market volatility, inflation, and health-related expenses.

To begin the RICP® program the candidate must have a high school diploma or equivalent. The candidate must complete three (3) online, self-study courses and pass closed-book, proctored final course exams. To be awarded the use of the designation, the candidate must have at least three (3) years of experience in financial planning or a related profession. To maintain the designation the professional must complete thirty (30) hours of continuing education every two years, including one hour of ethics.

### Item 3: Disciplinary Information

Mr. Stearns has not been involved in any disciplinary events.

### Item 4: Other Business Activities

Mr. Stearns is not engaged in any other business activity.

### Item 5: Additional Compensation

Mr. Stearns does not receive any economic benefit, directly or indirectly, from a third party for investment advice or any other advisory services.

### Item 6: Supervision

Mr. Stearns is the Managing Member and Chief Compliance Officer of the firm. As a result, he has no internal supervision placed over him. However, he is bound by the firm's Code of Ethics with its written policies and procedures.

### Item 7: Requirements for State Registered Advisers

Mr. Stearns has not have been involved in an arbitration claim or in any civil, self-regulatory, or administrative proceeding; nor has he been the subject of a bankruptcy petition.