

1. Cover Page

This Brochure provides information about some qualifications and business practices of **Cornerstone Financial Planning LLC**. 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, e-mail or telephone either of us, or send your request to us at either address shown above.

Date of this Brochure: March 12, 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. Each item heading's text is as required by law.

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4. Advisory Business

We offer investment advice. Our advice includes investment management or discretionary investment advice for which you ask us to make investment decisions for you. Our advice includes 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 includes financial planning. Our advice includes estate planning. Our advice includes suggestions about accounting, tax law, or other legal concerns, but we never give accounting, tax, or legal advice.

All clients may not utilize all of the services we offer.

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. The Agreement imposes restrictions and conditions beyond those described in our Brochure. Only we and our client may negotiate or enforce our Agreement.

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 our Disclosure Brochure Supplement.

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 our Disclosure Brochure Supplement.

Services we offer

We offer financial planning and investment advice.

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

- financial planning and investment management.
- hourly consulting services involving the areas listed under “Hourly Consulting” on the next page.
- 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 includes considering your goals, investment objectives, overall financial condition, income and tax status, personal and business assets, risk profile, and other facts of your particular circumstances to determine which of the three categories of service best meets your needs.

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 will 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.

Financial Planning and Investment Management

If you engage this service, we assess your current financial situation. Our assessment includes 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 (IPS) unless your invested assets are less than \$150,000. For portfolios at or less than \$150,000 an IPS is not created and the reasoning for each investment recommendation is discussed individually with the client. An IPS includes written 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.

All clients may not utilize all of the services we offer. We provide our services according to a written 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 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 less than all of these topics, we would not present our recommendations as a “full financial plan”.

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

We provide our services according to a written agreement –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. This service is available before, and up to one month after, a divorce is final.

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 can request, and agree to pay for, another engagement for further services.

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 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.

All pension consulting clients may not utilize all of the services offered by us.

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.

Workshops and Seminars

We offer educational workshops and seminars for individuals and businesses on various financial topics, such as saving for retirement or basic financial planning. These sessions don't include any specific investment advice.

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 would communicate this to you and together find a solution.

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 would communicate this to you and together find a solution.

NOT a wrap-free program

None of our services involves a wrap-free program.

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 discretionary basis, and about \$53,758,219 we managed on a non-discretionary basis.

5. Fees and Compensation

We're a fee-only adviser.

We're compensated for our advice solely by fees.

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

Our fees include: a percentage of assets under our management or advice; based on the time we work for you (hourly basis); an amount that's fixed for a specified project or task, or a combination of these.

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

Financial Planning and Investment Management

Our minimum portfolio size is \$600,000 for assets under our management or advice.

<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.

If your portfolio value falls below \$600,000, we will charge 1% of the portfolio value.

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

Our minimum portfolio size is \$600,000 for assets under our management or advice.

<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.

If your portfolio value falls below \$600,000, we will charge 1% of the portfolio value.

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.

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 you will 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.

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 will 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.

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.

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 Financial 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.

Our minimum portfolio size is \$600,000 for assets under our management or advice. Our minimum annualized fee for our "Financial Planning and Investment Management" service is \$6,000. Investment portfolios that fall below \$600,000 will incur a fee that is (annualized) 1% of the portfolio value. Clients paying a retainer fee pay 1% or less of the portfolio value. 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

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 (a random sampling of investment returns, within a range, over a designated period) 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.

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.

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. For instance, you might wish to invest in a very specific type of asset, such as Brazilian bonds, for which no dedicated Fund exists.
- 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

NO broker-dealer registration

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

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.

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.

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

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 and state 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.

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.

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

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.

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 will recommend a broker-dealer as explained in the next subpart.

We don't execute a client's transactions.

Suggesting Custodians

We will 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 11, 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 includes 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.

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 or batch our clients' purchases or sales of securities.

13. Review of Accounts

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. If you do not have an IPS our annual review of your portfolio will still take into consideration the same issues.

Extra reviews

If Shareholders Service Group ("Shareholders") or Fidelity Investments ("Fidelity") 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.

Investments held in an account outside of Shareholders or Fidelity are monitored, if possible, through an account aggregation service. Some accounts are not able to be monitored this way, and for those accounts we would request you provide us with current statements on a regular basis.

We would review your Investment Account if we notice something unusual, such as outlying performance of an investment, or if you request it.

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

Our reports to you

For our investment-management clients, we provide portfolio reports generated by our portfolio management system or by Morningstar Principia at our annual meeting or as requested. These reports can show such information as the allocation, holdings, past performance, standard deviation and other data about the portfolio.

For our investment-management clients, we provide semi-annual performance reports. These written reports are generated by our portfolio management system or by us in Excel and show the 6-month and 12-month performance of the portfolio.

14. Client Referrals and Other Compensation

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 in "Suggesting Custodians" at page 16.

We may allow an Employer to pay a Retirement Plan's fee. See "Ways to pay our fee" at page 11. 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.

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 at least quarterly. Statements are sent monthly if activity such as an investment purchase or sale, a deposit or a withdrawal occurs in the account. 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. We do not produce account statements.

16. Investment Discretion

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.

If our Agreement so provides, we may accept discretionary authority to manage your Investment Account. You provide us with this authority by initialing the "Discretionary Trading" box on our Advisory Services Agreement. In addition, clients of Shareholders Service Group must initial the "Discretionary Trading" box on every account application.

Discretionary authority is limited to placing trades in your account.

17. Voting Client Securities

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.

How you get proxies

Because we don't vote your investments, you will receive proxies and other solicitations directly from your custodian. You may elect to have these sent by email or regular mail.

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

NO prepayment

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

Our financial condition

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

NO bankruptcy

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

19. Requirements for State-Registered Advisers

Jill's and Susan's education and business background

The education and business background of each of our Owners is described in our Supplement.

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 in our Disclosure Brochure Supplement.

NO other business

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

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.

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.

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. 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:

- the services are appropriate for the Plan,
- the services are provided under a contract or arrangement that's reasonable,
- the Plan pays no more than reasonable compensation for the service, and
- 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 16, 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.

21. 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 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.

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 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 (unofficially codified as 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 (unofficially codified as 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*, published as 29 C.F.R. § 2550.404c-1, and
- *Default Investment Alternatives Under Participant Directed Individual Account Plans*, 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 use our Supplement to meet an Investment Advisers Act rule that we furnish the information required by SEC Form ADV Part 2B.

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.