

DISCLOSURE BROCHURE

Cornerstone Financial Planning

This Brochure provides information about some qualifications and business practices of Cornerstone Financial Planning LLC, which also uses “Cornerstone Financial Planning” and “Cornerstone Planning” as a business name. If you have any questions about the contents of this Brochure, please contact either of us at the telephone number or e-mail address shown on this page.

The information in this Brochure has *not* been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority.

Additional information about us also is available on the Internet at www.adviserinfo.sec.gov.

Registration as an investment adviser doesn’t imply any level of skill or training.

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For more information: To get our DISCLOSURE BROCHURE (including its Supplement), CODE OF ETHICS, PRIVACY STATEMENT, BUSINESS CONTINUITY PLAN, FIDUCIARY OATH, or another document, visit our website at www.CornerstonePlanning.com, e-mail or telephone either of us, or send your request to us at either address shown above.

Date of this Brochure: January 2012

2. Material Changes

The material changes from our January 2011 Brochure are as follows.

During the first half of 2012, we'll register as an investment adviser with New Hampshire and other States, and we'll withdraw our registration with the SEC. These changes are required by Federal law, which doesn't permit us to remain registered with the SEC if our regulatory assets under management is less than \$90 million. We edited several descriptions to follow these changes.

The summary above refers only to those changes that are *material* – that is, information that likely would affect a reasonable client's evaluation of whether he or she wants to engage or retain us. Our Brochure also includes other changes.

3. Table of Contents

Our Brochure follows the order and numbering of items and subitems in Form ADV's Part 2A. Our Brochure includes the information that otherwise could be stated in a Supplement. As required by the SEC's instructions, we put the Supplement information at the end of Brochure. Each item heading's text is as required by law.

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4. Advisory Business

We offer investment advice. Our advice might include investment management or discretionary investment advice for which you ask us to make investment decisions for you. Our advice might include non-discretionary investment advice, in which we present recommendations about what investments you should buy, hold, or sell but you make your decisions. Our advice might include financial planning. Our advice might include estate planning. Our advice might include suggestions about accounting, tax law, or other legal concerns, but we never give accounting, tax, or legal advice.

Usually, we offer our advice in one of three different formats; these are described under “Services we offer” at page 5.

Our service is governed by a written agreement with you, our client. An Agreement may impose restrictions and conditions beyond those described in our Brochure. Only we and our client may negotiate or enforce our Agreement.

4.A About Cornerstone Financial Planning

We’re a fee-only financial-planning investment adviser.

We’ve been in business for almost eight years (since early 2004). Although we’re a somewhat new business, Susan earned her CFP® or Certified Financial Planner designation in 1998, and Jill earned her CFP® designation in 1999. Susan and Jill have business experience with other financial-planning firms, as described in “Educational Background and Business Experience” at page 26.

Who owns Cornerstone Financial Planning?

Our only two Owners are Jill Boynton and Susan Veligor, each of whom owns 50% of us.

For information on each’s education and business experience, see page 26.

4.B Services we offer

We offer financial planning and investment advice.

Our advisory services usually involve one or more of three categories of service.

- 1) financial planning and investment management.
- 2) hourly consulting services that might or might not involve securities or investments.
- 3) consulting services to Retirement Plans.

To consider a suitable course of action for you, we do an initial review of the information you present. Our review may include considering your investment objectives, overall financial condition, income and tax status, personal and business assets, risk profile, and other facts of your particular circumstances.

We provide an initial, no-obligation, no-fee meeting to become familiar with a prospective client’s circumstances. We get information from you – some of it in conversation with you, and some by gathering documents from you. This information can help us consider which service might help you.

We're not obliged to check information we received from you or from your lawyer, accountant, and other professionals. If you ask, we may suggest other professionals to help you implement your financial planning. You're never obliged to engage anyone we suggest.

You must tell us about changes to your financial situation or investment objectives so that we can review, evaluate, and revise our previous advice.

Most of our investment advice is about mutual funds or similar diversified Funds. But we also can render advice about listed and over-the-counter securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, U.S. government securities, annuity contracts, and life insurance contracts. We might limit our advice about other kinds of investments.

Financial Planning and Investment Management

If you engage this service, we assess your current financial situation. Our assessment may include considering your future income needs from your portfolio, and your time horizon and risk tolerance. We review your current investment portfolio. Usually, we'll suggest a written Investment Policy Statement. An IPS includes recommendations for asset allocation and asset selection. Going forward, we review your portfolio to check whether it is consistent with your IPS.

Some specific tasks of this service may include:

- preparing an annual net worth statement;
- creating a cash flow statement;
- creating an Investment Policy Statement for your goals and objectives;
- implementing investment recommendations as outlined in your IPS;
- providing investment management on a discretionary or non-discretionary basis;
- reviewing your most recent personal tax returns to find tax-planning suggestions;
- reviewing personal and small-business tax returns;
- providing insurance advice, and helping you implement our recommendations;
- providing estate-planning advice, and helping you implement our recommendations;
- completing a retirement analysis;
- providing education-planning advice;
- providing advice on other areas of financial planning for which you want our help.

We provide our services according to a written agreement – usually, our Advisory Services Agreement.

Hourly Consulting

This service involves consultation, analysis, and recommendations in any or all of the six areas of financial planning. We review your current financial situation to issue a written analysis and report of our recommendations about ways that you might meet your goals and objectives. This service usually involves an initial consultation and one or more follow-up visits.

The areas covered in the plan may include:

- preparing an annual net worth statement;
- creating a cash flow statement;
- reviewing your current investments to make recommendations;
- reviewing your most recent personal tax returns to present tax-planning suggestions;
- reviewing life, disability, and long-term care insurance contracts to make recommendations;

- reviewing your estate plan to make recommendations;
- completing a retirement analysis;
- providing education-planning advice.

If we provide analysis and recommendations on all or most of these topics, we might present our recommendations as a “full financial plan”.

Hourly consulting services might involve services not described under our “Financial Planning and Investment Management” service.

We offer this service only as a non-discretionary service – that means that we’ll provide our advice and recommendations, but don’t have any authority to make decisions for you. We’re not responsible to help you implement any recommendation. However, you might request, and agree to pay for, another engagement for further services.

We provide our services according to a written agreement – usually, our Hourly Services Agreement or Divorce Services Agreement. If we provide hourly services according to our Divorce Services Agreement, our focus will be on issues pertaining only to your upcoming divorce.

Pension Consulting

We can offer advice to a Retirement Plan. The SEC refers to this as pension consulting. All of our advice for this service is non-discretionary – that is, we present recommendations, but the Retirement Plan’s administrator or other named Fiduciary makes decisions.

We can provide this service to almost any kind of Retirement Plan, including a pension, money-purchase, profit-sharing, employee-stock-ownership, 401(k), 403(b), or 457(b) plan, a deferred compensation plan, or other arrangement for retirement savings.

We gather and review information on each Retirement Plan to consider the Plan’s objectives and needs. Our tasks in this consulting service may include:

- preparing your Retirement Plan’s Investment Policy Statement,
- analyzing Investment Alternatives,
- presenting recommendations to help you select Investment Alternatives,
- monitoring Designated Investment Alternatives’ investment performance,
- reporting on the past performance of Designated Investment Alternatives,
- furnishing Investment Education to Participants,
- providing advice to Participants.

A Retirement Plan that wants to provide particular advice to the Plan’s Participants may engage us to provide individualized non-discretionary advice as explained in this Brochure.

We offer these services according to a written agreement.

4.C How we tailor our services

We’re willing to tailor our services to meet your needs and preferences.

For advice to a Retirement Plan’s Participant, we limit our management or advice to the Plan’s Designated Investment Alternatives.

About investment restrictions

For discretionary management, you may direct us not to invest in a particular investment, or in a kind of investment, that you specify clearly enough so that we can apply your restriction. However, if we believe that obeying your direction wouldn't excuse us from responsibility, we may ignore a direction as we consider appropriate.

For non-discretionary advice, you may ask us not to recommend a particular investment, or a kind of investment, that you specify clearly enough so that we can apply your restriction. However, if we believe that obeying your direction wouldn't excuse us from responsibility to render advice, we may ignore a direction as we consider appropriate.

4.D NOT a wrap-free program

None of our services involves a wrap-free program.

4.E Assets under our advice

We're a mid-sized adviser. As of December 31, 2011, we had about \$63,446,006 in regulatory assets under management, about \$9,687,787 of which we managed on a non-discretionary basis, and about \$53,758,219 we managed on a discretionary basis.

5. Fees and Compensation

5.A We're a fee-only adviser.

We're compensated for our advice solely by fees.

This Brochure shows some of our typical fee schedules. But we may negotiate higher or lower fees with a particular client.

Our fee might be a percentage of assets under our management or advice. Our fee might be measured by the time we work for you. Our fee might be an amount that's fixed for a specified project or task. Our fee might be a combination of these and other measures.

The three illustrations that follow show our typical fee for each of the three usual services explained above.

Financial Planning and Investment Management

<i>Assets under our management or advice</i>	<i>Quarterly fee</i>	<i>Annualized fee</i>
\$600,000 to \$4 million	\$1,500 plus 0.1250% on the portion above \$600,000	\$ 6,000 plus 0.50% on the portion above \$600,000
more than \$4 million	\$4,250 plus 0.0625% on the portion above \$ 4 million	\$17,000 plus 0.25% on the portion above \$ 4 million

If you or we ended this service so that we worked less than all of a fee-measurement period, we'll adjust the fee so that it's proportional to the portion of the period that we worked.

Hourly Consulting

For advice or consulting that isn't "Financial Planning and Investment Management" and isn't "Pension Consulting", our typical fee is \$200 per hour, counted to the tenth of an hour following professional service providers' customs.

We may agree that a particular project or task is for a fixed fee.

Pension Consulting

<i>Assets under our management or advice</i>	<i>Quarterly fee</i>	<i>Annualized fee</i>
\$600,000 to \$4 million	\$1,500 plus 0.1250% on the portion above \$600,000	\$ 6,000 plus 0.50% on the portion above \$600,000
more than \$4 million	\$4,250 plus 0.0625% on the portion above \$ 4 million	\$17,000 plus 0.25% on the portion above \$ 4 million

If you or we ended this service so that we worked less than all of a fee-measurement period, we'll adjust the fee so that it's proportional to the portion of the period that we worked.

Our right to keep unpaid-for documents

For any of our services, we may keep (and refuse to send to you) a document that includes our work to secure payment of fees for our work. We'll use this retaining lien in good faith. Further, our retaining lien doesn't apply to a record (rather than our advice) that you need to complete a tax return or do something else that's required to comply with a Federal tax law.

5.B Ways to pay our fee

If your fee is based on your assets under our management or advice, we give you your choice of paying our fee by instructing your Custodian to pay it from your Investment Account, or paying "out of pocket" separately. If you're an hourly-consulting client, you pay by writing us a check.

If you want to pay our fees "automatically" from your Investment Account, we might ask you to sign an authorization that permits your Custodian to debit your account and pay our fee. Such a standing instruction remains in effect until you revoke it. You should expect your Custodian to send you a statement or confirmation that shows you each amount debited from your account. You should check these carefully to make sure that the amount debited was the correct fee that you owed.

A Retirement Plan may pay our fee in either of the following ways.

Employer pays: An Employer may pay our fee, paying it from the Employer's money without using the Retirement Plan's assets. Concerning a Governmental Plan, we may refuse to accept payment from an Employer if we believe that the Employer lacks authority to pay our fee.

Plan pays: A Retirement Plan may pay our fee. To do so, the Plan's Independent Plan Fiduciary must have and use a power to pay us, or to instruct a trustee or insurer to pay us. If the Plan pays our fee, the Independent Plan Fiduciary decides how to allocate that expense among the Plan's accounts, which may include Participants' Plan Accounts.

Only you can direct your Plan to pay our fee, or permit the Employer to pay our fee.

When do you pay fees?

For a fee that's measured on assets under our management or advice, fees are on quarterly periods.

For a fee that's measured on time worked (or as a fixed amount), you must pay promptly after we deliver our fee statement.

5.C Others' fees and expenses

Investing your assets will incur fees and expenses of persons unrelated to us. Those fees and expenses are not our fees, and are in addition to our fee. If you invest in a Fund, you'll bear a share of the Fund's expenses. If you use a broker-dealer, you might incur or bear transaction fees, commissions, or other brokerage costs. A Custodian will have its own fees and charges. A trust or insurance contract might involve fees and expenses. A Retirement Plan may allocate some or all of the Plan's expenses to be charged against Participants' Plan Accounts, or even against a particular Participant's Plan Account.

5.D When you pay us

We don't require you to pay our fee in advance.

We don't permit you to pay our fee in advance. We use this restriction so that we don't have custody of your money in a way that could impose extra rules on us.

For a fee that's measured on assets under our management or advice, if you or we ended a service so that we worked less than all of a fee-measurement period, we'll adjust the fee so that it's proportional to the portion of the period that we worked.

Our Agreement obligates you to pay promptly for work that we've done.

5.E NO commissions or sales compensation

We don't accept compensation for the sale of Fund shares, any other securities, or any investment product. So we don't face the conflicts of interest posed by allowing compensation that could influence what investments we choose or recommend.

As part of the National Association of Personal Fiduciary Advisors FIDUCIARY OATH that each of us has signed, Jill or Susan (and any person in which she has a financial interest) does *not* receive any compensation or other remuneration that's contingent on your purchase or sale of a financial product. Likewise, Jill or Susan does *not* receive a fee or other compensation from a person other than you based on the referral of you or your business.

6. Performance-Based Fees and Side-by-Side Management

We don't accept any performance fee – that is, a fee based on a share of capital gains on, or capital appreciation of, the assets under our advice or management. So we don't face the conflicts of interest posed by such a fee. A performance-based fee could create an incentive for an adviser to recommend an investment that might carry a higher degree of risk to you.

7. Types of Clients

We consider as clients an individual, a trust, an estate, a charitable organization, or a Retirement Plan.

Many of our clients are High-Net-Worth Individuals.

We choose whether we want to accept a client. Usually, we'll accept a client if the circumstances allow us to provide a useful service for a reasonable fee.

Usually, we expect a client to put at least \$600,000 under our management or advice. Our minimum annualized fee for our "Financial Planning and Investment Management" service is \$6,000. We may negotiate either minimum. Again, we choose whether, and on what terms, we accept a client.

8. Methods of Analysis, Investment Strategies and Risk of Loss

8.A Our analysis and investment strategies

We use fundamental security analysis.

The primary investment strategy we use most often is diversification and an appropriate allocation of assets among equities, fixed income, and cash.

Some of our advice might use portfolio-optimization and "Monte Carlo" stochastic simulation methods to illustrate the savings rates and investment mix that could help you increase the likelihood that you would meet your financial-planning goal.

Our investment advice includes long-term purchases, short-term purchases, and margin transactions.

Our main sources of information include:

- *The Wall Street Journal*,
- Morningstar's Mutual Fund Services,
- Littman Gregory's Advisor Intelligence.

Also, we may use corporate rating services, research materials prepared by others, annual reports, and other filings with the SEC.

Investing in securities involves risks of loss that you should be prepared to bear.

Our financial-planning advice and our investment advice often are based on assumptions. We rely, without checking, on the facts you tell us (or that your lawyer, accountant, or other person who works for you tells us). For factors that can't be known, we may rely on assumptions. For example, we might use an assumption about how long a person might live.

You must tell us about your attitudes concerning the risks and opportunities of investments.

8.B Risks of our investment strategies

Many people are familiar with a warning that an investment's past doesn't predict its future. Likewise, although there's some evidence to support the idea that, in the past, asset allocation was effective in diversifying risks, no one can predict the future. Every investment strategy bears the risk that there's no way to know that it will work.

8.C Risk of particular types of securities

Usually, we suggest filling an asset allocation using Funds. Here are some risks of that means of investing:

- Using Funds could be an ineffective way to meet a desired asset allocation.
- Information that we receive about a Fund could be wrong.
- A Fund's future investments could be different from what we assumed when we suggested the Fund
- A Fund could lose money or value.

9. Disciplinary Information

There is no legal or disciplinary event that is material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

10. Other Financial Industry Activities and Affiliations

10.A NO broker-dealer registration

We're not a broker-dealer. Neither of us is a registered representative of a broker-dealer.

10.B NO commodities registration

Neither Cornerstone Financial Planning LLC nor any management person of it is registered (or has applied to register) as a futures commissions merchant, commodity pool operator, or commodity trading advisor, or as an associated person of such a business.

10.C NO related person to disclose

We have no advisory affiliate or other person under common control with us who or that is an accountant or lawyer or is in a banking, insurance, securities, commodities, real estate, or other investment-related business that this subitem calls us to disclose.

10.D NO recommendation of another investment adviser

We don't select or recommend another investment adviser.

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

11.A Code of Ethics

We have a CODE OF ETHICS. It includes standards of conduct that we require of Jill, Susan, and our supervised persons. It requires them to comply with applicable Federal securities laws. It prevents access to confidential information about our clients' securities holdings and transactions by those who don't need the information to do their work for us. It requires those who have access to clients' confidential information about securities to seek approval of, report, and handle their personal securities transactions according to the Policy described below.

We furnish our Code of Ethics to each of our supervised persons, and we require each to give us a written confirmation that he or she received it. We require each of our supervised persons to report any violation of our Code of Ethics to our chief compliance officer. But if a person believes that a violation involves our chief compliance officer, we permit a report to the other member.

On request, we furnish our Code of Ethics to any client or prospective client.

11.B NO conflict from recommending a security we have a stake in

We don't recommend a security in which we have, or a related person of us has, a material financial interest.

- 1) We don't buy a security from a client, or sell a security to a client.
- 2) We don't act as a general partner of a partnership in which we solicit your investment.
- 3) We don't act as investment adviser to any investment company.

11.C NO conflict from investing in the same securities we recommend

Either of us might invest in the same securities that we recommend to clients. This happens with open-end SEC-registered mutual funds, or similar Funds. Because such a Fund has a share price based exclusively or primarily on the Fund's net asset value rather than its shareholders' trading, a transaction (or the absence of a transaction) that results from our recommendation could not meaningfully affect the value of any investor's shares in the Fund. Rather, the price or value at which such a Fund's shares are bought or redeemed is based on the values of the securities held for the Fund's portfolio. Even if all of our clients bought, or all of our clients redeemed, shares in a Fund, that couldn't affect the price or value of the Fund's shares, and so couldn't result in a benefit for either of us.

If we give advice about a stock, bond, or other security that's not an open-end Fund, or about any related security, and either of us has an interest that could be considered as a potential conflict of interest, we'll disclose our interests to you no later than when we present a recommendation.

11.D NO conflict from trading securities around the time of our recommendation

If we give advice about a stock, bond, or other security that's not an open-end Fund, or about any related security, and either of us has an interest that could be considered as a potential conflict of interest, we'll disclose our interests to you, and we won't buy or sell the security for you, or recommend the security to you, until you give us your approval after our disclosure of our interests.

12. Brokerage Practices

We don't select a broker-dealer for a client's transactions. We don't recommend a broker-dealer beyond the practical concerns that we explain in the next subpart.

We don't execute a client's transactions.

12.A Suggesting Custodians

We might suggest a broker-dealer or other Custodian for you to consider for your Investment Account. Most often, we suggest Shareholders Service Group Inc. or Fidelity Brokerage Services, LLC and their Custodians.

Also, we have a "TIAA-CREF Authorized Advisor" arrangement with Teachers Insurance and Annuity Association ["TIAA"], College Retirement Equities Fund ["CREF"], and their affiliates, TIAA-CREF Individual & Institutional Services, LLC, and Teachers Personal Investors Services, Inc. (we'll call all these and their other affiliates together "TIAA-CREF") that allows us to receive your information from TIAA-CREF and, if you authorize us, to submit some kinds of information and investment changes to TIAA-CREF.

We're not a broker-dealer, and every Custodian we might suggest (including those mentioned above) is unaffiliated with us. Likewise, every Custodian (including those mentioned above) does *not* endorse us.

Although choosing your broker-dealer or other Custodian always is your choice, choosing a Custodian that we suggest often is a practical condition to a relationship with us. Not having the right kinds of

computer information feeds – from the Custodian to us, and from us to the Custodian – could make it impractical for us to advise you, and might make it so impractical that we would decline to accept you as a client.

As explained under “Others’ fees and expenses” at page 10, separate from our fees a Custodian has its own commissions, fees, and charges. We don’t get any part of those commissions, fees, and expenses.

Some of the factors that we consider in suggesting a Custodian include the Custodian’s information reporting to us, financial strength, reputation, execution, pricing, research, and other services.

Research and other soft-dollar benefits

We sometimes receive research and other products or services other than execution from a broker-dealer or other Custodian. We’d prefer that there could be no source of any compensation beyond you, our client. But the business world of investments just isn’t organized that way, and it’s impractical to arrange our investment-advisory business to avoid completely all indirect compensation.

The research that we receive may include research created or developed by the Custodian, and research created or developed by another person (but provided by the Custodian). Receiving research or other soft-dollar benefits might provide a benefit to us because we don’t have to produce or pay for the research, products, or services.

The SEC requires us to disclose that we could have an incentive to select or recommend a Custodian based on our interest in receiving the research or other soft-dollar benefits, rather than on your interest in receiving the most favorable execution of your transactions. We believe that such a compromising influence is quite limited because the value of the soft-dollar benefits is modest. Further, it is difficult or impractical to find a Custodian that doesn’t provide soft-dollar benefits and does provide the reporting and other services that you require to enable us to do our work for you.

We use research and other soft-dollar benefits in our work for all clients. We wish that there were a way to allocate soft-dollar benefits in proportion to each client’s expenses that generated the research and other soft-dollar benefits. Because the soft-dollar benefits we receive are not accounted for in specified money amounts, don’t have readily determinable values, and are provided not in relation to a particular client but rather generally regarding our overall relationship with the Custodian, there isn’t a practical way to allocate soft-dollar benefits to clients.

The soft-dollar benefits we receive include research (whether created or developed by the Custodian, or by another person), which might help us in our forming our advice, and information services, which might help us do a better job in implementing your transactions or reviewing your accounts.

We *don’t* direct client transactions to a particular Custodian in exchange for soft-dollar benefits.

Brokerage for client referrals

We don’t receive client referrals from a Custodian.

Directed brokerage

Although we don’t require you to use a particular Custodian, we request that you use a Custodian that provides to us regular computer-based “real-time” information reporting that enables us to do our work for you. We can’t help you manage your investments if we can’t “see” them!

You may choose any Custodian you want. If you choose a Custodian other than one we suggest, you might be unable to achieve the most favorable execution of your transactions. Directing brokerage could cost you more money, especially if you choose a Custodian that has fees and charges that are more expensive than those of another Custodian you might use.

12.B NO aggregation

Our clients' transactions in securities are primarily buying and redeeming Fund shares, and very little in trading "individual" stocks or other securities on an exchange. So we don't aggregate our clients' purchases or sales of securities.

However, in some circumstances, we might "batch" orders to obtain best execution or negotiate a more favorable transaction fee. We don't receive any additional compensation from this batching.

13. Review of Accounts

13.A Periodic reviews

For an investment-management client, we'll do a review of your information at least once a year. We may review your Investment Account in between annual reviews if we consider it advisable to do so. Or you may request extra reviews. Jill or Susan reviews each Investment Account. We review an Investment Account for changes in value, and for current suitability of its investments.

We review your Investment Policy Statements with you once a year. We invite you to reconsider and reevaluate whether your IPS remains in keeping with your current financial situation, and change in your family or circumstances, and change in your needs or goals.

13.B Extra reviews

If Shareholders Service Group or Fidelity Investments holds mutual Fund shares for your Investment Account, we review those investments on a regular basis. We review those Funds for past performance and for our outlook on continuing suitability. Also, we might review a Fund if it shows underperformance for an extended time, if the Fund changes its management, or if the Fund increases its expenses.

We might review your Investment Account if we notice something unusual, which could include an increase in your requests by that aren't in keeping with your stated investment objectives, outlying performance of an investment, or your complaint.

You should tell us if your investment goals or your financial situation changes, or if you want to make changes about your investments.

13.C Our reports to you

For our investment-management clients, we might send you a written report when we consider that doing so might help you. Or you may request a report.

14. Client Referrals and Other Compensation

14.A Indirect payment of our fee

With only two exceptions, we don't allow a person other than you, our client, to provide an economic benefit to us for providing investment advice or other investment-advisory services.

We receive research and other soft-dollar benefits, as explained at page 15.

We may allow an Employer to pay a Retirement Plan's fee. See "Ways to pay our fee" at page 9. We allow this only when we believe that the arrangement for indirect payment complies with Applicable Law, otherwise is reasonable, and the Independent Plan Fiduciary approves the arrangement.

14.B Solicitors

We don't compensate any person for referring a client to us.

15. Custody

We don't have custody of a client's securities or money.

For each Investment Account, you get statements and other information from your Custodian. Usually, you should expect quarterly statements. You should check every statement and every confirmation. And if you pay our fee from an Investment Account, you should check that each fee payment was correct.

If you receive any statement from us, you should compare it to statements you receive from your Custodians.

16. Investment Discretion

If our Agreement so provides, we may accept discretionary authority to manage your Investment Account.

According to the SEC, an investment adviser (such as Cornerstone Financial Planning LLC) has discretionary authority or manages assets on a discretionary basis if it has the authority to decide which investments to buy and sell for its client.

Conversely, if we recommend buying (or selling) an investment but lack authority to buy (or sell) it for you without your specific approval, we don't have discretionary authority.

17. Voting Client Securities

17.A We don't vote your investments

We don't have, and don't accept, authority to vote your securities (or any investment).

Unless you affirmatively ask about a particular proxy or solicitation, we don't give advice about how you should vote your investments.

17.B How you get proxies

Because we don't vote your investments, you should ask your Custodian whether and how you'll receive proxies and other solicitations.

To ask for our advice about a particular proxy or solicitation, please e-mail us at Jill's or Susan's e-mail address shown on the cover page of this Brochure.

18. Financial information

18.A NO prepayment

We don't require (or permit) prepayment of fees.

18.B Our financial condition

We have no financial condition that is reasonably likely to impair our ability to meet our contract commitments to clients.

18.C NO bankruptcy

We have not been the subject of a bankruptcy petition during the past ten years.

19. Requirements for State-Registered Advisers

19.A Jill's and Susan's education and business background

The education and business background of each of our Owners is described at page 26.

We require each of our planners (currently, Jill and Susan) to have a college degree and to have met and continue to meet all requirements to use the CERTIFIED FINANCIAL PLANNER[™] and CFP[®] marks. An explanation of these certification marks is at page 26.

19.B NO other business

We're not actively engaged in a business other than investment advice.

19.C NO performance-based fee

We don't get a performance-based fee. A performance-based fee could create an incentive for an adviser to recommend an investment that might carry a higher degree of risk to you.

19.D No disciplinary event

There is no legal or disciplinary event that is material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

19.E No relationship with a securities issuer

We don't have, and each of Jill and Susan doesn't have, any relationship or arrangement with a securities issuer.

20. Index

Our Brochure follows the order and numbering of items and subitems in Form ADV's Part 2A and the Table of Contents on page 3 shows the page on which each item and sub-item begins.

As further aids to readers, our Brochure includes many cross-references in its text, and a set of "Definitions and specially-used words", which begins at page 20.

21. How we meet ERISA's reasonable-contract rule

This part is for a Retirement Plan that's governed by ERISA (or that has transactions that could be subject to an excise tax under Internal Revenue Code § 4975). It also could be relevant to an individual who pays a portion of our fee from his or her Plan Account under such a Retirement Plan. Another kind of client doesn't need to read this part.

ERISA tries to help make sure that a Retirement Plan gets a fair deal when it buys services. ERISA prohibits a Retirement Plan from buying a service unless:

- 1) the services are appropriate for the Plan,
- 2) the services are provided under a contract or arrangement that's reasonable,
- 3) the Plan pays no more than reasonable compensation for the service, and
- 4) nothing else about the situation involves self-dealing or something else that's prohibited.

A Labor department rule describes some conditions that a contract must meet for it to be a reasonable contract. Our Brochure and our Agreement state the information that's required by the rule. (That we make these statements isn't tax or legal advice, or any kind of tax or legal opinion.)

ERISA services and compensation disclosure

The Plan's Fiduciaries responsible for deciding whether and on what terms to engage us must consider the disclosures described below (including the other documents mentioned below or in our Agreement).

Services

Our services to be provided to the Plan are as stated by our Agreement.

Status

We provide those services directly to the Plan as an investment adviser registered under the Investment Advisers Act and as a Fiduciary (within the meaning of ERISA) to the extent of our services provided by the Agreement.

Direct compensation

Our direct compensation is as stated by our Agreement.

Indirect compensation

As explained at page 15, we might receive research or other products or services other than execution (which the Securities and Exchange Commission calls "soft-dollar benefits") from a broker-dealer or another person concerning the Retirement Plan's and other clients' securities transactions. The payers of soft-dollar benefits could include every Custodian. The services for which indirect compensation is received are the services provided under our Agreement. Presenting this disclosure doesn't mean that we concede that any soft-dollar benefit is compensation.

Compensation paid among related persons

Except as described by the preceding paragraph, we won't, concerning our services under our Agreement, pay to an affiliate or a subcontractor compensation that is set on a transaction basis or that is charged directly against the Plan's investment and reflected in the net value of the investment.

Manner of receipt

Our direct compensation will be billed and collected from the Plan's assets or from the Employer. Soft-dollar benefits will be provided by the broker-dealers.

Compensation for termination of contract or arrangement

Our Agreement doesn't provide us compensation that results because of either party's termination of the Agreement. We remain entitled to compensation that accrued before the effective time of our Agreement's termination.

Other documents

The Plan's responsible Independent Plan Fiduciary has received our Brochure, Privacy Notice, and every document that our Agreement states that the Retirement Plan received.

22. Definitions and specially-used words

Agreement

means a client's agreement with us, under which you get and pay for our investment-advisory service.

Applicable Law

means only law that applies to us in offering or performing our service.

Brochure

refers to a document that, with its Supplement, we use to meet an Investment Advisers Act rule that we furnish a written disclosure statement that contains the information required by SEC Form ADV Part 2A&B.

Business Day

means a day (other than a Saturday, Sunday, or holiday) on which we are open for regular business. Usually, we follow the trading days and holidays of the New York Stock Exchange. A Business Day ends at 4:00 p.m. Eastern time, or the earlier closing-of-trading on the New York Stock Exchange.

A visit to either of our offices is by appointment only.

Custodian

refers to a bank, broker-dealer, trust company, insurance company, transfer agent, or other business that maintains for you an Investment Account or another account that reflects your investments.

Designated Investment Alternative

means a specific Fund that a Retirement Plan's Independent Plan Fiduciary or Employer identified as an investment alternative available for Participant-directed investment and intends as a "designated investment alternative" within the meaning of 29 Code of Federal Regulations § 2550.404c-1(e)(4) or, for a Retirement Plan that's not governed by ERISA, similarly intends as a choice for Participant-directed investment.

Employer

refers to the employer that sponsors, maintains, or makes available a Retirement Plan with which we have an Agreement, and includes its parents and affiliates, and the fiduciaries of the Retirement Plan. In context, an Employer also may refer to the employer a Participant works for (or left work from). Concerning a beneficiary or an alternate payee, the Employer refers to the employer or former employer of the participant regarding whom a beneficiary's or an alternate payee's account or right is provided.

Because a typical Retirement Plan's Fiduciary (if any) is the Employer, a parent, subsidiary, or affiliate of the Employer, or a committee of persons appointed by the Employer or its governing board or executives, our Brochure sometimes also uses the word "Employer" to refer to a Retirement Plan's Fiduciaries.

Whenever a decision is about whether to contract our service or about approving our fee, we require that the deciding or approving Fiduciary be independent of us.

ERISA

refers to the *Employee Retirement Income Security Act of 1974*, as amended (29 United States Code §§ 1001 to 1461). ERISA is a Federal law that governs many employee-benefit plans, including many Retirement Plans.

Fiduciary

means a person who or that is a fiduciary of a Retirement Plan under ERISA, other law, or a moral responsibility.

Fund

refers most often to a fund that is an SEC-registered investment company. Many people call this a “mutual fund”. But a Fund also can be a bank’s or trust company’s common or collective trust, an insurance company’s separate account, a real estate investment trust, or a similar investment pool.

Governmental Plan

means a plan described in ERISA § 3(32), IRC § 414(d), or that otherwise is established or maintained by an Employer that is part of, or is an agency or instrumentality of, a Federal, State, or local government.

High-Net-Worth Individual

Means a human being who (any one of the following):

- has at \$750,000 managed by us,
- has a net worth more than \$1.5 million (which may include assets held with his or her spouse), or
- owns at least \$5 million in investments.

Independent Plan Fiduciary

means a Retirement Plan’s Fiduciary who or that is unaffiliated with, and independent of, us.

Internal Revenue Code

means the *Internal Revenue Code of 1986*, as amended (Title 26 of the United States Code). This is the Federal law that states the rules for the Federal income tax and some other United States taxes, including some excise taxes.

Investment Account

can include a securities account (as the *Uniform Commercial Code* defines that term), such as a “brokerage” account with a broker-dealer, a variable annuity contract, a variable life insurance contract, an account under a Retirement Plan, or an account under an IRC § 529 qualified tuition program, but only if you arrange for us to have efficient computer-based access to your account.

Your Investment Account is *not* with us; every Investment Account is with a Custodian that is unaffiliated with us.

Investment Advice

refers to non-discretionary advice.

Investment Advisers Act

means the *Investment Advisers Act of 1940*, as amended (15 United States Code §§ 80b-1 to 80b-21). This is a Federal law that governs how a person that renders investment advice for a fee may solicit and make agreements to give investment advice.

Investment Alternative

has the meaning that one would assume by construing and interpreting:

- *ERISA section 404(c) plans* - 57 Federal Register 46096 (October 13, 1992), published as 29 C.F.R. § 2550.404c-1, and
- *Default Investment Alternatives Under Participant Directed Individual Account Plans* – 72 Federal Register 60451-60480 (October 24, 2007), published as 29 C.F.R. § 2550.404c-5.

Investment Education

refers to information (which might include information about a Retirement Plan, general financial and investment information, information about a Retirement Plan's investment alternatives, and asset-allocation models) that isn't investment advice within ERISA's meaning of investment advice.

In an *Interpretive bulletin relating to participant investment education* on June 11, 1996, the U.S. Labor department stated some of its views about what information isn't investment advice.

Owner

means a person who is a member of our limited-liability company – Cornerstone Financial Planning, LLC. Only Jill and Susan are our Owners.

Participant

includes a Retirement Plan's participant, beneficiary, or alternate payee (as ERISA or the Internal Revenue Code defines those words). Further, a Participant includes an eligible employee who doesn't yet have an account under a Retirement Plan.

Plan Account

refers to an individual account kept for a Participant under a Retirement Plan.

Registered Investment Adviser

means a person (including a limited-liability company, such as Cornerstone Financial Planning LLC) when it is registered with the SEC or a State Securities Authority under the Investment Advisers Act or a State law.

Relevant Law

includes Applicable Law and law that, even if it doesn't apply to us, is relevant for us to consider in offering or performing our services.

Retirement Plan

refers to a retirement plan (including a pension, money-purchase, profit-sharing, employee stock ownership, 401(k), 403(b), or 457(b) plan), deferred compensation plan, or other arrangement for retirement savings (even if it's not legally a plan).

SEC

refers to the Securities and Exchange Commission, an authority of the United States government. The SEC doesn't regulate investments, but regulates the way a business may present investments or investment advice.

State Securities Authority

refers to a State government's official that regulates Investment Advisers.

Supplement

refers to a part of our Brochure that describes some educational background and business experience of the people who provide our advice.

We and our and us

refer to Cornerstone Financial Planning LLC.

You and your

refer to a client, whether he or she is a natural person, or it is a non-natural person or entity.

However, some parts of the text use “you” and “your” to refer to a prospective client who or that considers whether to engage our services. Likewise, the cover page’s use of “you” includes any reader of our Brochure.

23. Disclosure Brochure Supplement

Cornerstone Financial Planning

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Jill@CornerstonePlanning.com

Cornerstone Financial Planning LLC

70 Old Post Road

Newington, NH 03801-2711

603-431-1133 telephone

603-431-1139 fax

Susan Veligor

Susan@CornerstonePlanning.com

Cornerstone Financial Planning LLC

70 Center Street

Portland, ME 04101-3935

207-772-8133 telephone

207-772-8139 fax

This Part (which we use instead of a separate Supplement) provides information about each of the two people who provide our advice. It supplements our Disclosure Brochure. You should have received a copy of our Brochure. Please e-mail or telephone either of us if you didn't receive our Brochure, or if you have any questions about the contents of this Supplement.

Additional information about each individual named in this Supplement also is available on the Internet at www.adviserinfo.sec.gov.

Date of this Supplement: January 2012

For more information: To get our Disclosure Brochure (including its Supplement), Code of Ethics, Privacy Statement, Business Continuity Plan, Fiduciary Oath, or another document, visit our website at www.CornerstonePlanning.com, e-mail or telephone either of us, or send your request to us at either address shown above. Information about us also is available on the Internet at www.adviserinfo.sec.gov; but registration as an investment adviser or its representative doesn't imply any level of skill or training.

Our Supplement follows the order of items in Form ADV's Part 2B.

23.A Educational Background and Business Experience

Jill Bangser Boynton

CRD#1260104

Cornerstone Financial Planning LLC

Mackensen & Company, Inc.

CFP® designation (explained below)

Tufts University B.A.

Year of birth

2004-

1999-2004

1999

1980

1958

Susan Jellis Veligor

CRD#129656

Cornerstone Financial Planning LLC

Mackensen & Company, Inc.

Financial Guidance Associates

Apple Valley Financial Planning

CFP® designation (explained below)

University of Massachusetts B.A.

Year of birth

2004-

2000-2004

1999-2000

1998-1999

1998

1993

1956

The Certified Financial Planner™, CFP®, and CFP (with flame design) marks are certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. We refer to these marks as the “CFP® marks”, and we refer to Certified Financial Planner Board of Standards, Inc. as “CFP Board”. Outside the United States of America, Financial Planning Standards Board Ltd. Licenses these marks to indicate that a qualified person has met FPSB’s initial and ongoing certification requirements.

The CFP® certification mark is a voluntary certification; no Federal or State law requires a financial planner to hold the CFP® certification. It is recognized in the United States for the mark’s high standard of professional education, stringent code of conduct and standards of practice, and ethical requirements that govern professional engagements with clients. In December 2010, CFP Board stated that more than 62,000 people have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, a person must meet the following four requirements:

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

A person who becomes certified must complete the following ongoing education and ethics requirements to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete, to maintain competence and keep up with developments in the financial-planning field, 30 hours of continuing education every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*.
- Ethics – Renew an agreement to follow the *Standards of Professional Conduct*. These *Standards* require a CFP® professional to provide financial-planning services at a fiduciary standard of care. This means a CFP® professional must provide financial-planning services in the best interests of his or her client.

A CFP® professional who fails to comply with these standards and requirements may be subject to CFP Board's enforcement process, which could result in a suspension or the permanent revocation of the person right to use the CFP® certification. CFP Board does not have power to do anything beyond cancelling a right to use the CFP® marks.

The SEC or any Federal or State government agency does not approve any mark or designation. Our brochure's or supplement's uses of the word "professional" does not mean that financial planning is recognized as a profession under any Federal or State law.

23.B Disciplinary Information

There is no legal or disciplinary event that is material to a client's or prospective client's evaluation of any individual named in this Supplement.

23.C Other Business Activities

Each of Jill and Susan is *not* engaged in an investment-related business beyond Cornerstone Financial Planning LLC.

Each of Jill and Susan is *not* engaged in another business that provides a substantial source of her income or that involves a substantial amount of her time.

Additional Compensation

We don't allow a supervised person to accept an economic benefit for providing our advice from a person other than us. Each of our supervised persons doesn't get compensation, based even in part, on an amount or number of sales or referrals.

23.D Supervision

Each of our Owners supervises her own advice. Also, Jill generally supervises Susan's advice, and Susan generally supervises Jill's advice.

Jill Boynton, our chief compliance officer, supervises herself, Susan Veligor, and every supervised person's advisory activities for us; her telephone number is 603-431-1133.

23.E Requirements for State-Registered Advisers

None of our supervised persons has been involved in an event that would call for disclosure under this item.