Item 1 – Cover Page

ADV Part 2A Brochure

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This brochure provides information about the qualifications and business practices of Cornerstone Wealth Strategies, Inc. ("Cornerstone"). If you have any questions about the contents of this brochure, please contact Cornerstone by telephone at (509) 396-0588 or by email at info@cswsteam.com. The information in this brochure has not been approved by the United States Securities and Exchange Commission (SEC) or any state securities authority.

Please note that the use of the term "registered investment advisor" and description of Cornerstone and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our associates. Additional information about Cornerstone Wealth Strategies, Inc., and our associates is available on the SEC's Investment Advisor Public Disclosure website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This section of Cornerstone's brochure provides our clients and potential clients with a summary of material changes made to our Brochure since our last annual update. We will ensure that clients receive a summary of any material changes to this and subsequent Cornerstone Brochures within 120 days of the close of our fiscal year (December 31).

There are no material changes since the annual update filing of 2019.

Item 3 – Table of Contents

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Item 4 – Advisory Business

Firm Description

Cornerstone Wealth Strategies, Inc., was originally formed with the Washington Secretary of State as a corporation under the previous name Riesenweber, Inc., in 2006. Originally, Riesenweber, Inc. was an independent contractor of Waddell & Reed. In 2015, Riesenweber, Inc. left Waddell & Reed to become an independent financial planning and wealth management firm. In 2018, the corporate name was changed from Riesenweber, Inc., to Cornerstone Wealth Strategies, Inc.

The principal owner of Cornerstone is Matthew Riesenweber.

Types of Advisory Services Offered

Cornerstone works as a fiduciary with its investment advisory clients. We foster long-term relationships with our clients, founded on trust, with the focus of helping the client build and manage wealth. Beyond managing wealth, we endeavor to be our clients' most valued advisor working through the ordinary and extraordinary challenges our clients face in their day-to-day lives.

Cornerstone is primarily a fee-based financial planning and investment management firm. Cornerstone does not sell commissionable annuities, nor does it commonly recommend the purchase of stocks, bonds, non-traded REITs or limited partnerships for a commission. Cornerstone accounts may hold legacy assets for which clients may have paid a commission in the past but that is not compensation that Cornerstone received. Cornerstone provides planning services and portfolio management as well as pension consulting.

Cornerstone believes that the best way to help a client reach his or her financial goals is through proactive investment management. Cornerstone considers the client's unique risk tolerance, investment objectives and time horizon and starts with the selection of a Cornerstone Model Portfolio. From there, Cornerstone further customizes the portfolio based on the client's specific desires and needs. Furthermore, Cornerstone proactively and constantly monitors the client's portfolio and the markets in order to identify patterns of opportunity and risk.

Cornerstone does not serve as attorney or accountant and no portion of its services should be construed as legal or tax services. Accordingly, Cornerstone does not prepare estate planning documents or tax returns. To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance agents, etc.) Clients are under no obligation to engage the services of any recommended professionals. The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation from Cornerstone and its representatives. If the client engages any recommended professional, and a dispute arises thereafter relative to the engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional(s) (i.e. attorney, accountant, insurance agent, etc.), and not Cornerstone, shall be responsible for the quality and competency of the services provided.

Retirement Plan Rollovers
A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). It is Cornerstone's policy to only provide education on these options and not to recommend that a client roll over his or her retirement plan assets into an account to be managed by Cornerstone. A recommendation to roll over the retirement plan to Cornerstone presents a conflict of interest mitigated by this policy.

Client Obligations
Cornerstone will not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on the information in its possession. Clients are responsible for promptly notifying Cornerstone if there is ever any change in their financial situation or investment objectives so that Cornerstone can review, and if necessary, revise its previous recommendations or services.

Strategic Wealth Management Through LPL Financial
When using LPL Financial as the custodian, Cornerstone offers the comprehensive, open-architecture, fee-based investment platform, Strategic Wealth Management (SWM), to clients. Through this platform, clients can consolidate multiple investments into one account and receive one statement.

The program is available in two forms: SWM I and SWM II. Cornerstone uses solely the SWM II program in which transaction fees are included in a single "wrap" fee that covers both advisory fees and transaction costs. More detailed information about the benefits and costs of SWM can be found in Item 5, below. More detailed information about the benefits and costs of SWM II can be found in our Wrap Fee Brochure.

Wrap Fee Programs
Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of the compensation we receive through wrap programs may be more or less than what we would receive if the client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services. Similarly, services may cost clients more or less than if they paid for the services separately.

Where we earn additional compensation due to the client's participation in a wrap fee program, we have a financial incentive to recommend these programs over other programs where our compensation is lower. This creates a conflict of interest, which we mitigate by fully disclosing our compensation and the choices available to clients, and by making recommendations consistent with our fiduciary duties to clients.

Cornerstone is the sponsor to our Wrap Fee Programs. For more information regarding the Wrap Fee Program, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the Cornerstone ADV 2A, wrap fee brochure for the specific program, and applicable client agreement.

When using wrap programs, Cornerstone retains discretionary authority to select individual investments within the programs, but does not have discretionary authority to select new programs or to terminate existing programs; selection of a new wrap program would require new paperwork and client authorization.

Assets Under Management

As of January 1, 2020, we managed assets of approximately $556,300,000 (rounded to the nearest $100,000) on a discretionary basis; we do not manage assets on a non-discretionary basis. We further have $43,000,000 assets under advisement/consultation agreements. Combined, our assets under management and under advisement/consultation are $599,200,000.

Item 5 – Fees and Compensation

Investment Account with Financial Planning

The specific manner in which fees are assessed is established in our Account Agreement with our client.

Cornerstone charges an annual fee for its services which is automatically deducted from client's assets and based on the amount of investable assets under management in accordance with the schedule below. Fees are billed quarterly and payable in advance for the next three months of services. The fee is assessed March 31, June 30, September 30, and December 31. Cornerstone charges a fee calculated as a percentage of account assets under management.

Investable Assets	$0-$250K	$250K-$500K	$500K-$2M	$2M-$5M	$5M+
Annual Fee	1.5%	1.25%	1%	.75%	.5%

Our fees may be negotiated in certain circumstances. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the relationship between client and Cornerstone is ongoing, the length of service to the client is at the client's discretion. The client or Cornerstone may terminate a relationship by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination. The fee for such partial calendar quarter will be pro-rated based on a 90-day quarter and promptly refunded to client.

Cornerstone will not charge any fee that is not disclosed in this section of our Brochure. Fees are exclusive of brokerage commissions, transactions fees and other related costs and expenses. Such expenses will be assessed to the client. Clients may incur certain charges imposed by custodians, brokers, and third-party managers or other third parties that Cornerstone does not control. These charges can include such things as deferred sales charges, transfer taxes, wire transfer and electronic fund fees, brokerage account fees, and other fees, charges or taxes. For further information related to our brokerage practices please refer Item 12.

Mutual Fund Fees

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by our clients to Cornerstone.

Retirement Plan Account Fees

LPL Financial charges an annual account fee of $40 for all retirement accounts with assets under $250,000.

Fees for Financial Planning or Consulting Services

We charge on an hourly or flat fee basis for Financial Planning and Hourly Consulting services. Our hourly fees range from $150.00 to $300.00. The hourly fee charged by Cornerstone is determined by the complexity of the issues presented and the expertise of the individual(s) within Cornerstone assigned to the project. Flat fees vary greatly and could range from a minimum of $500 to a maximum of $30,000. The total estimated fee, as well as the ultimate fee that we charge you, is determined by both the complexity and time estimated to adequately prepare the plan and the scope of our engagement with you.

Our consulting fees may be charged in advance. Particularly complex Financial Plans may require prepayment of a portion of the estimated fee for services. For lengthy engagements, interim payments may be requested. We will not collect more than $1,200 in advance of the service provided, unless services are completed within six months of our receipt of the fees.

If we are engaged on an hourly basis and should we collect fees in excess of hours ultimately expended, or otherwise not complete the project, we will return any unearned amounts collected.

The total fee or balance due will be billed directly to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you.

Other Fees We Receive

Cornerstone Advisors are registered representatives with LPL Financial (LPL), a full-service securities broker-dealer and investment advisor. LPL is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). In their role as registered representatives they may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds.

Dual registration as representatives of a broker-dealer and an investment advisor presents a conflict of interest and gives the representative an incentive to recommend investment products based on the compensation received, rather than on the client's needs. As a matter of policy, Cornerstone does not earn commissions or trails on transactions or assets held in advisory accounts. However, if a client establishes both an advisory account (advised by Cornerstone) and a brokerage account (through the unaffiliated broker-dealer where the Cornerstone advisor also functions as broker and could receive transaction-based compensation, as well as 12b-1 fees), the client and the advisor will establish the types of transactions that will be made in each account.

Transactions in LPL advisory program accounts are generally effected through LPL as the executing broker-dealer. We receive compensation as a result of a client's participation in an LPL program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what we would receive if the client participated in other programs, whether through LPL or another vendor, or paid separately for investment advice, brokerage and other services.

Our advisors may also be licensed insurance agents. In such a capacity, they may offer insurance products and receive normal and customary commissions as a result of such purchase.

We want you to be aware that the practice of accepting commissions for the sale of securities or other investment products presents a conflict of interest and gives an incentive to our firm and/or our advisors to recommend investment products based on the compensation received, rather than on your needs. We try to address these conflicts by clearly explaining this conflict to clients and, specifically, when recommending mutual funds with a "load," or commission, that "no-load" funds are also available through our firm for investment advisory clients. You are not required to purchase investment products we recommend to you. You are also able to purchase investment products we recommend to you through another broker or agent that is not affiliated with us.

Cornerstone has no affiliation with LPL either through ownership or control; however, as a participant in LPL's hybrid investment advisor program, they provide us with certain benefits and resources. Some of these benefits include access to its custodial services, compliance assistance, training, administrative and back-office support, investment programs, and third-party managers.

Item 6 – Performance-Based Fees and Side-By-Side Management

Cornerstone does not charge performance fees to our clients.

Item 7 – Types of Clients

Cornerstone provides investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Account Minimums

The minimum account size is $500,000 of assets under management. Cornerstone has the discretion to waive the account minimum.

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

Cornerstone may employ varying philosophies, strategies, and tools in their investment analysis and due diligence processes. It could utilize the following methods of analysis and strategies:

- Fundamental
- Technical
- Quantitative
- Qualitative

Cornerstone generally applies accepted investment theories so that investment choices for clients align with the client's investment needs and objectives and are made with the objective to reasonably diversify client assets to help minimize the risk of large losses and to provide the potential for varying degrees of long-term appreciation and capital preservation. Cornerstone generally use a mix of equity and fixed income exposures to meet the risk-based categories identified with the client. Cornerstone will diversify, reallocate and rebalance the investments and associated risk levels over time in accordance with generally accepted investment theories and consistent with the client's risk tolerance. Cornerstone may make recommendations for changes to the underlying investments and/or the asset allocation percentages of any Model Portfolios as well.

In the implementation of its analysis, Cornerstone may use some or all of the following strategies at any given time:

Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Short-term gains in taxable accounts are subject to federal income tax at higher rates than long-term gains. This difference in tax treatment is a disadvantage of short-term trades for taxable clients.

Trading – Cornerstone may use short-term trades (in general, selling securities within 30 days of purchasing the same securities) when managing a client's account(s). Cornerstone may sell a security soon after purchasing it on occasions when it determines that there is a reasonable basis for the sale and it is in the client's best interest given a client's stated investment objectives and tolerance for risk. Short-term gains in taxable accounts are subject to federal income tax at higher rates than long-term gains, while losses realized on securities held 30 days or less are generally not tax deductible. These differences in tax treatment are disadvantages of short-term trades for taxable clients. There is also risk in that high velocity trading creates substantial transaction costs that in aggregate could negatively impact account performance.

Margin Transactions – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. This allows the client to purchase more stock than they would otherwise be able to, based on the account's available cash, and would allow Cornerstone to purchase stock without selling other holdings, which is therefore a higher risk strategy. Securities purchased on margin are subject to liquidation, additional margin calls, and interest on the funds borrowed. Should the value of the securities decline, clients may be forced to deposit additional margin with limited notice, or to liquidate their securities at substantial losses.

Risk of Loss

Please note: Investing in securities involves risk of loss that clients should be prepared to bear. While the value of your investments could increase and your account(s) thereby enjoy a gain, it is also possible that the value of your investments could decrease and your account(s) thereby suffer a loss. It is important that you understand the risks associated with investing in the securities markets, that you be appropriately diversified in your investments, and that you ask us any questions you may have.

Cornerstone can recommend many different types of securities, including mutual funds, closed end funds, ETFs, allocation on variable annuity subaccounts, equities, warrants, fixed income securities, options, and structured products. Investing in these securities and alternative investments involves the risk of loss that clients should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication or guarantee of future performance.

Described below are some particular risks associated with some types of investments Cornerstone may recommend. Risk is inseparable from return. Every investment involves some degree of risk, and both the degree of risk and the type of risk varies depending on the investment. For example, the risk of loss to principal can be very close to zero in the case of a US Treasury security, or very high for something such as a concentrated exposure to one specific foreign security. On the other hand, purchasing power risk for a US Treasury security may be higher than the purchasing power risk of a higher-yield corporate bond or an equity. An understanding of risk in different forms can help clients to understand the opportunities, trade-offs and costs involved with different investment approaches. The principal risk of any investment is that despite any comprehensive analysis, the security or instrument will not perform as expected. This can be due to, among other things:

Market Risk: the success of client's portfolio activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws, trade barriers, currency fluctuations and controls, and national and international political circumstances. These factors may affect the level of volatility of securities prices and the liquidity of investments in client portfolios. Such volatility or illiquidity could impair profitability or result in losses;
Equity Risk: investments in equity securities generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. These price movements may result from factors affecting individual companies or industries. Price changes may be temporary or last for extended periods. In addition to, or in spite of, the impact of movements in the overall stock market, the value of investments may decline if the particular investments within the portfolio do not perform well in the market. Prices of growth stocks may be more sensitive to changes in current or expected earnings than prices of other stocks. Prices of stocks may fall or fail to appreciate regardless of movements in securities markets. A higher turnover rate, or increased trading may result in higher transactions costs and higher taxes in taxable accounts and may also affect the strategies' overall performance;
Management Risk: the strategies utilized by Cornerstone may not work in some market conditions; management risk could also influence mutual fund and ETF portfolio management teams;

Fixed Income Risks: investments in fixed income securities represent numerous risks such as credit, interest rate, reinvestment, and prepayment risk, all of which affect their price/value. These risks represent the potential for a large amount of price volatility. In general, securities with longer maturities are more sensitive to price changes. Additionally, the prices of high-yield, fixed income securities fluctuate more than high-quality debt issues. Prices are especially sensitive to developments affecting the company's business and to changes in the ratings assigned by rating agencies. Prices are often closely linked with the company's stock prices. High-yield securities can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sales by major investors, default, or other factors. In the event of a default, the investment may suffer a partial or total loss;
Increased Regulations: events during the past several years and adverse financial results have focused attention upon the necessity to maintain adequate risk controls and compliance procedures. These events have led to increased governmental and self-regulatory authority scrutiny of the financial industry. Various national governments have also expressed concern regarding disruptive effects of speculative trading and the need to regulate the markets in general. Any regulations that restrict the ability to employ, or broker-dealers and counterparties to extend credit or restrict trading activities could adversely impact profit potential;
Market Liquidity Risks: the value of securities held in client accounts that are traded on exchanges and the risks associated with holding these positions vary in response to events that affect asset markets in generals. Market disruptions such as those that occurred in 1987, in September 2001, and more recently the "Flash Crash" in May 2010 (the biggest one-day point decline, 998.5 points, on an intraday basis in Dow Jones Industrial average history) could lead to violent price swings in securities held within client portfolios and could result in substantial losses;
Small Capitalization Companies: a portion of assets may be invested in smaller and less established companies. Both debt and equity securities of such issuers tend to be more volatile than larger, more established companies. Such volatility could adversely impact client portfolios;
Large Company Risk: large cap stocks can perform differently from other segments of the equity market or from the equity market as a whole. Large capitalization companies may be less flexible in evolving markets or unable to implement change as quickly as smaller capitalization companies;
Short Sales, Leverage and Derivatives: short sales, leverage and derivatives all represent substantial risks given their inherent heightened risk of loss. Leverage and derivatives imply borrowing capital. When such borrowing is deployed, losses can escalate quickly should investment suffer even small losses. Short sales involve a finite opportunity for appreciation, but a theoretically unlimited risk of loss. Short positions can also be subject to a "short squeeze" that could lead to accelerating losses for those short that particular security;
Leverage Risk: which may increase volatility of the portfolio;
Price and Interest Rate Risk: when interest rates change, the price of a bond is likely to adjust up or down so that its yield, based on the new price, is in line with the new level of interest rates. Interest rate risk is probably the most significant risk facing clients in fixed income securities because it affects all bonds similarly;
Credit Risk: the market's perception of the bond issuer's ability to pay interest and repay principal;
Convertible Arbitrage Risk: if interest rates on the convertible security rise, its value usually falls;
Short Sales Risk: if the value of a security sold short increases prior to the scheduled delivery date, the account must pay more for the security than it has received from the purchaser in the short sale;
Options and Futures Risk: the risk that the counter-party that wrote the option will be unable or unwilling to perform its obligations under the option contract, or the options may become illiquid and difficult to close. Options are a derivative of stocks. An option derives its value from the price of the underlying stock;
Tax Risk: Cornerstone in some cases may not manage client accounts with tax consequences in mind; some strategies, including transactions in options and futures contracts, can be subject to special tax rules, which may have adverse tax consequences for the account holder;
Private Placements: these instruments are exempt from registration under federal securities laws, have limited or no transparency as to the underlying investments, and are generally available only to "accredited" or "qualified investors," who are assumed to be sophisticated purchasers who have little or no need for liquidity from such investments, and are able to withstand the loss of some or all of their investment. Limitations on withdrawal rights and non-tradability of interests create higher liquidity risk and such investments should be viewed as long-term investments. Clients do not have access to public information, and the securities purchased are deemed restricted, are not traded on a secondary market or exchange and the instrument is thus illiquid. Partnership and fee expenses may be a higher percentage of net assets than traditional investment strategies and may include performance or incentive fees. The duration of private fund investments with longer-term securities are more sensitive to interest rates and include the possibility of more volatility than other investments. This is not an exclusive list of potential or actual risks in any particular private placement. Potential investors should review the particular private offering memorandum for more complete risk and strategy information;
Extraordinary Events: global terrorist activity and United States involvement in armed conflict may negatively affect general economic fortunes, including sales, profits, and production, and may lead to depressed securities prices and problems with trading facilities and infrastructure;
Non-US Investments: Client funds may be invested in securities (e.g., debt, equity, currencies, derivatives, etc.) of issuers domiciled outside the United States. Such investments expose a portfolio to a number of risks that may not exist in the domestic market alone.

Such risks include, among other things, trade balances and imbalances and related economic policies, currency exchange rate fluctuations, imposition of exchange control regulation, withholding taxes, limitations on the removal of funds or other assets, possible nationalization of assets or industries, political difficulties, and political instability in foreign nations;
Potential Concentration: client portfolios may have highly concentrated positions in issuers engaged in one or a few industries. This increases the risk of loss relative to the market as a whole.

Item 9 – Disciplinary Information

Neither our firm nor any of our management persons have been subject to any material legal or disciplinary events.

Item 10 – Other Financial Industry Activities and Affiliations

The firm's advisors are registered with LPL Financial, member FINRA/SIPC, as registered representatives. As stated earlier in section Item 4, the primary purpose for the affiliation with LPL is to collect service fees and commissions from legacy relationships that have not converted to a fee-based relationship. The firm doesn't actively seek new commission relationships.

Cornerstone may offer securities and receive normal and customary commissions as a result of securities transactions. This presents a conflict of interest to the extent that Cornerstone recommends that a client invest in a security which results in a commission being paid to him/her. In addition, as a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about Cornerstone's clients, even if client does not establish any account through LPL. If you would like a copy of the LPL Financial privacy policy, please request one from Cornerstone.

Some Cornerstone Advisors are insurance agents appointed with various insurance companies. This presents a conflict of interest to the extent that the Advisor recommends that a Client purchase insurance products which results in a commission being paid to that agent/Advisor.

Clients are under no obligation to act upon any recommendation or effect any transactions through the Cornerstone Advisor/ agent if client decides to follow the recommendations made.

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

Cornerstone has established a Code of Ethics which applies to all of our associated persons, including our Advisors. An investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all of our clients. Our fiduciary duty is the core underlying principle for our Code of Ethics.

We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understood, and agreed to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients.

We have established the following restrictions as they relate to our participation or interest in client transactions and personal transactions of supervised persons:

- No supervised persons of our firm may purchase, sell or hold any security in a manner calculated to create personal benefit to that supervised person. If a supervised person stands to materially benefit from an investment decision for a client, the supervised person must disclose the full nature of the interest and personal benefit.
- A supervised person cannot trade ahead of an advisory client when he or she is buying or selling the same securities for themselves personally.

This disclosure is provided to give all clients a summary of our Code of Ethics relating to transactions. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request and at no cost.

The Chief Compliance Officer of Cornerstone is Beau Ruff. He reviews all employee trades and conducts no trading himself.

See Item 12 below for additional information regarding brokerage commissions.

Item 12 – Brokerage Practices

Selecting and Recommending Broker-Dealers

We recommend to clients one of several broker-dealers, or custodians, to provide custodial and execution services. We try to limit certain potential conflicts of interest in the broker-dealers we use.

- Neither Cornerstone nor its associated persons receive research or other products or services other than execution from a broker-dealer or other third party in connection with client securities transactions ("soft dollar benefits").
- Neither Cornerstone nor its associated persons consider client referrals from a broker-dealer or third party in the selection or recommendation of a broker-dealer.

- Neither Cornerstone nor its associated persons have discretionary authority in making the determination of brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected.

When recommending a broker-dealer, we look at a number of factors, including the reasonableness of compensation. The factors we consider for the different custodians are described below.

LPL Financial

Our primary custodial relationship is with LPL Financial ("LPL"), member FINRA/SIPC. Factors that Cornerstone considers in recommending LPL Financial include historical relationship with Cornerstone, financial strength, reputation, execution capabilities, pricing, research, and service. Our IARs are registered representatives with LPL. If the client desires to engage the IAR to provide brokerage services acting as a registered representative of LPL, the IAR will receive brokerage-related compensation for those services, such as commissions and/or trail fees. LPL provides information regarding such brokerage compensation at the time of a brokerage transaction. When considering whether to implement a recommendation through your IAR and LPL, clients should discuss with the IAR how LPL and the IAR will be compensated. Fees and Commissions may also be higher or lower than services provided by other vendors. Using our IARs to provide brokerage services for you creates a potential conflict of interest that may give an IAR an incentive to recommend services based on the compensation they will receive. This in no way prohibits you from purchasing investment products recommended by us through other brokers or agents which are not affiliated with us. Please refer to Item 5 of this brochure.

Recommendation of other Broker-Dealers

We may recommend that clients establish accounts with one of two broker-dealers other than LPL to maintain custody of client assets and effect trades for client accounts. We have no affiliation with any of these broker-dealers. These broker-dealers include:

- Fidelity Investments
- Matrix Financial Solutions/ Broadridge Financial Solutions

Clients are advised that there may be transaction charges involved when purchasing or selling securities. Cornerstone does not share in any portion of the brokerage fees/transaction charges imposed by broker-dealers. Additionally, the commission/transaction fees charged by one of the broker-dealers we use may be higher or lower than those charged by other broker-dealer/custodians.

Through its relationship with a broker-dealer Cornerstone gains access to that firm's institutional trading and operations services, which are typically not available to retail clients. Those services may include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional clients or would require significantly higher minimum initial investments. The broker-dealer may also make available to Cornerstone other products and services that benefit Cornerstone but may not benefit its clients' accounts. These include technology that provide access to client account data, facilitation of trade execution, research, pricing information and other market data, facilitation of payment of Cornerstone's fees from its clients' accounts, and assistance with back-office support, recordkeeping and client reporting. These broker-dealers may also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Technology, compliance, legal, and business consulting;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants and insurance providers.

A broker-dealer may also provide various incentives to our IARs, including marketing provided by vendors paid for by the broker-dealer, waiver of ticket charges, and/or availability of systems which may be contingent on the quantity of business directed to a particular broker-dealer. A broker-dealer's fees may be discounted or waived for some of these services, or a third party may pay the fee. A broker-dealer may also provide other benefits, such as occasional business entertainment of our personnel.

The availability of the foregoing products and services is not contingent upon Cornerstone committing to one broker-dealer any specific amount of business (assets in custody or trading). However, certain advisors don't have to pay for services or receive other benefits described above so long as they maintain client assets at a stated level. The availability of these services from a broker-dealer benefits Cornerstone's advisors because they do not have to produce or purchase them. Any commitment level may give the advisor an incentive to recommend that clients maintain their accounts with one broker-dealer over another based on the advisor's interest in receiving that firm's services that benefit their business rather than based on client interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest.

Although there are potential conflicts of interest with our recommendation of a particular broker-dealer, we believe that Cornerstone's recommendation of a custodian and broker is in the best interests of our clients. This belief is based on the scope, quality and price of the broker dealer's services and not those services that benefit only Cornerstone and/or its Advisors.

Transition Assistance Benefits

LPL Financial provides various benefits and payments to Dually Registered Persons that are new to the LPL Financial platform to assist the representative with the costs (including foregone revenues during account transition) associated with transitioning his or her business to the LPL Financial platform (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Dually Registered Person's business, satisfying any outstanding debt owed to the Dually Registered Person's prior firm, offsetting account transfer fees (ACATs) payable to LPL Financial as a result of the Dually Registered Person's clients transitioning to LPL Financial's custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.

The amount of the Transition Assistance payments are often significant in relation to the overall revenue earned or compensation received by the Dually Registered Person at [his/her] prior firm. Such payments are generally based on the size of the Dually Registered Person's business established at [his/her] prior firm and/or assets under custody on the LPL Financial. Please refer to the relevant Part 2B brochure supplement for more information about the specific Transition Payments your representative receives.

Transition Assistance payments and other benefits are provided to Cornerstone or its advisors in their capacity as registered representatives of LPL Financial. However, the receipt of Transition Assistance by such Dually Registered Persons creates conflicts of interest relating to Cornerstone's advisory business because it creates a financial incentive for Cornerstone's representatives to recommend that its clients maintain their accounts with LPL Financial. In certain instances, the receipt of such benefits is dependent on a Dually Registered Person maintaining its clients' assets with LPL Financial and therefore Cornerstone has an incentive to recommend that clients maintain their account with LPL Financial in order to generate such benefits.

Cornerstone attempts to mitigate these conflicts of interest by evaluating and recommending that clients use LPL Financial' s services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by any particular Dually Registered Person. Cornerstone considers LPL Financial's execution capability, commission rate, financial responsibility and responsiveness to our firm and our clients when recommending or requiring that clients maintain accounts with LPL Financial. However, clients should be aware of this conflict and take it into consideration when deciding whether to custody their assets in a brokerage account at LPL Financial.

Aggregation & Allocation of Client Orders
For customized advisory services, Cornerstone may aggregate transactions in equity and fixed income securities for a client with another client to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. IARs may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If Cornerstone does not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.

Special Considerations for ERISA Clients
A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

Item 13 – Review of Accounts

Cornerstone regularly reviews investment advisory client accounts. Cornerstone Advisors will continuously monitor the underlying securities within client accounts as well as any select third-party managers/programs. The frequency and content of any ongoing reviews done varies depending on the assets under management for the client and the direct agreement with the client. Additional reviews may be triggered by tax law changes, new investment information, changes to the client's own situation, or broad-based changes to the financial markets.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to Comprehensive Financial Planning or Hourly Consulting clients, unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

Item 14 – Client Referrals and Other Compensation

Suggestion of Brokers to Clients
We recommend LPL Financial as the broker-dealer, or custodian, to clients. LPL is the broker-dealer with which our Advisors are also associated. As a result of the individual association of our Advisors with LPL, we are generally required to utilize the brokerage/custodial services of LPL for investment advisory accounts (see item 12 above).

Cornerstone and/or its Dually Registered Persons are incented to join and remain affiliated with LPL Financial and to recommend that clients establish accounts with LPL Financial through the provision of Transition Assistance (discussed in Item 12 above). LPL also provides other compensation to Cornerstone and its Dually Registered Persons, including but not limited to, bonus payments, repayable and forgivable loans, stock awards and other benefits.

The receipt of any such compensation creates a financial incentive for your representative to recommend LPL Financial as custodian for the assets in your advisory account. We encourage you to discuss any such conflicts of interest with your representative before making a decision to custody your assets at LPL Financial.

Referral Fees
Except for solicitors discussed below, Cornerstone does not compensate referring parties for referrals and Cornerstone does not accept referral fees or any form of compensation from other professionals when a client is referred to them.

Cornerstone may pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm. Such referral fees represent a share of the investment advisory fee we charge our clients. This arrangement will not result in higher costs to our clients. In this regard, we maintain Solicitor Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and solicitor(s). In cases where state law requires licensure of solicitors, we ensure that no solicitation fees are paid unless the solicitor is registered as an investment advisor representative of our firm. If Cornerstone is paying solicitation fees to another registered investment advisor, the licensure of individuals is the other firm's responsibility.

Item 15 – Custody

Custody is defined as our firm having any legal or actual ability to access client funds or securities. We strictly limit our access to the ability to withdraw funds for purpose of fee deduction for accounts being charged an asset-based management fee. The advisory agreement clients complete defines the circumstances under which we can withdraw fees from your account.

All client assets are maintained with a qualified custodian, discussed earlier in this Brochure. Clients will receive at least quarterly statements from the qualified custodian that holds and maintains clients' investment assets. These statements are emailed or mailed to you at the email or mailing address you provide to us. We urge clients to carefully review their custodial account statements and notify Cornerstone of any discrepancies as soon as possible, including any error they believe may have occurred in the fee calculation.

Item 16 – Investment Discretion

Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. This agreement applies to our Asset Management service as well as LPL-sponsored advisory programs.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Item 17 – Voting Client Securities

Cornerstone does not vote proxies on securities. Clients are expected to vote their own proxies. When assistance on voting proxies is requested, Cornerstone will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Item 18 – Financial Information

We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients. We are not required to provide financial information in this Brochure because:

- We do not require nor do we solicit prepayment of more than $1,200 in fees, per client, six or more months in advance.
- We do not take custody of client funds or securities, other than fee deduction as detailed in Item 15.
- We have never been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisors

Because Cornerstone is a federally registered investment advisor, this Item is not applicable.