



# HEARTSTONE

## A D V I S O R S

GUIDING YOUR RETIREMENT PLAN SINCE 1958

*525 Railway Street #200  
Whitefish, MT 59937  
406-862-3795*

## **Disclosure Brochure**

March 1, 2020

This brochure provides information about the qualifications and business practices of HeartStone Advisors. If you have any questions about the contents of this brochure, please contact us at 406.862.3795. 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.

HeartStone Advisors is a dba of Main Line Retirement Advisors, LLC a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about HeartStone Advisors also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Home Office Address: 150 N. Radnor Chester Road F200 Radnor PA 19087 Phone: 800.480.8186

## Material Changes

HeartStone Advisors (“HeartStone, we, us, our, ours”) provides its Brochure initially when we enter into an advisory agreement with you. Going forward, we will deliver a summary of material changes and/or an updated Brochure on an annual basis, no later than April 29 of each year.

### **HeartStone Advisors has made the following Material Changes to our Brochure since our last Brochure filing on March 2019:**

We may also provide updated disclosure information about material changes on a more frequent basis. Any summaries of changes will include the date of our last annual update of our brochure.

Currently, our brochure may be requested by contacting Alfred F. Matarazzo, Chief Compliance Officer, at 406-862-3795. We will provide you with a new brochure at any time without charge.

Additional information about us is available via the SEC’s website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). This website also provides information about any persons affiliated with HeartStone Advisors who are registered as investment adviser representatives (“your advisory representative”) of HeartStone Advisors. Information on our investment adviser representatives who work with your account can be found in our brochure supplements.

CRD Number 284780

SEC Number 801-108390

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## **Advisory Business**

Main Line Retirement Advisors, LLC (“MLRA, we, us, our, ours”) is a Limited Liability Company organized under the laws of Pennsylvania. Al Matarazzo, Jr. is the principal owner and founded the Malvern, PA-based investment advisory firm in 2016. MLRA is a SEC registered investment advisory firm. In addition to Main Line Retirement Advisors, LLC, we offer our services under the brand HeartStone Advisors. Main Line Retirement Advisors also maintains a relationship with affiliated firm Main Line Financial Advisors, a wholistic wealth planning firm founded in 1958 by Alfred Matarazzo Sr. outside of Philadelphia, PA.

### **Individual Wealth Management Services**

Our firm offers discretionary and non-discretionary individual wealth management services through the HeartStone Wealth Management Program on a wrap fee basis. The fee you pay in this program covers our advisory fee and all brokerage commissions and other trading costs of transactions. We do not manage wrap fee accounts differently than we manage non-wrapped accounts. We receive a portion of the wrap fee for our services.

These services are described more fully in the HeartStone Wealth Management Program Brochure, which is available upon request.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (e.g. conservative, moderate, balanced, growth, aggressive), as well as tax considerations.

### **Corporate Retirement Consulting**

We assist corporate retirement plan sponsors by serving as their investment and fiduciary advisor, helping them meet the needs of their employees while working within increasingly stringent guidelines put in place by ERISA. Our service model involves implementing customized processes designed to help sponsors manage their organization’s plan as effectively as possible, including quarterly reporting, ERISA compliance and, when requested, assisting with employee allocations.

As part of a comprehensive corporate retirement plan management strategy, we regularly monitor plan fees and costs and review the overall performance of

investment options. Significant cost savings from providers and vendors may be realized through aggressive negotiation and process improvement. Among other functions, we will design and help implement an investment policy statement, propose funds to watch and make recommendations regarding investment changes within the plan, monitor existing investment options and conduct participant education seminars.

## **Assets Under Management**

As of December 31, 2019 we managed approximately \$202 million in client assets on a discretionary basis (where we made all of the investment decisions). We did not have any client assets managed on a non-discretionary basis (where our clients made the investment decisions based upon our recommendations).

## **Third Party Investment Advisory Services**

We may recommend that all or a portion of your portfolio be allocated to an unaffiliated third party investment manager. We have entered into an agreement with a third-party investment manager to provide investment management services for select clients. We will use the information you have provided about your investment objectives, goals, and risk tolerances, as well as other relevant information, to identify if a third-party investment manager appears appropriate for you.

## Fees and Compensation

### Fees for Individual Wealth Management Services

We offer our individual wealth management services on a wrap fee basis in which all transaction fees are included within the advisory fees that you pay. Additional information about this program and the fees charged can be found in the HeartStone Wealth Management Wrap Fee Program Brochure, which is available upon request.

### Fees for Corporate Retirement Consulting

Depending on the scope of the engagement, annualized fees range from 15 to 65 basis points (.15% - .65%) based on the total plan assets. These asset-based fees are charged in advance generally on a quarterly basis. The fee will be calculated based on the value of the Program Assets in the account on the last day of the previous quarter, as determined by the account custodian. All fees are in addition to any fees paid for brokerage or custody arrangements. In addition, fees to the plan administrator are covered under separate agreement between the two parties. Fees are invoiced to the plan sponsor and are automatically debited from the plan assets pursuant to written agreement. All fees are negotiable depending upon the size and complexity of the plan assets and program offered. Advisor may amend the fee amount with 90 days written notice to the plan sponsor.

□ INSTITUTIONAL INVESTORS

### ANNUAL ASSET BASED FEES

TOTAL ASSETS	NET FEE %
\$0 - \$2,500,000	0.65%
\$2,500,000 - \$5,000,000	0.50%
\$5,000,000 - \$10,000,000	0.40%
\$10,000,000 - \$20,000,000	0.35%
\$20,000,000 - \$50,000,000	0.25%
\$50,000,000 - \$100,000,000	0.15%
\$100,000,000 and above	Negotiable

The plan is invoiced for the fee and fees are automatically deducted from plan assets.

You must authorize us to have the custodian/broker-dealer pay us directly by charging your account. This authorization must be provided in writing. One-fourth of the annual fee is charged each calendar quarter.

#### **Quarterly Fee Calculation**

$$\text{Assets under Management} \times \text{Annual Fee} \div 4 = \text{Quarterly Fee}$$

Your custodian/broker-dealer provides you with statements that show the amount paid directly to us. You should review the custodian/broker-dealer's statement and verify the calculation of our fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations.

### **Additional Fees and Expenses**

In addition to our fee, you may be required to pay other charges such as:

- custodial fees,
- brokerage commissions,
- transaction fees,
- internal fees and expenses charged by mutual funds or exchange traded funds ("ETFs"), and
- other fees and taxes on brokerage accounts and securities transactions.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these explanations before investing any money. You may ask us any questions you have about fees and expenses.

If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company.

While you may purchase shares of mutual funds directly from the mutual fund

company without a transaction fee, those investments would not be part of our advisory relationship with you. This means that they would not be included in our investment strategies, investment performance monitoring, or portfolio reallocations.

Please be sure to read the section entitled “Brokerage Practices,” which follows later in this brochure.

### **Fees for Third Party Investment Advisory Services**

The advisory services provided by third party investment managers and the fees they charge for those services are detailed in their respective disclosure brochures. We will provide you with a copy of the brochure for each investment manager recommended to you. The fees paid to third party investment managers are in addition to the fees paid to us for the advisory services provided by HeartStone, and will appear separately on your on your custodial statements.

### **Compensation for the Sale of Securities or Other Investment Products**

Our advisory representatives do not collect any other forms of compensation.



## **Performance-Based Fees**

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments.

We do not charge performance-based fees on any of our client accounts.

## **Types of Clients**

We provide retirement plan services to corporations or business entities including their pension and profit sharing plans. We also provide investment management and retirement planning services to individuals.

As a condition for starting and maintaining an advisory relationship, we generally require a minimum portfolio value of \$1,000,000. We, at our sole discretion, may accept clients with smaller portfolios based upon certain factors including anticipated future earning capacity, anticipated future additional assets, account composition, related accounts, and pre-existing client relationships. We may consider the portfolios of your family members to determine if your portfolio meets the minimum size requirement.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

We select specific investments for your portfolios through the use of fundamental and technical analysis, as well as, charting.

Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

Charting involves identifying patterns that can suggest future activity in price movements. A chart pattern is a distinct formation on a stock chart that creates a trading signal or a sign of future price movements. Chartists use these patterns to identify current trends and trend reversals to trigger buy and sell signals. Some of the chart types are Line Charts, Bar Charts, Candlestick, Point and Figure, etc.

Although we manage your portfolio in a manner consistent with your risk tolerances, there can be no guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk.

Our investment strategies may include long-term and short-term purchases and sales, and the use of options, and trading (securities sold within 30 days). You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

## **Disciplinary Information**

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

## **Other Financial Industry Activities and Affiliations**

Al Matarazzo, Jr., managing partner and Chief Compliance Officer of HeartStone Advisors, is also owner and Chief Compliance Officer of Main Line Retirement Advisors, LLC (“MLRA”). MLRA is an SEC-registered investment adviser.

Information about your advisory representative's financial industry activities and affiliations is disclosed in the advisory representative's brochure supplement which you will receive with this brochure. Additional information about your advisory representative is also available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

We have adopted a *Code of Ethics* ("Code") to address the securities-related conduct of our advisory representatives and employees. The Code includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the Code and avoid any actual or potential conflict of interest, or any abuse of an advisory representative's or employee's position of trust and responsibility;
- that advisory representatives may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request. We do not buy or sell securities for our firm that we also recommend to clients. Our advisory representatives and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is owned by your or considered for purchase or sale for you.

We have adopted policies and procedures that are intended address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in your best interest,

- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an advisory representative or employee receiving a better price than a client.

Advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

## **Brokerage Practices**

We may recommend that the broker-dealer/custodian for your account be Schwab Institutional<sup>®</sup> division of Charles Schwab & Company, Inc. or TD Ameritrade, Inc. through its TD Ameritrade Institutional program (collectively “the broker dealer/custodian”). The broker dealer/custodian will assist us in servicing your accounts. We are independently owned and operated and not affiliated with the broker dealer/custodian. Our use of the broker dealer/custodian is, however, a beneficial business arrangement. Information regarding the benefits of this relationship is described below.

Our recommendation of a specific custodian is based in part on our existing relationships; the custodian’s financial strength; reputation; breadth of investment products; and, the cost and quality of custody and brokerage services provided to you and our other clients.

The determining factor in the selection of the broker dealer/custodian to execute transactions for your accounts is not the lowest possible transaction cost, but whether the broker dealer/custodian can provide what is in our view the best qualitative execution for your account.

In addition to brokerage and custody services, services customarily made available to advisers include access to investments generally available to institutional investors; research; software; and, educational opportunities. Custodians may also make available or arrange for these types of services to be provided to us by independent third parties. Custodians may discount or waive the fees they would otherwise charge for some of the services they make available to us. They may also pay all or a part of the fees of a third party providing these services to us.

We receive economic benefits as a result of our relationship with the custodians because we do not have to produce or purchase the products and services listed above. These services are not contingent upon us committing any specific amount of business to the custodians in trading commissions. We do not enter into soft-dollar arrangements with custodians or brokers

Because the amount of our compensation or the products or services we receive may vary depending on the custodian/broker-dealer we recommend to be used by our clients, we may have a conflict of interest in making that recommendation. Our recommendation of specific broker dealer/custodian may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interests at all times.

The custodians do not charge separately for holding our client accounts, but may be compensated by you through other transaction-related fees associated with the securities transactions they execute for your account.

Commissions and other fees for transactions executed through the broker dealer/custodian may be higher than commissions and other fees available if you use another custodian/broker-dealer firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by the broker dealer/custodian outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our accounts, including accounts not maintained at through the broker dealer/custodian. We do not attempt to allocate these benefits to specific clients.

You may direct us in writing to use a particular broker-dealer to execute some or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account with that broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or best execution. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients who direct us to use

a particular broker or dealer and other clients who do not direct us to use a particular broker or dealer.

## **Review of Accounts**

All accounts are reviewed with you by your assigned advisory representative, initially and at least annually or as agreed upon with you. The reviews focus on consistency of portfolio investments with investment objectives and risk tolerances. In addition, investment constraints are considered and tested against portfolio holdings. These constraints include but are not limited to:

- time horizon,
- liquidity needs,
- tax considerations,
- legal/regulatory constraints and
- any other unique circumstances.

We will monitor accounts on an ongoing basis. Account reviews may be triggered by potential changes in general economic and market conditions, analyst reports, company news and interest rate movement. There is no limit to the number of accounts assigned to the reviewer.

As previously noted, we strongly encourage you to advise your advisory representative of any changes in your personal circumstances, your investment goals or objectives, and your risk tolerances to ensure that your investments and investment strategies are most appropriate for you.

We do not perform review of financial plans unless you request us to do so. Our advisory representatives perform reviews in the ordinary course of their duties. Review of pension client assets will be conducted in accordance with the specific contract with each plan sponsor. All reviews will be conducted by Alfred Matarazzo, Jr. and the HeartStone team.

You will receive statements from the custodian/broker-dealer at least quarterly. These statements identify your current investment holdings, the cost of each of those investments, and their current market values.

## **Client Referrals and Other Compensation**

We may enter into written agreements with certain unaffiliated investment advisers and other professionals (such as CPAs, attorneys, etc.) to compensate them for referring clients to us. We will pay these individuals (referred to as “solicitors”) a percentage of the advisory fee that you pay us if it is determined that you have become a client of ours as a result of their direct or indirect efforts.

The payments we make to a solicitor will not result in an increase in the amount of the advisory fee that the referred client will pay.

Our solicitation or referral arrangements will comply with applicable laws that govern the nature of the services provided, the fees to be paid, disclosure of solicitor arrangements to clients, and client consents, as required.

We receive certain economic benefits as a result of our participation in a custodian institutional program. Those benefits are described in detail in the preceding section entitled “Brokerage Practices.”

As noted above, we may receive compensation when we refer you to third party asset managers. In practice we do not receive any additional compensation from third part asset managers. This possible compensation arrangement creates a conflict of interest because we have an incentive to recommend those third party asset managers based on the compensation we receive rather than what’s in your best interest. We address this conflict by disclosing it to you. Additionally, as fiduciaries we place your interests above our own in determining whether a referral to a third party asset manager is appropriate for you. You are under no obligation to use the services of a third party asset manager we recommend.

## **Custody**

Your account is maintained by a qualified custodian. However, we may be deemed to have custody when you authorize us to deduct our fees from your account. You will receive statements from the custodian/broker-dealer that holds your investment account on at least a quarterly basis. The statements will show the amount of our fee that was deducted. We urge you to carefully review these statements. You should verify that the transactions in your account are consistent

with your investment goals and the objectives for your account. We also encourage you to contact your advisory representative or our Chief Compliance Officer should you have any questions or concerns regarding your account.

## **Investment Discretion**

We offer our advisory services on a discretionary and non-discretionary basis.

Discretionary means that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts.

Non-discretionary means that we need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts.

We do not have the ability to withdraw funds from your account (other than to withdraw our advisory fees which, may only be done with your prior written authorization.) This discretion is used in a manner consistent with the stated investment objectives for your account, if you have given us written authorization to do so. We only exercise discretion in accounts where we have been authorized by you. This authorization is typically included in the investment advisory agreement you enter into with us.

## **Voting Client Securities**

We do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. You will receive proxy information from your account custodian. We will, however, forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

## **Financial Information**



We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding.

**Alfred F. Matarazzo, Jr.**



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**Brochure Supplement**

March 1, 2020

This brochure supplement provides information about Al Matarazzo, Jr. that supplements the HeartStone Advisors brochure. You should have received a copy of that brochure. Please contact Al Matarazzo, Chief Compliance Officer, if you did not receive HeartStone Advisor's brochure or if you have any questions about the contents of this supplement.

Additional information about Al Matarazzo, Jr, CRD Number 2232383, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Educational Background and Business Experience

Alfred Matarazzo, Jr.

Year of birth: 1970

Formal education includes:

- Albright College - 1993, B.S., Finance and Economics

Business background includes:

- Main Line Retirement Advisors, LLC -dba HeartStone Advisors  
Advisory Representative, Chief Compliance Officer, Managing Partner  
(2016 – Present)
- Main Line Financial Advisors, LLC - Advisory Representative; Owner  
(1992 – Present)
- Csege Advisory Group, Inc – Advisory Representative  
(2016 – Present)
- FSC Securities Corporation – Registered Representative;  
(1992 – 2018)

## Professional Designations

### CHARTERED MUTUAL FUND COUNSELOR® (“CMFC”)

The CMFC Program is the only industry-recognized mutual fund designation. It is the result of collaboration between the College for Financial Planning® and the Investment Company Institute (ICI), the primary trade association for the mutual fund industry. The program’s quality and thoroughness reflect the combined experience and expertise of the College and the ICI.

This program provides an individual with a thorough knowledge of mutual funds and their various uses as investment vehicles.

The College for Financial Planning® awards the CHARTERED MUTUAL FUND COUNSELOR<sup>SM</sup> and CMFC® designation to students who:

- successfully complete the program;
- pass the final examination; and
- comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions.

Applicants must also disclose of any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct. Conferment of the designation is contingent upon the College for Financial Planning's review of matters either self-disclosed or which are discovered by the College that are required to be disclosed.

Successful students are granted the right to use the designation on correspondence and business cards for a two-year period.

Continued use of the CMFC® designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the CMFC® designation by:

- completing 16 hours of continuing education;
- reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct; and
- paying a biennial renewal fee.

## **Disciplinary Information**

Alfred Matarazzo, Jr. has not been the subject of any legal or disciplinary event.

## **Other Business Activities**

Mr. Matarazzo has no other business activities other than those related to Main Line Retirement Advisors.

## **Additional Compensation**

Mr. Matarazzo receives no additional compensation related to the advisory services provided to you.

## **Supervision**

Mr. Matarazzo is Managing partner of Main Line Retirement Advisors, LLC dba HeartStone Advisors. As such, there is no employee in a position to supervise him.

Mr. Matarazzo is bound by the firm's Code of Ethics and compliance procedures, as well as the advisory contracts executed by our clients.

You may reach Mr. Matarazzo at 406-862-3795.

## Zachary T. Matarazzo



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Additional information about Zachary Matarazzo, CRD Number 6889116, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Educational Background and Business Experience**

Zachary T. Matarazzo

Year of birth: 1995

Formal education includes:

- Bucknell University – (2013 – 2017), Bachelor of Business Administration, Financial Management

Business background includes:

- Main Line Retirement Advisors, LLC dba HeartStone Advisors – Partner (06/2017 – Present)

## **Professional Designations**

### **AIF®--Accredited Investment Fiduciary**

Fiduciary 360 (fi360) provides fiduciary education; professional designations and support; and analytical, reporting and client management technology which are designed to support the fi360 Prudent Practices. The Accredited Investment Fiduciary® (AIF) designation is designed to educate investment fiduciaries on fi360's Prudent Practices, their legal underpinnings and how to apply them within existing fiduciary policies and procedures.

The AIF Training curriculum is offered in distance education or a blended learning option to suit each student's needs. Each format culminates in the 60 question AIF examination, which must be passed with 75% correct answers in order to file for the AIF designation. After passing the exam, a student wishing to file for the AIF Designation must submit the accreditation application and accreditation fee.

In order to earn and maintain the AIF Designation, individuals must also fulfill the following requirements:

- Meet prerequisite requirements through a sufficient combination of experience, education, licensing, and/or industry credentials.
- Attest to the AIF Code of Ethics.
- Comply with the AIF qualification and conduct standards.
- Accrue six hours of continuing professional education each renewal year with at least four coming from fi360-produced sources.
- Maintain current contact information in fi360's designee database

## **Disciplinary Information**

Zachary Matarazzo has not been the subject of any legal or disciplinary event.

## **Other Business Activities**

Mr. Matarazzo is not engaged in any business activities other than those related to Main Line Retirement Advisors, LLC dba HeartStone Advisors

## **Additional Compensation**

Mr. Matarazzo does not receive any additional compensation related to the advisory services provided to you.

## **Supervision**

Zachary Matarazzo is supervised by Alfred Matarazzo, Jr., Chief Compliance Officer of Main Line Retirement Advisors, LLC. dba HeartStone Advisors. You may reach Alfred Matarazzo, Jr. at 406-862-3795.

We supervise Zachary Matarazzo by requiring that he adhere to our processes and procedures as described in our firm's Code of Ethics. We will monitor the advice that Mr. Matarazzo gives to you by performing the following reviews:

- A review of relevant account opening documentation when the relationship is established;
- A review of account transactions;
- Review custodial information on a quarterly basis to assess account activity;
- Perform annual oversight so that Mr. Matarazzo is aware of your current financial situation, objectives, and individual investment needs;
- A review of client correspondence; and
- Annual random sampling of client account to review the proper alignment of client objectives and investments.



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## ***HeartStone Wealth Management Program***

### **Wrap Fee Program Brochure**

March 1, 2020

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Currently, our brochure may be requested by contacting Alfred F. Matarazzo, Chief Compliance Officer, at 406-862-3795. We will provide you with a new brochure at any time without charge.

Additional information about us is available via the SEC’s website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). This website also provides information about any persons affiliated with HeartStone Advisors who are registered as investment adviser representatives (“your advisory representative”) of HeartStone Advisors. Information on our investment adviser representatives who work with your account can be found in our brochure supplements.

CRD Number 284780

SEC Number 801-108390

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## **Services, Fees and Compensation**

Our firm provides continuous advice to a client (individuals and trusts, estates, non-profit organizations and charitable organizations) regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (e.g. conservative, moderate, balanced, growth, aggressive), as well as tax considerations.

### **Individual Wealth Management Services**

Our firm offers discretionary and non-discretionary individual wealth management services through the HeartStone Wealth Management Program on a wrap fee basis. A wrap-fee program is a type of investment program that provides clients with asset management and brokerage services for one all-inclusive fee. If you participate in our wrap fee program, you will pay us a single fee, which includes money management fees, certain transaction costs, and custodial and administrative costs. You are not charged separate fees for the respective components of the total service.

Our firm provides continuous advice to a client (individuals and trusts, estates, non-profit organizations and charitable organizations) regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our firm also provides Comprehensive Wealth Management Services to clients which include all of the services listed above plus certain financial planning services which may involve tax planning, retirement planning, risk management analysis, estate planning, cash flow planning, business planning and/or education planning.

## **Custody**

An unaffiliated entity acts as custodian for Program Accounts. We will generally recommend that the broker-dealer/custodian for your account be TD Ameritrade, Inc. through its TD Ameritrade Institutional program. The broker dealer/custodian will assist us in servicing your accounts. You will receive statements from the custodian/broker-dealer that holds your Program Account on at least a quarterly basis.

## **Fees and Compensation**

We offer our individual wealth management services on a fee-only basis. All fees are negotiable at our sole discretion. Our fees may be higher or lower than the fees charged by other advisors for similar services.

Our fee is calculated based upon the net market value of the investment assets in your account. One-fourth our fee is billed each calendar quarter based on the value of your account on the last day of that quarter.

Broker-dealers and other financial institutions that hold investment accounts for advisory clients are referred to as custodians (hereinafter referred to as “custodian/broker-dealer”). Your custodian/broker-dealer will determine the values of the assets in your account.

We require that you authorize us in writing to direct your custodian to pay our investment advisory fees directly to us by charging your account. This authorization is set forth in the investment advisory agreement you will execute to retain our services.

Our fees are charged on a tiered schedule, in which a different rate is applied to different portions of your assets based on established breakpoints. Our annual fees for the direct management of your account are as follows:

☐ INDIVIDUAL INVESTORS

## SCHEDULE A

ASSET LEVEL	ANNUAL FEE %
First \$1,000,000	1.00%
Next \$4,000,000	0.50%
Amounts Above \$5,000,000	0.25%

Your custodian/broker-dealer provides you with statements that show the amount paid directly to us. You should review the custodian/broker-dealer's statement and verify the calculation of our fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations.

This wrap fee program may cost you more or less than purchasing these services separately, depending on the amount of trading activity in your account, the value of services that are provided to you under this program, and other factors. Therefore, we may have a financial incentive to recommend the wrap fee program over other programs or services. Generally, wrap programs may result in higher overall costs to you in accounts that experience little trading activity.

### General Fee Information

In addition to our fee, certain additional charges may be assessed. These fees are not assessed or paid by HeartStone and may include:

- internal fees and expenses charged by mutual funds or exchange traded funds ("ETFs"),
- maintenance and termination fees for IRAs, certain retirement and qualified accounts; and
- other fees and taxes on brokerage accounts and securities transactions.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly

encouraged to read these explanations before investing any money. You may ask us any questions you have about fees and expenses.

If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company.

### **Other Compensation**

Our advisory representatives receive no additional compensation.

### **Account Requirements and Types of Clients**

We provide retirement plan services to corporations or business entities including their pension and profit sharing plans. We also provide investment management and retirement planning services to individuals.

As a condition for starting and maintaining an advisory relationship, we generally require a minimum portfolio value of \$1,000,000. We, at our sole discretion, may accept clients with smaller portfolios based upon certain factors including anticipated future earning capacity, anticipated future additional assets, account composition, related accounts, and pre-existing client relationships. We may consider the portfolios of your family members to determine if your portfolio meets the minimum size requirement.

### **Portfolio Manager Selection and Evaluation**

Your HeartStone advisory representative is the sole portfolio manager for your account in this Program. Please refer to your advisory representative's Brochure Supplement to this brochure for information about his education, business experience, and disciplinary information.

## **Portfolio Management Services**

As described in “Services, Fees and Compensation” above, clients inform their Advisory Representative of their investment objectives, risk tolerance, and investment time horizon and give their Advisory Representative any applicable investment policies, guidelines, or reasonable restrictions. Based on this information, the Advisory Representative assists the client in selecting an investment strategy.

Clients may impose restrictions on the investments in their accounts, including designating particular securities or types of securities that should not be purchased for an account. The Firm may reject the restriction or the account if the Firm deems the restriction to be unreasonable.

A client also may request that HeartStone manage the client's account in accordance with client-specified investment guidelines or policies or otherwise implement a strategy in the client's account in a manner that may differ from that in which the Firm would otherwise implement the strategy in the account. The Firm may either reject these changes or reject the account.

In the absence of client-specified investment restrictions, guidelines or policies and/or other modifications to the implementation of a strategy that have been accepted by HeartStone, the Firm will generally manage accounts in a manner very similar to that of other clients who have selected the same strategy.

## **Advisory Services**

HeartStone provides advice through other programs and services. These programs and services are described in HeartStone’s *Disclosure Brochure* which is available upon request. These programs and services generally are not managed using the same strategies and funds used in the Program. HeartStone does not manage these accounts differently than accounts in the Program.



## **Assets Under Management**

As of December 31, 2019 we managed approximately \$202 million in client assets on a discretionary basis (where we made all of the investment decisions). We did not have any client assets managed on a non-discretionary basis (where our clients made the investment decisions based upon our recommendations).

## **No Performance-Based Fees**

Neither HeartStone nor any of its supervised persons charge performance-based fees on any of our client accounts. Performance-based fees are fees based on a share of capital gains or on capital appreciation of the assets of a client.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

We select specific investments for your portfolios through the use of fundamental and technical analysis, as well as, charting.

Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

Charting involves identifying patterns that can suggest future activity in price movements. A chart pattern is a distinct formation on a stock chart that creates a trading signal or a sign of future price movements. Chartists use these patterns to identify current trends and trend reversals to trigger buy and sell signals. Some of the chart types are Line Charts, Bar Charts, Candlestick, Point and Figure, etc.

Although we manage your portfolio in a manner consistent with your risk tolerances, there can be no guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk.

Our investment strategies may include long-term and short-term purchases and sales, and the use of options, and trading (securities sold within 30 days). You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

### **Voting Client Securities**

We do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. You will receive proxy information from your account custodian. We will, however, forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

### **Client Information Provided to Portfolio Managers**

HeartStone obtains information about you through:

- Paperwork you provide, such as the Confidential Investor Profile, and product applications
- Interviews and conversations with you and
- Product or service vendors related to your HeartStone account(s)

This information is updated when you communicate new information about your financial circumstances, objectives, or goals to your advisory representative.

HeartStone values you as a client and recognizes the importance of protecting the personal information you provide. HeartStone protects your information in accordance with our Privacy Statement which has been provided to you.

### **Client Contact with Portfolio Manager**

Clients are encouraged to contact their Advisory Representatives when they have questions about their Account, or to update their investment objectives, risk tolerance or other financial information that may affect the manner in which their accounts are managed.

Advisory Representatives are expected to periodically meet with you and generally be available to take your call on advisory-related matters.

### **Disciplinary Information**

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

### **Other Financial Industry Activities and Affiliations**

Al Matarazzo, Jr., managing partner and Chief Compliance Officer of HeartStone Advisors, is also owner and Chief Compliance Officer of Main Retirement Advisors, LLC (“MLRA”). MLRA is an SEC-registered investment adviser.

Information about your advisory representative’s financial industry activities and affiliations is disclosed in the advisory representative’s brochure supplement which you will receive with this brochure. Additional information about your advisory representative is also available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

We have adopted a *Code of Ethics* (“Code”) to address the securities-related conduct of our advisory representatives and employees. The Code includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the Code and avoid any actual or potential conflict of interest, or any abuse of an advisory representative’s or employee’s position of trust and responsibility;
- that advisory representatives may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request. We do not buy or sell securities for our firm that we also recommend to clients. Our advisory representatives and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is owned by your or considered for purchase or sale for you.

We have adopted policies and procedures that are intended address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in your best interest,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an advisory representative or employee receiving a better price than a client.

Advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

## **Brokerage Practices**

We may recommend that the broker-dealer/custodian for your account be TD Ameritrade, Inc. through its TD Ameritrade Institutional program (collectively “the broker dealer/custodian”). The broker dealer/custodian will assist us in servicing your accounts. We are independently owned and operated and not affiliated with the broker dealer/custodian. Our use of the broker dealer/custodian is, however, a beneficial business arrangement. Information regarding the benefits of this relationship is described below.

Our recommendation of a specific custodian is based in part on our existing relationships; the custodian’s financial strength; reputation; breadth of investment products; and, the cost and quality of custody and brokerage services provided to you and our other clients.

The determining factor in the selection of the broker dealer/custodian to execute transactions for your accounts is not the lowest possible transaction cost, but whether the broker dealer/custodian can provide what is in our view the best qualitative execution for your account.

In addition to brokerage and custody services, services customarily made available to advisers include access to investments generally available to institutional investors; research; software; and, educational opportunities. Custodians may also make available or arrange for these types of services to be provided to us by independent third parties. Custodians may discount or waive the fees they would otherwise charge for some of the services they make available to us. They may also pay all or a part of the fees of a third party providing these services to us.

We receive economic benefits as a result of our relationship with the custodians because we do not have to produce or purchase the products and services listed above. These services are not contingent upon us committing any specific amount of business to the custodians in trading commissions. We do not enter into soft-dollar arrangements with custodians or brokers

Because the amount of our compensation on the products or services we receive may vary depending on the custodian/broker-dealer we recommend to be used by our clients, we may have a conflict of interest in making that recommendation. Our recommendation of specific broker dealer/custodian may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interests at all times.

The custodians do not charge separately for holding our client accounts, but may be compensated by you through other transaction-related fees associated with the securities transactions they execute for your account.

Commissions and other fees for transactions executed through the broker dealer/custodian may be higher than commissions and other fees available if you use another custodian/broker-dealer firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by the broker dealer/custodian outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our accounts, including accounts not maintained at through the broker dealer/custodian. We do not attempt to allocate these benefits to specific clients.

You may direct us in writing to use a particular broker-dealer to execute some or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account with that broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or best execution. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients who direct us to use a particular broker or dealer and other clients who do not direct us to use a particular broker or dealer.

## Review of Accounts

All accounts are reviewed with you by your assigned advisory representative, initially and at least annually or as agreed upon with you. The reviews focus on consistency of portfolio investments with investment objectives and risk tolerances. In addition, investment constraints are considered and tested against portfolio holdings. These constraints include but are not limited to:

- time horizon,
- liquidity needs,
- tax considerations,
- legal/regulatory constraints and
- any other unique circumstances.

We will monitor accounts on an ongoing basis. Account reviews may be triggered by potential changes in general economic and market conditions, analyst reports, company news and interest rate movement. There is no limit to the number of accounts assigned to the reviewer.

As previously noted, we strongly encourage you to advise your advisory representative of any changes in your personal circumstances, your investment goals or objectives, and your risk tolerances to ensure that your investments and investment strategies are most appropriate for you.

We do not perform review of financial plans unless you request us to do so. Our advisory representatives perform reviews in the ordinary course of their duties. Review of pension client assets will be conducted in accordance with the specific contract with each plan sponsor. All reviews will be conducted by Alfred Matarazzo, Jr. and the HeartStone team.

You will receive statements from the custodian/broker-dealer at least quarterly. These statements identify your current investment holdings, the cost of each of those investments, and their current market values.

## **Client Referrals and Other Compensation**

We may enter into written agreements with certain unaffiliated investment advisers and other professionals (such as CPAs, attorneys, etc.) to compensate them for referring clients to us. We will pay these individuals (referred to as “solicitors”) a percentage of the advisory fee that you pay us if it is determined that you have become a client of ours as a result of their direct or indirect efforts.

The payments we make to a solicitor will not result in an increase in the amount of the advisory fee that the referred client will pay.

Our solicitation or referral arrangements will comply with applicable laws that govern the nature of the services provided, the fees to be paid, disclosure of solicitor arrangements to clients, and client consents, as required.

We receive certain economic benefits as a result of our participation in a custodian institutional program. Those benefits are described in detail in the preceding section entitled “Brokerage Practices.”

As noted above, we may receive compensation when we refer you to third party asset managers. In practice we do not receive any additional compensation from third part asset managers. This possible compensation arrangement creates a conflict of interest because we have an incentive to recommend those third party asset managers based on the compensation we receive rather than what’s in your best interest. We address this conflict by disclosing it to you. Additionally, as fiduciaries we place your interests above our own in determining whether a referral to a third party asset manager is appropriate for you. You are under no obligation to use the services of a third party asset manager we recommend.

## **Financial Information**

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding.



**Alfred F. Matarazzo, Jr.**



**HEARTSTONE**  
A D V I S O R S  
GUIDING YOUR RETIREMENT PLAN SINCE 1958

*525 Railway Street #200  
Whitefish, MT 59937  
406-862-3795*

**Brochure Supplement**

March 1, 2020

This brochure supplement provides information about Al Matarazzo, Jr. that supplements the HeartStone Advisors brochure. You should have received a copy of that brochure. Please contact Al Matarazzo, Chief Compliance Officer, if you did not receive HeartStone Advisor's brochure or if you have any questions about the contents of this supplement.

Additional information about Al Matarazzo, Jr, CRD Number 2232383, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Educational Background and Business Experience

Alfred Matarazzo, Jr.

Year of birth: 1970

Formal education includes:

- Albright College - 1993, B.S., Finance and Economics

Business background includes:

- Main Line Retirement Advisors, LLC – dba HeartStone Advisors  
Advisory Representative, Chief Compliance Officer, Managing Partner  
(2016 – Present)
- Main Line Financial Advisors, LLC - Advisory Representative; Owner  
(1992 – Present)
- Csege Advisory Group, Inc. – Advisory Representative  
(2016 – Present)
- FSC Securities Corporation – Registered Representative;  
(1992 – 2018)

## Professional Designations

### CHARTERED MUTUAL FUND COUNSELOR® (“CMFC”)

The CMFC Program is the only industry-recognized mutual fund designation. It is the result of collaboration between the College for Financial Planning® and the Investment Company Institute (ICI), the primary trade association for the mutual fund industry. The program’s quality and thoroughness reflect the combined experience and expertise of the College and the ICI.

This program provides an individual with a thorough knowledge of mutual funds and their various uses as investment vehicles.

The College for Financial Planning® awards the CHARTERED MUTUAL FUND COUNSELOR<sup>SM</sup> and CMFC® designation to students who:

- successfully complete the program;
- pass the final examination; and
- comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions.

Applicants must also disclose of any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct. Conferment of the designation is contingent upon the College for Financial Planning's review of matters either self-disclosed or which are discovered by the College that are required to be disclosed.

Successful students are granted the right to use the designation on correspondence and business cards for a two-year period.

Continued use of the CMFC® designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the CMFC® designation by:

- completing 16 hours of continuing education;
- reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct; and
- paying a biennial renewal fee.

## **Disciplinary Information**

Alfred Matarazzo, Jr. has not been the subject of any legal or disciplinary event.

## **Other Business Activities**

Mr. Matarazzo has no other business activities other than those related to Main Line Retirement Advisors.

## **Additional Compensation**

Mr. Matarazzo does not receive any additional compensation related to the advisory services provided to you.

## **Supervision**

Mr. Matarazzo is Managing Partner and principal owner of HeartStone Advisors. As such, there is no employee in a position to supervise him.

Mr. Matarazzo is bound by the firm's Code of Ethics and compliance procedures, as well as the advisory contracts executed by our clients.

You may reach Mr. Matarazzo at 406-862-3795.

## Zachary T. Matarazzo



HEARTSTONE  
A D V I S O R S  
GUIDING YOUR RETIREMENT PLAN SINCE 1958

*525 Railway Street #200  
Whitefish, MT 59937  
406-862-3795*

### **Brochure Supplement**

March 1, 2020

This brochure supplement provides information about Zachary Matarazzo that supplements the HeartStone Advisors brochure. You should have received a copy of that brochure. Please contact Al Matarazzo, Chief Compliance Officer, if you did not receive HeartStone Advisor's brochure or if you have any questions about the contents of this supplement.

Additional information about Zachary Matarazzo, CRD Number 6889116, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Educational Background and Business Experience**

Zachary T. Matarazzo

Year of birth: 1995

Formal education includes:

- Bucknell University – (2013 – 2017), Bachelor of Business Administration, Financial Management

Business background includes:

- Main Line Retirement Advisors, LLC dba HeartStone Advisors - Partner (06/2017 – Present)

## **Professional Designations**

### **AIF®--Accredited Investment Fiduciary**

Fiduciary 360 (fi360) provides fiduciary education; professional designations and support; and analytical, reporting and client management technology which are designed to support the fi360 Prudent Practices. The Accredited Investment Fiduciary® (AIF) designation is designed to educate investment fiduciaries on fi360's Prudent Practices, their legal underpinnings and how to apply them within existing fiduciary policies and procedures.

The AIF Training curriculum is offered in distance education or a blended learning option to suit each student's needs. Each format culminates in the 60 question AIF examination, which must be passed with 75% correct answers in order to file for the AIF designation. After passing the exam, a student wishing to file for the AIF Designation must submit the accreditation application and accreditation fee.

In order to earn and maintain the AIF Designation, individuals must also fulfill the following requirements:

- Meet prerequisite requirements through a sufficient combination of experience, education, licensing, and/or industry credentials.
- Attest to the AIF Code of Ethics.
- Comply with the AIF qualification and conduct standards.
- Accrue six hours of continuing professional education each renewal year with at least four coming from fi360-produced sources.
- Maintain current contact information in fi360's designee database

## **Disciplinary Information**

Zachary Matarazzo has not been the subject of any legal or disciplinary event.

## **Other Business Activities**

Mr. Matarazzo is not engaged in any business activities other than those related to Main Line Retirement Advisors, LLC

## **Additional Compensation**

Mr. Matarazzo does not receive any additional compensation related to the advisory services provided to you.

## **Supervision**

Zachary Matarazzo is supervised by Alfred Matarazzo, Jr., Chief Compliance Officer of Main Line Retirement Advisors, LLC. dba HeartStone Advisors. You may reach Alfred Matarazzo, Jr. at 406-862-3795.

We supervise Zachary Matarazzo by requiring that he adhere to our processes and procedures as described in our firm's Code of Ethics. We will monitor the advice that Mr. Matarazzo gives to you by performing the following reviews:

- A review of relevant account opening documentation when the relationship is established;
- A review of account transactions;
- Review custodial information on a quarterly basis to assess account activity;
- Perform annual oversight so that Mr. Matarazzo is aware of your current financial situation, objectives, and individual investment needs;
- A review of client correspondence; and
- Annual random sampling of client account to review the proper alignment of client objectives and investments.

## HEARTSTONE ADVISORS' PRIVACY STATEMENT

In establishing an advisory account with HeartStone Advisors' ("HA"), it is necessary that you provide HA with certain personal financial information necessary to manage your account in a manner consistent with your investment objectives and personal financial goals.

### **Types of Nonpublic Personal Information We Collect**

HA collects nonpublic personal information about you that is provided by you or obtained by HA with your authorization. HA may collect nonpublic personal information about you from the following sources:

- Information HA receives from you on applications or other forms, and
- Information about your securities transactions with HA or other advisers and broker/dealers which may be providing financial services to you.

### **Parties to Whom We Disclose Information**

It is the policy of HA that we do not disclose any nonpublic personal information about our clients or former clients to unaffiliated third parties, except as permitted by law. When necessary to provide all of the services you request for your account, HA may provide nonpublic personal information about you to certain third parties, such as clearing firms that serve or may serve as the custodian of your account, or that may effect securities transactions on your behalf, or insurance companies. Such disclosure is only made to fulfill our duties to you in fully servicing your account. Under no circumstances do we sell your name or other information to anyone.

### **Protecting the Confidentiality and Security of Clients' Information**

HA retains records relating to professional services that we provide so that we are better able to assist you with your needs. HA restricts access to your personal and account information to those employees who need to know that information to provide products or services to you. HA maintains physical, electronic, and procedural safeguards to guard your non-public personal information. If you decide to close your account(s) with HA or become an inactive customer, HA will adhere to the privacy policies and practices as described in this notice.

If you should have any questions regarding our Privacy Policy please call our Chief Compliance Officer at 406-862-3795.

## BUSINESS CONTINUITY PLAN

To facilitate an efficient and timely resumption of interrupted business operations in case of a disaster, HA has established procedures with respect to its own employees, books and records, clients, and the trading data of our clients necessary in managing their accounts. The intent of these procedures is to minimize disruption of services and inconvenience to our employees and our clients allowing HA to fulfill its fiduciary, legal and regulatory obligations.

### 1. Employee Communications

A contact list of all current employees including home telephone numbers, cell phone numbers and emergency contact numbers will be maintained by the Chief Compliance Officer ("CCO"). This list will identify who has the responsibility to declare a disaster situation, who has the authority to activate the recovery plan, and who is responsible for contacting other employees once a disaster has been declared and for keeping employees informed of how the business recovery process is progressing. Calling teams may be defined to facilitate prompt dissemination of information.

It is the responsibility of each employee to provide all revisions to this contact list in a timely manner to the CCO; and, at least yearly, the CCO will require each employee to verify the data is current and has not changed. In addition, each employee with responsibilities for contacting other employees will keep a copy of this list at his/her home where he/she can access it should an urgent situation occur outside regular office hours.

In case of a disaster, the CCO will contact the Managing Member to determine the extent of the emergency and decide what is expected of employees at that time. The CCO will then call each employee or call team captain to let them know the status and when to expect further updates.

Employees are required to keep the CCO or their call team captain informed as to where they are and how they may be contacted throughout the duration of the disaster.

### 2. Alternative Physical Facilities / Relocation Site

If the principal place of business is damaged or destroyed, each employee will be told where they are to report and when. Emergency headquarters will be established in the home of a principal officer of HA or some other predefined location until the principal place of business is repaired or until another site is selected. Where practicable, employees will be permitted to work from their home.

If it is necessary to evacuate the entire area (i.e. in case of hurricanes, tornadoes or an event such as occurred September 11, 2001), the CCO will let everyone know if a temporary office site is being established, where it is, and who is to report there and when.

The CCO will notify the telephone company and the post office as to where telephone calls and mail should be forwarded until they are able to return to the principal place of business or a new permanent principal place of business is established. As soon as practicable, the CCO will update their ADV through the IARD system to reflect any changes.

The CCO will also maintain a complete list of all computer equipment and software required for the company to resume activities. This list will include hardware serial numbers, software registration numbers and names and telephone numbers for all manufacturers of both hardware and software. He/she will have available lists of vendors where this equipment may be obtained promptly and efficiently.

The Managing Member will contact the insurance company and start proceedings for any claims that may need to be submitted.

### 3. Client Communications



Each IAR will maintain a list of their clients including contact information and will provide this information to the CCO who will maintain a master list of clients. IARs will also keep a copy of this list at their home and will promptly establish communications with each of their clients and their respective brokers as soon as practicable following an emergency or a disaster. If it is necessary to evacuate an area, adviser representatives will have this list with them or have access to retrieve it.

If an adviser representative is not able to contact his clients, it is the responsibility of the CCO to notify these clients of the adviser representative's situation and assist them in determining how best their account may be managed at that time.

In the event that HA's principal place of business is damaged or destroyed, a principal officer of HA will promptly retrieve client account data from its off-premise storage location (see below) and adviser representatives will promptly establish communications with each of their clients and their respective brokers as soon as practicable.

After communications have been established with the client and his/her respective brokers, the adviser representative will ascertain whether there are any pending trades for his/her client's accounts or whether such trades have been executed.

#### **4. Client Profile Information**

Hard copies of client written agreements and other supporting documents executed in setting up client accounts will be maintained in each client's folder at HA's principal place of business. These documents are maintained on the premise of the principal place of business for as long as the account is active. If an account becomes inactive, these documents will remain at the principal place of business for two years and thereafter filed in a specified off-premise location.

All of the above account information is stored on HA's computer hard drive and backed up at least quarterly onto some other storage media, i.e., CD, zip drive diskettes, or a remote computer hard drive. These backed up files will be maintained at a specified off-site location and are available in the event the hard copies are lost or destroyed. The off-site location will have adequate security to protect client and company confidential information.

#### **5. Brokerage Statements and Trading Data**

Copies of client brokerage statements and trade confirmations are maintained at the principal place of business for at least two years. These records will be maintained in each client's personal folder or they may be maintained in files containing all clients' statements for a given month. Trade confirmations for all clients may also be maintained by month.

#### **6. Communication Systems Disruption**

In the event that telephone communications are disrupted, adviser representatives should attempt to communicate with their clients through personal cell phones if practicable. For this reason it may be prudent to obtain the cell phone number(s) of clients (if available) who are active in the markets. This information could be included on the clients' written agreements with HA.

#### **7. Incapacity of Sole Proprietor**

Should a sole proprietor serving as manager for client accounts become incapacitated (or demised), it is prudent to have an understanding with his/her clients that in the event of such incapacity, the client should contact the brokerage firm handling his/her account and direct that no further trades are to be executed for the account by anyone other than the client until such time that another manager has been engaged.

#### **8. Incapacity of Adviser Representative**

In the event that the adviser representative managing client accounts becomes incapacitated (or demised), it will be the responsibility of the principal officer of HA to contact the clients and make arrangements for another manager of similar temperament and experience to assume responsibility for these accounts. However, the client(s) must approve any reassignment of management responsibility in writing.

**9. Principal Place of Business in Office Building or Park**

HA will coordinate with the management team for the office building or office park in developing plans for evacuating the office premises should a disaster occur during office hours.

**10. Testing the Procedures**

At least once during each calendar year, HA's CCO will test the adequacy of the Business Continuity Plan and maintain documentation of such testing.