

FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMB APPROVAL

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Name of Investment Adviser: Stack Financial Management, Inc.					
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
	2472 Birch Glen, Suite A	Whitefish	MT	59937	(406) 862-8000

This part of FORM ADV gives information about the investment adviser and its business for the use of clients. The information has not been approved or verified by any government authority.

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(Schedule A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Applicant:
Stack Financial Management, Inc.

SEC File Number:
801- 45724

Date:
2/22/2010

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- (1) Provides investment supervisory services %
- (2) Manages investment advisory accounts not involving investment supervisory services..... 100 %
- (3) Furnishes investment advice through consultations not included in either service described above... %
- (4) Issues periodicals about securities by subscription %
- (5) Issues special reports about securities not included in any service described above..... %
- (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... %
- (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities... %
- (8) Provides a timing service %
- (9) Furnishes advice about securities in any manner not described above..... %

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- B. Does applicant call any of the services it checked above financial planning or some similar term? Yes No

C. Applicant offers investment advisory services for: (check all that apply)

- (1) A percentage of assets under management (4) Subscription fees
- (2) Hourly charges (5) Commissions
- (3) Fixed fees (not including subscription fees) (6) Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients - Applicant generally provides investment advice to: (check those that apply)

- A. Individuals E. Trusts, estates, or charitable organizations
- B. Banks or thrift institutions F. Corporations or business entities other than those listed above
- C. Investment companies G. Other (describe on Schedule F)
- D. Pension and profit sharing plans

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)

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3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | <input checked="" type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> (3) Foreign issuers | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input checked="" type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No

(If yes, please describe these standards on Schedule F)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
 - (1) broker-dealer
 - (2) investment company
 - (3) other investment adviser
 - (4) financial planning firm
 - (5) commodity pool operator, commodity trading adviser or futures commission merchant
 - (6) banking or thrift institution
 - (7) accounting firm
 - (8) law firm
 - (9) insurance company or agency
 - (10) pension consultant
 - (11) real estate broker or dealer
 - (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.. Yes No

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sell for itself securities it also recommended to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment advisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other condition for starting or maintaining an account?

Yes No

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory account, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

All accounts are reviewed at least quarterly by one of the Applicant's Portfolio Managers. These reviews consist of an overview of the client's investments and portfolio performance in light of the client's objectives. Factors which may trigger additional reviews would include, but are not necessarily limited to the following: (i) a change in the stated objectives of the client, or (ii) significant changes in market conditions.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Applicant will provide a quarterly report for all clients. This report will include a summary of the investment position of the client as well as an analysis of market conditions during the past quarter and an outlook for the investment market. In addition, all clients will receive quarterly or monthly statements from their broker/dealer, custodian, or investment company holding their assets which set forth all transactions and activity in the accounts.

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12. Investment or Brokerage Discretion.

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- | | | |
|--|---|--|
| (1) securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) amount of securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) broker or dealer to be used? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) commission rates paid? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? Yes No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|------------------------------|--|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet?..... Yes No

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant: Stack Financial Management, Inc.	SEC File Number: 801- 45724	Date: 2/22/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Stack Financial Management, Inc.	IRS Empl. Ident. No.: 81-0489281
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Item of Form (identify)	Answer
Item 1 (D).	<p>Applicant provides investment advisory services to clients in accordance with the investment objectives stated by the client and confirmed by the Applicant in writing. In providing these services, the Applicant shall use its discretion with respect to the purchase and sale of investment securities on behalf of the client in accordance with the stated objectives. All investment securities and the proceeds from such securities, if any, shall be the sole property of the client and shall be held at Charles Schwab & Company, Inc., an independent custodial institution.</p> <p>Applicant will use a number of different methods in selecting investment securities and structuring client portfolios. These methods may be used separately or in combination depending upon factors such as the market conditions currently prevailing and the objectives specified by the client. The methods used will include fundamental and technical analysis. In addition, the Applicant intends to use a number of the indicators developed and published by InvesTech Research. These indicators include (i) long term indicators such as the <i>Monetary Exposure Profile</i> which measures banking liquidity, credit demand and key interest rate trends, the <i>Negative Leadership Composite</i> which measures selling pressure within the equity markets, and a variety of bond models; (ii) intermediate term indicators such as the <i>A/D Divergence Index</i> which monitors market breadth, and (iii) short term indicators including the <i>Pressure Factor</i> which is a measure of investor sentiment. No one approach to the market will be used exclusively and the investment strategies will necessarily vary based upon the investment objectives of the client.</p> <p>Applicant divides investment objectives of clients into two broad categories: Capital Appreciation Portfolios and Value & Dividend Portfolios. Individual client objectives will be established through a Confidential Financial and Investment Profile provided to prospective clients prior to the execution of an Investment Management Agreement.</p> <p>The portfolios in Capital Appreciation and Value & Dividend Accounts will be managed according to the objectives of the clients, and aligned with one of the two categories. The portfolios in each category will be managed to take advantage of selective investment opportunities as they arise throughout a variety of market sectors. The potential for higher return from Capital Appreciation Portfolios will necessarily be accompanied by proportionately higher risk and portfolio turnover. All accounts, regardless of objective, may at times be 100% invested in T-bills or a money market fund.</p>

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
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Applicant: Stack Financial Management, Inc.	SEC File Number: 801- 45724	Date: 2/22/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Stack Financial Management, Inc.	IRS Empl. Ident. No.: 81-0489281
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Item of Form (identify)	Answer
Item 1 (D). (continued)	<p>The objectives, and type of investment contemplated for each category are as follows:</p> <p>Capital Appreciation Portfolios: Designed for investors whose primary objective is conservative growth. Income is not a primary consideration. These portfolios are particularly well suited for value-oriented investors seeking to maximize their retirement or long-term savings, and who have over 10 years until retirement or anticipated capital withdrawals. This strategy selects companies with strong internal growth characteristics and a history of success. These firms are typically market leaders in their core business. While valuation is important, the emphasis is on growth at a reasonable price. Investments may include:</p> <ul style="list-style-type: none"> • Predominantly small- to mid-cap stocks, with some large-cap stocks. • Growth mutual funds or exchanged traded funds (ETFs), including capital appreciation opportunities in sector funds. • International stocks (ADRs), including emerging markets. • Defensive positions in precious metals stocks or bear market funds if conditions warrant. • Money market funds or T-bills. <p>Value & Dividend Portfolios: Designed for those who want a consistent and relatively high level of dividend income, as well as capital appreciation potential. This option is most suitable for conservative clients, who want more stable returns and a lower level of price volatility, or retired investors seeking current income from their portfolio. This strategy identifies quality companies that are undervalued or temporarily out of favor, but offer solid earnings and attractive dividend yields. Investments may include:</p> <ul style="list-style-type: none"> • Predominantly mid-cap and large-cap stocks, with some small-cap stocks. • Growth & income and equity income mutual funds or exchanged traded funds (ETFs), with some sector funds. • International stocks (ADRs). • Defensive positions in precious metals stocks or bear market funds if conditions warrant. • Other income investments, including corporate or Treasury bonds, REITs and CDs. • Money market funds or T-bills. <p>Accounts under \$250,000 (or larger accounts at client's request), may be managed using primarily mutual funds or exchanged traded funds for better diversification and reduced commissions.</p>

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

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Applicant: Stack Financial Management, Inc.	SEC File Number: 801- 45724	Date: 2/22/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Stack Financial Management, Inc.	IRS Empl. Ident. No.: 81-0489281
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Item of Form (identify)	Answer												
Item 1 (D). (continued)	<p>The Applicant will charge the client an annual fee based upon a percentage of the assets under management. The fee will be payable in advance on a quarterly basis, and is based on the market value of the assets at the close of the last business day of the preceding quarter. For new clients, the quarterly fee is payable beginning with the first full quarter following execution of the Investment Management Agreement and establishment and funding of the account with Charles Schwab.</p> <p>The Applicant may choose to waive up to one-half the management fee for a billing period, if an average of 50% of total assets under management are maintained in cash or cash-equivalent investments such as Treasuries or Money Market Funds. Any waiver of management fees will be equitable to all accounts under management.</p> <p>The client shall provide written authorization permitting Applicant's fees to be paid directly by the custodian. In the event authority for direct billing and payment by the custodian is not provided, Applicant may elect to bill the client directly or may choose not to accept the client. On a quarterly basis, the Applicant will send the client a billing statement showing the value of the client's account, the amount of the fees due for the upcoming quarter, and the manner in which the fees were calculated. Fees are due 15 days after the billing date at the start of the quarter. The custodian will be required to provide the client, at least quarterly, a statement reflecting all amounts disbursed from the account including advisory fees.</p> <p>The Applicant's standard annual fee schedule will be as follows:</p> <table style="margin-left: 40px;"> <thead> <tr> <th><u>Account Value</u></th> <th><u>Annual Fee</u></th> </tr> </thead> <tbody> <tr> <td>\$400,000 - \$749,999</td> <td>1.40%</td> </tr> <tr> <td>\$750,000 - \$1,249,999</td> <td>1.20%</td> </tr> <tr> <td>\$1,250,000 - \$2,999,999</td> <td>1.00%</td> </tr> <tr> <td>\$3,000,000 - \$4,999,999</td> <td>0.85%</td> </tr> <tr> <td>\$5,000,000 - \$10,000,000</td> <td>0.75%</td> </tr> </tbody> </table> <p>Applicant reserves the right to enter into contracts with clients that would result in fees that may be more or less than the standard fee schedule set forth above based upon several factors including, but not limited to, the stated investment objectives and the specific assets requested to be managed. Clients may obtain the same or similar investment advisory services for lower fees than the Applicant charges. Applicant may, in its sole discretion, refuse to accept any potential client.</p> <p>If an account is established above a particular fee schedule breakpoint or appreciates above a breakpoint to receive a lower management fee, then that lower fee shall apply even if the account drops below the breakpoint, unless or until withdrawals from the account exceed 5% per year.</p>	<u>Account Value</u>	<u>Annual Fee</u>	\$400,000 - \$749,999	1.40%	\$750,000 - \$1,249,999	1.20%	\$1,250,000 - \$2,999,999	1.00%	\$3,000,000 - \$4,999,999	0.85%	\$5,000,000 - \$10,000,000	0.75%
<u>Account Value</u>	<u>Annual Fee</u>												
\$400,000 - \$749,999	1.40%												
\$750,000 - \$1,249,999	1.20%												
\$1,250,000 - \$2,999,999	1.00%												
\$3,000,000 - \$4,999,999	0.85%												
\$5,000,000 - \$10,000,000	0.75%												

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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Stack Financial Management, Inc.	IRS Empl. Ident. No.: 81-0489281
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Item of Form (identify)	Answer
Item 1 (D). (continued)	<p>The advisory agreement may be rescinded by the client within 5 business days of its execution without incurring any fees. Following this period, the advisory relationship may be terminated upon thirty days written notice by either Applicant or client and the client shall be entitled to a prorated refund of fees charged based upon the amount of time the services were provided during the quarter in which the contract is terminated. The client will be responsible for all brokerage commissions and any other charges incurred in connection with the account maintained by the custodian on behalf of the client.</p> <p>Proxy Voting Policy: Applicant has a policy in place for voting corporate proxies for securities held in client portfolios, provided the client assigns the Applicant to vote proxies or it has a fiduciary responsibility to do so. The following is an overview of this proxy voting process:</p> <p>Applicant's proxy policy is designed with the intention of not subordinating the economic interest of the client to any other entity or interested party. Applicant does not envision any situation or proposal in which it would face a conflict of interest in deciding proxy votes in the best interest of the client.</p> <p>In routine proposals, which do not change the structure, bylaws, or operations of the corporation to the detriment of the shareholder, Applicant will usually vote with management. In non-routine proposals that are more likely to affect the structure and operations of the corporation, each issue is reviewed on a case-by-case basis. As previously stated, voting decisions will be made based on the financial interest of the client. In corporate governance issues, Applicant generally votes against any management proposal that clearly has the effect of limiting the ability of shareholders to realize the full potential value of their investment.</p> <p>A copy of the company's Proxy Voting Policy and information pertaining to how the Applicant voted on specific proxy issues is available by contacting our office at 800-790-5001.</p> <p>Class Action Claims: Applicant, as a general policy, does not elect to participate in class action lawsuits on behalf of its clients. The Applicant, upon request, may assist the client in determining eligibility to pursue a particular class action claim. However, the decision to participate and the completion and tracking of any related documentation shall generally rest with the client unless the client and the Applicant contractually agree otherwise.</p>
Item 5.	<p>In general, the Applicant does not employ persons whose duties include investment advisor representative services (exclusive of clerical or ministerial personnel), unless such persons have a college or university degree, or have demonstrated an ability to perform these functions by previous employment in the financial or securities industries. In addition, all investment advisor representatives will be required to pass the Series 65 Uniform Investment Advisors Law Examination within 6 months of assuming such duties or sooner if required to comply with applicable state regulations.</p>

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Applicant: Stack Financial Management, Inc.	SEC File Number: 801- 45724	Date: 2/22/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Stack Financial Management, Inc.	IRS Empl. Ident. No.: 81-0489281
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Item of Form (identify)	Answer
Item 6.	<p>Stack, James Bryan: Born 1951; BS in Mechanical Engineering from Montana State University. In 1979, Mr. Stack was the founder of InvesTech Research and engaged in the business of publishing investment newsletters of general and regular circulation. Mr. Stack has been the President of Stack Financial Management since its founding.</p> <p>Hetrick, Catherine Marie: Born 1949; BS in Medical Technology from the University of Colorado; MBA from the University of Montana. Ms. Hetrick has been employed at Stack Financial Management since 1999 as a Senior Portfolio Manager and Compliance Officer.</p> <p>Vermulm, Eric Allen: Born 1979; BS in Business Finance with an Economics minor from Montana State University. He also holds a Chartered Financial Analyst (CFA) designation. Mr. Vermulm joined Stack Financial Management in March, 2009 as a Senior Portfolio Manager. He previously served as a Portfolio Manager at Stockman Asset Management in Billings, Montana, from 2004-09.</p> <p>Falkner, Nancy Denise: Born 1969; BS in Food Science from the University of California at Davis; MBA from the University of Wisconsin. She also holds a CFP® certification. Ms. Falkner has been employed at Stack Financial Management since 1998. She is currently Director of Operations, responsible for office management, account maintenance, trading and marketing; and has served as a Senior Account Executive and Mutual Funds Analyst.</p> <p>Danczyk, Annell McKee: Born 1962; BS in Chemical Engineering from Kansas State University. Ms. Danczyk joined Stack Financial Management in 2003. She is currently a Portfolio Manager and has previously served as a Senior Account Executive and Securities Analyst.</p>

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Applicant: Stack Financial Management, Inc.	SEC File Number: 801- 45724	Date: 2/22/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Stack Financial Management, Inc.	IRS Empl. Ident. No.: 81-0489281
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Item of Form (identify)	Answer
Item 7 (A).	James B. Stack, President of Stack Financial Management, is currently the owner of InvesTech Research which publishes general circulation investment newsletters known as "InvesTech Market Analyst" and "InvesTech Portfolio Strategy." In addition, InvesTech Research periodically publishes an Interim Bulletin, as well as a twice weekly financial information report entitled "InvesTech Financial Hotline" available only to subscribers of the newsletters. Mr. Stack spends approximately 30% of his time in his endeavors with InvesTech.
Item 9 (E).	Applicant's employees or related persons may, at times, buy or sell investment securities which Applicant recommends to clients. Applicant has established a Code of Ethics for all employees which is designed to prevent conflicts of interest from arising in relation to the purchase or sale of securities for client accounts. Under that code, employees and their immediate families are prohibited from purchasing or selling any security (other than open-end mutual funds, short-term Treasuries or money market securities) which the Applicant or its representatives are actively contemplating trading for clients' accounts until after the transaction has been executed for all clients. A copy of the policy is available upon request. Violation of the Code of Ethics is punishable by, but not limited to, suspension or termination of employment.
Item 10.	Applicant accepts accounts with a minimum value of \$400,000 in cash or securities. Existing clients may open associated or "piggyback" accounts with a minimum of \$200,000. The Applicant may, in its sole discretion, lower the minimum asset value requirement for accounts and associated accounts if it reasonably expects such accounts to meet the minimum requirement(s) at some point in the future.
Item 12 (A and B).	<p>Upon execution of an Investment Management Agreement, client will have granted full discretionary authority to Applicant with respect to the purchase and sale of client's investment securities. Any restrictions on the discretionary authority shall be referenced in the Investment Management Agreement. Under no circumstances will the Applicant or any related person be permitted to maintain any ownership interest in the assets held within or the income or proceeds received by a client's account.</p> <p>Discretionary authority shall be limited to the purchase and sale of investment securities held within the account including general market securities, government securities, mutual funds, and option contracts. Applicant will have no authority to margin the investment securities of the client. Client will be permitted to make withdrawal of assets from or request a liquidation of assets within the account upon providing 10 days prior notice to the Applicant in accordance with the Investment Management Agreement.</p>

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant: Stack Financial Management, Inc.	SEC File Number: 801- 45724	Date: 2/22/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Stack Financial Management, Inc.	IRS Empl. Ident. No.: 81-0489281
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Item of Form (identify)	Answer
Item 12 (A and B). (continued)	<p>Client accounts are held in custody and brokerage services will be provided by the Schwab Institutional division of Charles Schwab & Company, Inc. The recommendation of Charles Schwab & Co. by the Applicant is based upon its reputation, financial strength, commission schedules, accessibility, and diversity of services. Although Applicant seeks commission rates that are competitive within the industry, clients may pay slightly higher commissions than are available from other discount brokers based on the quality of trade execution and account services provided by Schwab Institutional.</p> <p>As part of its custodial arrangement, Schwab Institutional provides the Applicant with access to its institutional trading and custody services, which are not typically available to Schwab retail investors. These services include research, brokerage, custody, and access to mutual funds which are otherwise available only to institutional investors or require significantly higher minimum initial investment.</p> <p>Schwab may also provide, at no cost to Applicant or its clients, other products and services to assist the Applicant in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution; provide pricing information and other market data; facilitate payment of Applicant's fees from clients' accounts; and assist with back-office functions, recordkeeping and client reporting. These services are generally used to service all or a substantial number of Applicant's client accounts. Schwab Institutional also makes available other services intended to help Applicant manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services.</p> <p>In addition, Charles Schwab & Co. arranges and pays a portion of the fee for Thompson Reuters Baseline, a securities research product provided by an independent third-party. In recognition of Schwab's provision of this third-party research, Applicant will place the majority of equity transactions with Schwab on a best effort basis and only when consistent with Applicant's duty to obtain best price and execution. Applicant's clients do not pay more for investment transactions or asset custody at Schwab as a result of this arrangement. Any products or services provided to the Applicant by Schwab on this basis are used for securities research that benefit all of the Applicant's clients.</p>

(Complete amended pages in full, circle amended items and file with execution page (page 1).)