

FORM ADV

Part II - Page 1

Uniform Application for Investment Adviser Registration

OMB APPROVAL

OMB Number: 3235-0049
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 hours per response..... 4.07

Name of Investment Adviser:

Cornerstone Financial Consultants, Ltd.

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code:

Telephone number:

1802 Hamilton Street, Allentown, PA 18104**(610) 437-1375**

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 governmental authority.

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(Schedules A, B, C, D, and E are included in Part I of this Form, for the use of the 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.

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Applicant:
Cornerstone Financial Consultants, Ltd.

SEC File Number:
801- N/A

Date:
November 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:

- | | | | |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <input type="checkbox"/> | (1) Provides investment supervisory services | _____ | % |
| <input type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services | _____ | % |
| <input checked="" type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above | 5 | % |
| <input type="checkbox"/> | (4) Issues periodicals about securities by subscription | _____ | % |
| <input type="checkbox"/> | (5) Issues special reports about securities not included in any service described above | _____ | % |
| <input type="checkbox"/> | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | _____ | % |
| <input checked="" type="checkbox"/> | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities | 95 | % |
| <input type="checkbox"/> | (8) Provides a timing service | _____ | % |
| <input type="checkbox"/> | (9) Furnishes advice about securities in any manner not described above | _____ | % |

(Percentage 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)

- | | |
|--------------------------------------------------------------------------------------|-----------------------------------------------------|
| <input type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges | <input checked="" type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (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)

- | | |
|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> A. Individuals | <input type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input type="checkbox"/> 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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Applicant:
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Date:
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3. Types of Investments. Applicant offers advice on the following: (check those that apply)

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

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

- | | |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| (1) <input type="checkbox"/> Financial newspaper and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases |
| (4) <input 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 type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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

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Applicant:
Cornerstone Financial Consultants, Ltd.

SEC File Number:
801- N/A

Date:
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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, 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 given to 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:
- | | |
|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input checked="" type="checkbox"/> (3) other investment adviser | <input checked="" type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (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.)

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

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Applicant:
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SEC File Number:
801- N/A

Date:
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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 sells for itself securities that it also recommends 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 supervisory 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 conditions 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 accounts, 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.

For Item 11A see Schedule F

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

For Item 11B see Schedule F

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Applicant:
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801- N/A

Date:
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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:

- | | Yes | No |
|----------------------------------------------------------|--------------------------|--------------------------|
| (1) securities to be bought or sold? | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? | <input type="checkbox"/> | <input 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 | No |
| | <input type="checkbox"/> | <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes | No |
| | <input type="checkbox"/> | <input 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 repayment 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

Answer all items. 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:
**Cornerstone Financial
Consultants, Ltd.**

SEC File Number:
801-N/A

Date:
November 2010

(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: Cornerstone Financial Consultants, Ltd.		IRS Empl. Ident. No.: 23-2265462
Item of Form (identify)	Answer	
Item 1.D.	<p><u>ADVISORY SERVICES AND FEES</u></p> <p>INVESTMENT SUPERVISORY SERVICES</p> <p>Cornerstone Financial Consultants, Ltd., doing business as Cornerstone Advisors (CFC), provides business planning, succession and estate planning and charitable planning services.</p> <p>WEALTH TRANSFER SERVICES</p> <p>A client requiring this type of service will receive a written financial advisory plan designed to achieve the client's stated goals and objectives. In general, financial advisory services can include business planning, succession planning, estate planning, retirement planning, saving and investment strategies, charitable and tax planning. CFC assists clients in the design, funding, and implementation of strategies that will help the client achieve certain business, financial and personal objectives.</p> <p>Advice to clients not involving securities can include, but are not limited to: review of business structures, business or personal tax planning, fringe benefit plans, design of executive compensation plans, qualified and non-qualified retirement plans, insurance consulting (life, disability, and medical), retirement planning, estate planning, and business continuity planning.</p> <p>For those clients who choose to implement their recommended insurance transactions through CFC's related persons, the following additional services can be provided.</p> <p>Basic Services: Periodic review of estate and business-succession documentation; including, but not limited to life insurance servicing of; premium payment processing; late payment follow-ups and processing; in-force illustrations; and corporate owned life insurance policy service.</p> <p>Business Valuation: Valuation of client's business(es), primarily for annual re-stipulation of value as required by shareholder agreements.</p> <p>Split Dollar Administration: Request cash value statements and provide them to client's CPA; coordinate split dollar documentation (resolution, agreements, assignments, endorsements); prepare beneficiary notification letters for trustee signatures; provide service letter (PS-58, PS-38 and/or economic benefit notification).</p>	

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:
**Cornerstone Financial
Consultants, Ltd.**

SEC File Number:
801-N/A

Date:
November 2010

(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: Cornerstone Financial Consultants, Ltd.		IRS Empl. Ident. No.: 23-2265462
Item of Form (identify)	Answer	
	<p>Business planning advice may be provided on, but is not limited to strategies such as: private equity, private debt, investment banking, corporate finance, leveraged buy-outs, acquisitions, sales, liquidations, etc.</p> <p>Commission-based services: Compensation on commissionable products is based on the commission schedule provided by each insurance policy as designated by the insurance company, and is paid to CFC when acting as agent or agency. If the product is a Variable Life product, a commission is paid to Cornerstone Institutional Investors, Inc. our Broker/Dealer that supervises the registered representative activities.</p> <p>Financial Advisory Fee: An advisory fee, ranging from \$7,500 to \$250,000, which is negotiated with the client before services are provided, will be charged to clients engaging in CFC's financial advisory services. Under certain circumstances, CFC may waive all or part of this financial advisory fee.</p> <p>The financial advisory fee will generally be due, in full, after the completion of the client's wealth transfer advisory services, although the full or partial fee may be required in advance. Fees collected will not be more than \$1,200 and six months or more in advance. If fees have been collected in advance, a whole or partial refund may be made at the discretion of CFC for work not completed or for work that has been found to be unsatisfactory to the client.</p> <p>ASSET MANAGEMENT SERVICES</p> <p>CFC does not manage investment assets directly. However, clients are often referred to Cornerstone Advisors Asset Management, Inc. (CAAM) and/or Cornerstone Institutional Investors, Inc. (CII). These firms provide various investment services described fully in their Form ADV and Form BD, respectively.</p> <p>Investment advice may be rendered to clients who otherwise would not use CAAM and/or CII. This can also include advice on clients' qualified and non-qualified investments, variable life, variable annuity, mutual fund, and similar securities portfolios. No separate fees are charged for this service. This advice is incidental to our general financial advisory services.</p>	

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

Applicant:
**Cornerstone Financial
Consultants, Ltd.**

SEC File Number:
801-N/A

Date:
November 2010

(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: Cornerstone Financial Consultants, Ltd.		IRS Empl. Ident. No.: 23-2265462
Item of Form (identify)	Answer	
Item 5	<p>COMPENSATION PLANNING SERVICES</p> <p>Through Cornerstone Advisors Asset Management, Inc. and/or Cornerstone Institutional Investors, Inc., CFC may provide its corporate clients with investment advice in the qualified and nonqualified plans marketplace.</p> <p>These firms provide various investment services described fully in their Form ADV and Form BD, respectively.</p> <p>GENERAL INFORMATION ON FEES</p> <p>This service agreement may be terminated by the client without penalty upon written notice of cancellation within five business days of the date of the client's acceptance of the agreement. After this initial five-day period either party may terminate this contract at any time, for any reason, upon receipt of thirty days written notice. Upon termination of any engagement, any prepaid or unearned fees will be promptly refunded.</p> <p>Fees charged are never based on the capital gains or the capital appreciation of any funds for any client.</p> <p><u>EDUCATIONAL AND BUSINESS STANDARDS</u></p> <p>CFC generally require that portfolio managers, analysts, financial advisors and other persons associated with the firm possess, minimally, the following: two years financial services or financial advisory experience; the FINRA Series 7 and 66, or 65 examination where appropriate; CFP, CLU, or ChFC designations where appropriate; and a four-year college degree.</p> <p>Cornerstone Financial Consultants, Ltd. maintains a Code of Ethics and Standards of Professional Conduct designed to ensure that all employees:</p> <ul style="list-style-type: none">• Act with integrity, competence, dignity, and in an ethical manner when dealing with public clients, prospects, employers, employees, and fellow members.• Practice and encourage others to practice in a professional and ethical manner that will reflect credibility on their profession.• Strive to maintain and improve their competence and the competence of others in the profession.	

**Schedule F of
Form ADV****Continuation Sheet for Form ADV Part II**Applicant:
**Cornerstone Financial
Consultants, Ltd.**SEC File Number:
801-N/ADate:
November 2010

(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: Cornerstone Financial Consultants, Ltd.		IRS Empl. Ident. No.: 23-2265462
Item of Form (identify)	Answer	
Item 6	<ul style="list-style-type: none">• Use reasonable care and exercise independent professional judgment. <p>A client or potential client may obtain a copy of the Code of Ethics upon request by contacting the firm during regular business hours.</p> <p><u>EDUCATION & BUSINESS BACKGROUND</u></p> <p>PRINCIPAL EXECUTIVE OFFICERS</p> <p>Name: John R. Yaissle, CLU, ChFC Year of Birth: 1944</p> <p>Formal Education after High School:</p> <p>Lehigh University, Bethlehem, PA, BA English, 1966</p> <p>American College, Bryn Mawr, PA Chartered Life Underwriter (CLU), Conferred in 1974 Chartered Financial Consultant (ChFC), Conferred in 1988</p> <p>Business Background last 5 years:</p> <p>Cornerstone Financial Consultants, Ltd., Allentown, PA President/CCO, 4/10 - Present Managing Director, 1/06 - 4/10 President, 1/84 - 1/06 Cornerstone Benefits, Inc. Associate, 4/10 - Present Cornerstone Advisors Asset Management, Inc., Bethlehem, PA Executive Director, 1/06 - Present Treasurer, 6/98 - 1/06 Cornerstone Institutional Investors, Inc., Bethlehem, PA Vice President, 6/98 - Present General Securities Principal, 6/98 - Present Registered Representative, 9/87 - Present Cornerstone Financial Plan, Ltd President, 1/84 - Present</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:
**Cornerstone Financial
Consultants, Ltd.**SEC File Number:
801-N/ADate:
November 2010

(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: Cornerstone Financial Consultants, Ltd.		IRS Empl. Ident. No.: 23-2265462
Item of Form (identify)	Answer	
Items 7.A. 7.B., 7.C.	<p><u>OTHER BUSINESS ACTIVITIES</u></p> <p>CFC, in addition to being in the business of rendering business planning and financial advisory services, is also a licensed insurance agency representing various insurance companies. Executive officers and other employees may be separately licensed as insurance agents or brokers for one or more insurance companies. While these individuals may devote as much as 90% of their time with all of these related activities, Cornerstone Advisors Asset Management, Inc.'s executive team, devotes 100% of their time to financial advisory and investment advisory services.</p> <p>Some advisory agents of the applicant may additionally be registered representatives of Cornerstone Institutional Investors, Inc., a registered broker/dealer with FINRA.</p>	
Item 8.C.(1)	<p><u>OTHER FINANCIAL INDUSTRY ACTIVITIES or AFFILIATIONS</u></p> <p>Broker-Dealer: Executive officers of CFC are also executive officers and registered representatives of Cornerstone Institutional Investors, Inc. (CII). CII is a diversified financial services company engaged in the design and sale of specialized investment products.</p>	
Item 8.C.(3)	<p>Registered Investment Advisor: Executive officers of CFC are also executive officers and associated persons of the Registered Investment Advisor, Cornerstone Advisors Asset Management, Inc. (CAAM).</p> <p>Cornerstone Advisors Asset Management, Inc. and Cornerstone Institutional Investors, Inc. are also registered investment advisor with the Securities Exchange Commission that provides fee-based asset management services to clients.</p>	
Item 8.C.(9)	<p>Insurance Agent/Broker: Along with CFC, Cornerstone Institutional Investors, Inc. is licensed as an insurance agency. Consequently, the executive officers and other employees may be agents and/or brokers for various insurance companies. Therefore, the firm receives commission compensation resulting from implementing product transactions on behalf of advisory clients.</p>	

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

Applicant:
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SEC File Number:
801-N/A

Date:
November 2010

(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: Cornerstone Financial Consultants, Ltd.		IRS Empl. Ident. No.: 23-2265462
Item of Form (identify)	Answer	
	<p><u>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</u></p> <p>CODE OF ETHICS</p> <p>CFC has in place Ethics Rules (the "Rules"), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that CFC's personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place the interests of CFC's clients first; (iii) disclose all actual or potential conflicts; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to its clients; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.</p> <p>Under the general prohibitions of the Rules, CFC's personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.</p> <p>CFC's personnel are required to conduct their personal investment activities in a manner that CFC believes is not detrimental to its advisory clients. CFC's personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. However, as described below, there may be circumstances where CFC's personnel may buy and sell on behalf of its clients, securities of issuers or other investments in which they own securities or otherwise have an interest. The policy requires all Access Persons (defined as investment personnel, which includes portfolio managers, assistant portfolio managers, research analysts and trading room personnel, officers of CFC, and other designated persons) to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. The Ethics Rules are available to clients and prospective clients from CFC upon request.</p>	

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:
**Cornerstone Financial
Consultants, Ltd.**

SEC File Number:
801-N/A

Date:
November 2010

(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: Cornerstone Financial Consultants, Ltd.		IRS Empl. Ident. No.: 23-2265462
Item of Form (identify)	Answer	
Item 11.A.	<p><u>REVIEW OF ACCOUNTS</u></p> <p>Financial advisory reviews are completed for a client upon the following circumstances: a specific period of time determined by Cornerstone Advisors and the client, or a change in circumstances as determined by the client and Cornerstone Advisors that warrants a review. John R. Yaissle is responsible for reviews in his capacity as executive officer of CFC.</p>	
Item 11.B	<p>Since services provided are not relating to a specific investment program, Cornerstone's reporting to clients is determined based on the specific advisory work being completed for each client. For example, business valuations will generally be annually or as otherwise agreed upon with the client.</p>	

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