

**Item 1: Cover Page for Part 2A of Form
ADV: Firm Brochure
August 17, 2018**



CORNERSTONE
WEALTH

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This Brochure provides information about the qualifications and business practices of Cornerstone Wealth Group, LLC dba Cornerstone Wealth. If you have any questions about the contents of this Brochure, please contact by us telephone at (704)987-3410 or email at compliance@cwgadvisors.com. 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 Cornerstone Wealth is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that the use of the term "registered investment adviser" and description of Cornerstone Wealth and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

Item 2: Material Changes

Cornerstone Wealth Group became an Independent Registered Investment Advisor in December 2017. The brochure for Cornerstone Wealth Group was initially filed on January 30, 2018. Since that initial filing the following material changes have been made to this brochure.

In the section titled **Retirement Plan Consulting**, information is included regarding Cornerstone Wealth Group's fiduciary obligations under the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code. In addition, information is included regarding the conflict of interest that arises when Cornerstone Wealth Group recommends that an ERISA plan participant or IRA account holder engage in a rollover to a new custodial vehicle so that Cornerstone Wealth Group can provide advisory services to that prospective client.

A new section titled **Cybersecurity** has been added to the brochure. This new section describes the possible negative impact to a client in the event of a cybersecurity that affects Cornerstone Wealth Group, the issuers of utilized securities, or government and regulatory entities.

Under **Fees and Compensation** updates to Retirement Plan Consulting fees have been made.

The section titled **Advisory Business** has been reviewed to reflect a new ownership structure. In July 2018, Focus Financial Partners Inc. ("Focus Pubco") commenced an initial public offering ("IPO") of shares of common stock. Focus Pubco is the sole managing member of Focus Financial Partners, LLC ("Focus LLC") and, immediately following the IPO, owned an approximately two-thirds economic interest in Focus LLC. Because Cornerstone Wealth is an indirect, wholly-owned subsidiary of Focus LLC, Cornerstone Wealth is now an indirect, majority-owned subsidiary of Focus Pubco, a public company.

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Item 4: Advisory Business

Introduction

Cornerstone Wealth Group, LLC (“Cornerstone Wealth”, the “Firm”, “we”, “us” or “our”) is an SEC Registered Investment Adviser that is dedicated to providing individuals and other types of clients with a wide array of investment advisory services.

The oral and written communications we provide to you, including this Brochure, is information that you may use in your decision to hire us or continue a professional relationship with us. This Brochure provides information about our qualifications and business practices.

Ownership

FOCUS OPERATING, LLC, FOCUS FINANCIAL PARTNERS, LLC AND FOCUS FINANCIAL PARTNERS, INC.

The Registrant is part of the Focus Financial Partners partnership. As such, Cornerstone Wealth is a wholly-owned subsidiary of Focus Operations, LLC (“Focus Operating”), which is a wholly-owned subsidiary of Focus Financial Partners, LLC (“Focus LLC”). Focus Financial Partners Inc. (“Focus Pubco”), a public company traded on the NASDAQ Global Select Market, is the sole managing member of Focus LLC and, immediately following the IP, owned an approximately two-thirds economic interest in Focus LLC. Thus, Focus Pubco is a direct owner of Focus LLC and an indirect owner of the Focus Partner Firms. Focus Pubco has no single 25%-or-greater shareholder. However, investment vehicles affiliated with Stone Point Capital LLC collectively have a greater-than-25% voting interest in Focus Pubco. Such investment vehicles also have a greater-than-25% voting interest in Focus LLC through their voting interest in Focus Pubco: As the sole managing member of Focus LLC, Focus Pubco has 100% voting control over Focus LLC, and thus such investment vehicles’ greater-than-25% voting interest in Focus Pubco also gives them a greater-than-25% voting interest in Focus LLC.

Focus LLC owns registered investment advisors, broker-dealers, pension, consultants, insurance firms, and other financial service firms (the “Focus Partners”), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

CWG MANAGEMENT GROUP, LLC

Through an exclusive long-term arrangement with Focus, CWG Management Group, LLC (the “Management Company”) has agreed to provide the services of its members to act as officers of Cornerstone Wealth who, in that capacity, will provide supervision, oversight, and operational support services to Cornerstone Wealth. Craig Rubrecht, Brian Needleman, Jeffrey Carbone and Andrew Smith are principals of the Management Company and serve as Executive Officers of Cornerstone Wealth.

Description of the Types of Advisory Services We Offer

Comprehensive Portfolio Management:

Our comprehensive portfolio management services encompass asset management as well as providing financial planning/financial consulting to clients. It is designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We may propose an investment portfolio, consisting of exchange traded funds, mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least quarterly. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments.

Retirement Plan Consulting:

We provide retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: sponsor services, investment services, plan design, vendor management and/or participant services.

All retirement plan consulting services will be in compliance with the applicable laws regulating pension consulting services. This applies to client accounts that are retirement or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

In cases of Plans offering participants the option of using our Employee Advice Solution, which offers the development of a financial plan for a fee, we will enter into a separate agreement with that participant, describing our services and fees for that engagement. Participants will need to provide information to help us understand their investment objectives. In providing this service, we are deemed to be a fiduciary and an investment manager as defined in ERISA Section 3(38).

Cornerstone Wealth is a fiduciary under the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended with respect to investment management services and investment advice provided to ERISA plan client, including ERISA plan participants. Cornerstone Wealth is also a fiduciary under the Internal Revenue code ("IRC") with respect to investment management services and investment advice provided to ERISA plans, ERISA plan participants, IRAs and IRA owners. As such, Cornerstone Wealth is subject to specific duties and obligations under ERISA and IRC that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption.

A conflict of interest arises and the prohibited transaction rules are implicated when Cornerstone Wealth recommends that an ERISA plan participant take a distribution from an ERISA Plan and

roll it over to an IRA that Cornerstone Wealth advises or if Cornerstone Wealth recommends that an IRA owner transfer his IRA to an IRA that Cornerstone Wealth advises because Cornerstone Wealth will receive compensation via an advisory fee that it would not have received absent the recommendation. When Cornerstone Wealth engages in this transition it relies on the exemption known as the Best Interest Contract Exemption or BICE which requires compliance with the “impartial conduct standards.” The impartial conduct standards are designed to mitigate conflicts of interest by requiring that investment advice be in the “best interest” of the Retirement Account Client, that advisers not make any materially misleading statement and not charge a fee that exceeds a reasonable amount. The best interest standard requires that advisers act with care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use, based on the investment objectives, risk tolerance, financial circumstances and needs of the Retirement Account Client. This mirrors the prudent man standard of conduct and duty of loyalty found in ERISA.

Management of Variable Annuity Sub-accounts (“VA Option”):

We also provide management services with respect to previously purchased variable annuity subaccounts. If a client chooses to utilize this VA Option, the client will provide our firm with trading authorization; and, on a discretionary basis we will reallocate the subaccounts within the client’s variable annuity pursuant to investment objectives chosen by the client. Our firm will obtain the necessary financial data from the client, assist the client in determining the suitability of utilizing this VA Option, and assist the client in setting an appropriate investment objective for the management of the assets. Our firm will determine in our sole discretion if the client would benefit from this option. There is no additional charge for this VA Option.

Financial Planning & Consulting:

We provide a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of the client’s current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client’s financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

Tailoring of Advisory Services

We offer individualized investment advice to our Comprehensive Portfolio Management clients and those in the VA Option. We offer general investment advice to clients utilizing our Retirement Plan Consulting service, VA Option and Financial Planning and Consulting.

We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. Please inquire with your advisor about restrictions you wish to place in your accounts.

Wrap Fee Programs

Cornerstone Wealth does not participate in a wrap fee program by acting as a sponsor or providing portfolio management services.

Information Received from Clients

Cornerstone Wealth will not assume any responsibility for the accuracy of the information provided by the client. We are not obligated to verify any information received from the client or other professionals (e.g., attorney, accountant, etc.) designated by client, and Cornerstone Wealth is expressly authorized by the client to rely on such information provided. Under all circumstances, clients are responsible for promptly notifying Cornerstone Wealth in writing of any material changes to the client's financial situation, investment objectives, time horizon, or risk tolerance. In the event that a client notifies Cornerstone Wealth of changes in the client's financial circumstances or investment objectives, we will review such changes and recommend any necessary revisions to the client's portfolio.

Assets Under Management

As of January 2, 2018, Cornerstone Wealth has \$843,890,886 in discretionary assets and \$69,770,838 in non-discretionary assets under management.

Item 5: Fees & Compensation

How We Are Compensated for Our Advisory Services

Cornerstone Wealth charges fees based on a percentage of assets under management, as well as fixed fees, depending upon the particular services to be provided. The specific fees charged by Cornerstone Wealth for services provided will be set forth in each client's agreement.

Comprehensive Portfolio Management:

Comprehensive portfolio management services are charged a quarterly fee based on the account's assets under management as of the last day of the preceding quarter cycle. Cash and accrued interest will be included in an account's assets under management in calculating the comprehensive portfolio management fee unless Cornerstone Wealth determines otherwise, in its discretion. For accounts with a margin balance, the account's assets under management for purposes of calculating the comprehensive portfolio management fee will be reduced by the margin balance. Comprehensive portfolio management fees are calculated on a pro-rata annualized basis and paid on a rolling three-month (quarterly cycle) basis in advance. Fees may

be negotiated based on the unique objectives of the client, complexity of the investment plan, or other facts, but are based on the following annual percentages:

Assets under Management	Annual Percentage of assets charge:
Up to \$100,000	1.75%
\$100,000 to \$1,000,000	1.50%
\$1,000,000 to \$2,500,000	1.25%
\$2,500,000 to \$5,000,000	1.00%
Over \$5,000,000	Negotiable

Unless otherwise arranged by the client, our comprehensive portfolio management fees are automatically deducted from a client's account by the custodian of the account as soon as reasonably practicable after the end of each calendar cycle.

Retirement Plan Consulting:

Fees for retirement plan consulting services are based on a percentage of plan assets according to the tiered schedule below. The negotiated rate may vary due to multiple locations or additional services rendered.

Fee Schedule for 401(k) plans

<u>Value of the Plan Assets</u>	<u>Fees for 3(21) Services:</u>	<u>Fees for 3(38) services:</u>
\$0 to \$1M	0.75%	0.80%
\$1M to \$2M	0.50%	0.55%
\$2M to \$5M	0.40%	0.45%
\$5M to \$7M	\$20,000	\$25,000
\$7M to \$10M	\$22,500	\$27,500
\$10M to \$15M	\$27,500	\$32,500
\$15M to \$20M	\$35,000	\$40,000
\$20M to \$25M	\$40,000	\$47,500
\$25M to \$30M	\$45,000	\$52,500
\$30M to \$40M	\$50,000	\$57,500
\$40M to \$50M	\$55,000	\$62,500
\$50M to \$60M	\$60,000	\$67,500
\$60M to \$75M	\$67,500	\$72,500
\$75M to \$100M	\$75,000	\$80,000
\$100M and above	To be negotiated	To be negotiated

Fee Schedule for 403(b) plans

<u>Value of the Plan Assets</u>	<u>Fees for 3(21) Services:</u>	<u>Fees for 3(38) services:</u>
\$0 to \$1M	0.80%	0.85%
\$1M to \$2M	0.55%	0.60%
\$2M to \$5M	0.45%	0.50%
\$5M to \$7M	\$25,000	\$27,500
\$7M to \$10M	\$27,500	\$30,000
\$10M to \$15M	\$32,500	\$35,000
\$15M to \$20M	\$40,000	\$42,500
\$20M to \$25M	\$47,500	\$50,000

\$25M to \$30M	\$52,500	\$55,000
\$30M to \$40M	\$57,500	\$60,000
\$40M to \$50M	\$62,500	\$65,000
\$50M to \$60M	\$67,500	\$70,000
\$60M to \$75M	\$72,500	\$75,000
\$75M to \$100M	\$80,000	\$82,500
\$100M and above	To be negotiated	To be negotiated

In addition to the fees above, Client will pay a negotiated fee (“Transition Expense Fee”) for the first year after the Plan transitions to cover additional services required during set up of a new platform/product provider. The Transition Expense Fee is intended to cover the additional services (fund mapping, assistance with enrollment, additional education to committee members and participants, etc.) that will be provided as a result of the transition. Our firm’s fees are billed on an annualized basis monthly/quarterly in advance based on the value of plan assets on the last day of the previous month/quarter. Fees are negotiable and are deducted from your account. On rare occasions, we allow direct billing. 401(k) and 403(b) (non-profit) plans may be charged an installation fee of up to \$10,000.

The fee-paying arrangements for consulting service will be determined on a case-by-case basis and will be detailed in the signed Retirement Plan Consulting Agreement.

Management of Variable Annuity Sub-accounts (“VA Option”):

We do not charge a fee for our VA Option. However, it should be noted that the annuity holder may impose transaction fees once a certain number of transactions have been executed. The details of the fees that may be associated with this service will be outlined in the annuity product provider’s prospectus.

Financial Planning & Consulting:

We charge on a flat fee basis for financial planning and consulting services. The ultimate fee that we charge you is based on the scope and complexity of our engagement with you. Our fees are negotiable and determined in the Financial Planning and Consulting Agreement. We require a retainer of fifty percent (50%) of the estimated total financial planning or consulting fee with the remainder of the fee due to us upon delivery of your financial plan/consultation. Planning/consulting services will automatically renew on an annual basis unless Client terminates the service.

Negotiability of Fees

Although Cornerstone Wealth believes that its fees are competitive, clients should understand that lower fees for comparable services may be available from other sources and firms. Cornerstone Wealth reserves the right to negotiate fees under certain circumstances and at our sole discretion. In addition, as noted above the advisory fee applicable to comprehensive portfolio management client assets greater than \$5,000,000 are negotiable between Cornerstone Wealth and such clients.

Other Types of Fees & Expenses

The fees charged by Cornerstone Wealth do not include charges imposed by third parties such as custodian fees and mutual fund fees and expenses. Client assets may also be subject to transaction costs, retirement plan administration fees (if applicable), deferred sales charges on mutual funds

initially deposited in the account, 12b-1 fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Client assets invested in mutual funds will be subject to certain fees and expenses imposed directly by mutual funds to their shareholders, which are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the sponsor also imposes sales charges, a client may pay initial or deferred sales or surrender charges. These fees and expenses are separate from and in addition to the fees charged by Cornerstone Wealth. Accordingly, the client should review the fees charged by any mutual funds in which the client's assets are invested, together with the fees charged by Cornerstone Wealth, to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additionally, clients may incur brokerage commissions and other execution costs charged by the custodian or executing broker-dealer in connection with transactions for a client's account. Clients should further understand that all custodial fees and any other charges, fees and commissions incurred in connection with transactions for a client's account will be paid out of the assets in the account and are exclusive of and in addition to the fees charged by Cornerstone Wealth. We do not share in any of these fees but we may elect at our option, to bear the cost of certain transactions under certain circumstances. Please refer to Item 12 of this Brochure entitled "Brokerage Practices" for additional important information about the brokerage and transactional practices of Cornerstone Wealth.

Termination & Refunds

In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will initiate the process to close out your account and issue a pro-rata refund of unearned advisory fees, if any. For fees charged in arrears we will instruct the custodian to deduct the owed fees from the client's account, or otherwise seek payment of such fees in accordance with previous fee billing practices with the client.

Commissionable Securities and Insurance Sales

Certain supervised persons of Cornerstone Wealth are also registered representatives of Mutual Securities, Inc., member FINRA/SIPC and may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds in non-advisory accounts. Clients should be aware that the practice of accepting commissions for the sale of securities creates an incentive to recommend products based on compensation received. To mitigate this potential, our dually registered persons, as fiduciaries, will act in the clients' best interest at all times. In addition, certain supervised persons are also, in their individual capacities, licensed insurance agents appointed with various insurance companies. At no time do supervised persons of Cornerstone Wealth receive commissions, distribution or service fees relating to the sale of securities, investment products or insurance products to any client account receiving advisory services from Cornerstone Wealth. Please refer to Item 10 below for additional information regarding these arrangements.

Item 6: Performance-Based Fees & Side-By-Side Management

We do not charge performance fees (a fee that is based on gains in client accounts).

Item 7: Types of Clients

We provide services to the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Retirement Plans;
- Other Advisers; and
- Corporations, limited liability companies and/or other business types.

Cornerstone Wealth does not have minimum asset requirements for opening and maintaining accounts or otherwise engaging us. Regardless, the client understands that asset withdrawals may impair the achievement of the client's investment objectives. In addition, Cornerstone Wealth retains the right to accept or decline a potential client, or terminate an advisory agreement with a current client, for any reason in its sole discretion.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

Methods of Analysis

Cornerstone Wealth will utilize several disciplines of analysis. On occasion, we will use technical analysis for forecasting the direction of prices through the study of past market data, primarily price and volume by examining what investors fear or think about those developments and whether investors have the wherewithal to back up their opinions as opposed to fundamental analysis which examines a company's underlying value and future growth prospects by looking at its revenues, earnings, profit margins, new products and other aspects of its business. Technical analysis is frequently contrasted with fundamental analysis and each has limitations because of assumptions about the market. We enlist a more rational approach by utilizing both types of analyses. Studying recurring, preferably periodic, movements in prices or other time series or cyclical analysis may also be incorporated in our methods of analysis. Cyclical may too narrowly predict price without integrating relevant factors. We strive to avoid risks of any one method by incorporating several methods.

Investment Strategies We Use

- Long term purchases (securities held at least a year);
- Short term purchases (securities sold within a year);
- Trading (securities sold within 30 days).

Cornerstone Wealth may utilize all of the above listed strategies; however, generally there is more risk involved with shorter trading.

Risk of Loss

Investing in securities involves a significant risk of loss which clients should be prepared to bear. Cornerstone Wealth's investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client's account.

There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made.

Generally, the market value of equity stocks will fluctuate with market conditions, and small- stock prices generally will fluctuate more than large-stock prices. The market value of fixed income securities will generally fluctuate inversely with interest rates and other market conditions prior to maturity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and asset- backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations and inflation-linked fixed income securities. The value of longer duration fixed income securities will generally fluctuate more than shorter duration fixed income securities.

Investments in overseas markets also pose special risks, including currency fluctuation and political risks, and it may be more volatile than that of a U.S. only investment. Such risks are generally intensified for investments in emerging markets. In addition, there is no assurance that a mutual fund or ETF will achieve its investment objective.

Past performance of investments is no guarantee of future results.

Additional risks involved in the securities recommended by Cornerstone Wealth may include, among others:

- *Stock market risk*, which is the chance that stock prices overall will decline. The market value of equity securities will generally fluctuate with market conditions. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of equity securities tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Equity securities generally have greater price volatility than fixed income securities.
- *Sector risk*, which is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- *Issuer risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods or services.
- *Non-diversification risk*, which is the risk of focusing investments in a small number of issuers, industries or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.

- *Value investing risk*, which is the risk that value stocks may not increase in price, may not issue the anticipated stock dividends, or may decline in price, either because the market fails to recognize the stock's intrinsic value, or because the expected value was mis-gauged. If the market does not recognize that the securities are undervalued, the prices of those securities might not appreciate as anticipated. They also may decline in price even though in theory they are already undervalued. Value stocks are typically less volatile than growth stocks, but may lag behind growth stocks in an up market.
- *Smaller company risk*, which is the risk that the value of securities issued by a smaller company may go up or down, sometimes rapidly and unpredictably as compared to more widely held securities. Investments in smaller companies are subject to greater levels of credit, market and issuer risk.
- *Foreign (non-U.S.) investment risk*, which is the risk that investing in foreign securities may result in the portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies. Risks associated with investing in foreign securities include fluctuations in the exchange rates of foreign currencies that may affect the U.S. dollar value of a security, the possibility of substantial price volatility as a result of political and economic instability in the foreign country, less public information about issuers of securities, different securities regulation, different accounting, auditing and financial reporting standards and less liquidity than in the U.S. markets.
- *Interest rate risk*, which is the chance that prices of fixed income securities will decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.
- *Credit risk*, which is the chance that an issuer of a fixed income security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that fixed income security to decline.
- *Exchange Traded Fund (ETF) risk*, which is the risk of an investment in an ETF, including the possible loss of principal. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.
- *Management risk*, which is the risk that the investment techniques and risk analyses applied by Cornerstone Wealth may not produce the desired results and that legislative, regulatory, or tax developments, may affect the investment techniques available to

Cornerstone Wealth. There is no guarantee that a client's investment objectives will be achieved.

- *Real Estate risk*, which is the risk that an investor's investments in Real Estate Investment Trusts ("REITs") or real estate-linked derivative instruments will subject the investor to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses. An investment in REITs or real estate-linked derivative instruments subject the investor to management and tax risks.
- *Investment Companies ("Mutual Funds") risk*, when an investor invests in mutual funds, the investor will bear additional expenses based on his/her pro rata share of the mutual fund's operating expenses, including the management fees. The risk of owning a mutual fund generally reflects the risks of owning the underlying investments the mutual fund holds.
- *Commodity risk*, generally commodity prices fluctuate for many reasons, including changes in market and economic conditions or political circumstances (especially of key energy-producing and consuming countries), the impact of weather on demand, levels of domestic production and imported commodities, energy conservation, domestic and foreign governmental regulation (agricultural, trade, fiscal, monetary and exchange control), international politics, policies of OPEC, taxation and the availability of local, intrastate and interstate transportation systems and the emotions of the marketplace. The risk of loss in trading commodities can be substantial.
- *Alternative Investments / Private Funds risk*, investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:
 - loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices;
 - lack of liquidity in that there may be no secondary market for the investment and none expected to develop;
 - volatility of returns;
 - restrictions on transferring interests in the investment;
 - potential lack of diversification and resulting higher risk due to concentration of trading authority when a single adviser is utilized;
 - absence of information regarding valuations and pricing;
 - delays in tax reporting;
 - less regulation and higher fees than mutual funds;
 - risks associated with the operations, personnel, and processes of the manager of the funds investing in alternative investments.

There also are risks surrounding various insurance products that are recommended to Cornerstone Wealth clients from time to time. Such risks include, but are not limited to, loss of premiums. Prior to purchasing any insurance product, clients should carefully read the policy and applicable disclosure documents.

Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk. Cornerstone Wealth does not guarantee the future performance of a client's portfolio, as investing in securities involves the risk of loss that clients should be prepared to bear.

Cybersecurity

The computer system, networks and devices used by Cornerstone Wealth and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operation, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators or institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Item 9: Disciplinary Information

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

Item 10: Other Financial Industry Activities & Affiliations

As noted above in response to Item 4, certain, investment vehicles managed by Stone Point collectively are principal owners of Focus, and certain investment vehicles managed by KKR collectively are minority owners of Focus. Because Cornerstone Wealth is an indirect, wholly-owned subsidiary of Focus, the Stone Point and KKR investment vehicles are indirect owners of Cornerstone Wealth. None of Stone Point, KKR, or any of their affiliates participate in the management or investment recommendations of our business. Cornerstone Wealth does not believe the Focus Partnership presents a conflict of interest with our clients. Cornerstone Wealth has no business relationship with other Focus Partners that is material to its advisory business or to its clients.

Some of our supervised persons are registered representatives of Mutual Securities, Inc., member FINRA/SIPC. They may offer securities and receive normal and customary commissions as a result

of securities transactions. This presents a conflict of interest to the extent that the supervised person recommends that a client invest in a security which results in a commission being paid to the supervised person. As a result of this relationship, Mutual Securities, Inc. may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about clients, even if client does not establish an account through Mutual Securities, Inc. If you would like a copy of the Mutual Securities, Inc. privacy policy, please contact our Chief Compliance Officer as described on the cover page of this Brochure. Clients should be aware that the receipt of additional compensation itself creates an inherent conflict of interest and may affect the judgment of these individuals when making recommendations. Cornerstone Wealth and Mutual Securities, Inc. are separate, nonaffiliated entities. Nevertheless, to the extent that a Cornerstone Wealth supervised person recommends the purchase of securities or other investment products where the supervised person receives commissions for doing so, a conflict of interest exists because the supervised person may be incentivized to make recommendations based on the compensation received rather than on a client's needs.

Certain of our supervised persons, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. While the Firm does not sell such insurance products to our investment advisory clients, we permit our supervised persons, in their individual capacities as licensed insurance agents, to sell insurance products to our investment advisory clients. A conflict of interest exists to the extent that the Firm recommends the purchase of insurance products where our supervised persons receive insurance commissions or other additional compensation.

Cornerstone Wealth has also adopted certain procedures designed to mitigate the effects of these conflicts. As part of our fiduciary duty to clients, the Firm and our supervised persons endeavor at all times to put the interests of the clients first and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Additionally, the conflicts presented by these practices are disclosed to clients through this Brochure, client agreement and/or verbally prior to or at the time of entering into an Agreement. Clients are not obligated to implement recommended transactions through any Cornerstone Wealth supervised person or any particular broker-dealer or insurance carrier. Clients have the option to purchase any recommended investment and insurance products or services through brokers, carriers, or agents other than Mutual Securities, Inc. and/or any Cornerstone Wealth supervised person. At no time do supervised persons of Cornerstone Wealth receive commissions, distribution or service fees relating to the sale of securities, investment products or insurance products to any client account receiving advisory services from Cornerstone Wealth.

Cornerstone Wealth clients should understand that lower fees and/or commissions for comparable services may be available from other broker-dealers, insurance carriers and investment advisers.

Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

Code of Ethics Summary

Cornerstone Wealth has adopted a Code of Ethics ("Code") which establishes standards of conduct for our supervised persons and includes general requirements that such supervised persons comply

with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Firm or any of our associated persons. The Code also requires that certain of Cornerstone Wealth personnel (called “Access Persons”) report their personal securities holdings and transactions and obtain pre- approval of certain investments such as initial public offerings and limited offerings.

The Code also requires supervised persons to report any violations of the Code promptly to the Firm’s Chief Compliance Officer. Each supervised person receives a copy of the Code and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code during that year.

Cornerstone Wealth will provide a copy of its Code of Ethics to any client or prospective client upon request by contacting us at (704) 987-3410.

Participation or Interest in Client Transactions

It is Cornerstone Wealth’s policy not to enter into any principal transactions or agency cross transactions on behalf of client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

Cornerstone Wealth or individuals associated with Cornerstone Wealth may buy or sell for their personal account(s) securities or investment products identical to those recommended to or already owned by clients. Alternatively, Cornerstone Wealth may cause clients to buy a security in which Cornerstone Wealth or such individuals have an ownership position. Such recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Nevertheless, such practices present potential conflicts of interest. To mitigate these conflicts, the Code outlines the procedures regarding personal trading that must be followed (see details below). Additionally, as part of the Firm’s fiduciary duty to clients, the Firm and its supervised persons will endeavor at all times to put the interests of the clients first and at all times are required to adhere to the Code.

Personal Trading

The Firm and its Access Persons may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. Cornerstone Wealth understands that this could create a conflict of interest, where the Access Person’s interest may be at odds with the interest of our clients. To help mitigate these conflicts of interest, the Code sets forth certain standards of business and professional conduct regarding the personal trading activities of Access Persons. The following summarizes our procedures for the purchase and/or sales of securities held within personal accounts.

1. Cornerstone Wealth requires quarterly reporting of all personal securities transactions except for certain exempt transactions and securities (such as government securities, open end mutual funds and money market funds). Access Persons, or those persons with a beneficial interest such as immediate family members, may not buy or sell securities for their personal portfolio(s) where their decision is derived in whole, or in part, by material non-public information.
2. Security holdings and financial circumstances of clients must be kept confidential.
3. Cornerstone Wealth and its Access Persons may not participate in private placements, initial public offerings (IPOs) or certain securities subject to restriction by the Firm without pre-clearance from the CCO.
4. Records will be maintained of reportable securities bought or sold by Access Persons and will be reviewed periodically by designated Firm personnel.
5. Any individual not in observance of the above may be subject to termination.

Item 12: Brokerage Practices

Selecting a Brokerage Firm

Cornerstone Wealth generally recommends that investment management accounts be maintained at National Financial Services LLC and Fidelity Brokerage Services LLC ("Fidelity"), as well as Charles Schwab & Co., Inc. ("Schwab"). Prior to engaging the Firm to provide investment management services, the client will be required to enter into a formal investment advisory agreement with Cornerstone Wealth setting forth the terms and conditions under which the Firm will manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Firm considers in recommending Fidelity and/or Schwab (or any other broker-dealer/custodian to clients) include historical relationship with Cornerstone Wealth, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by the Firm's clients will comply with the Firm's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Cornerstone Wealth determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Cornerstone Wealth will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Cornerstone Wealth's investment management fee. The Firm's best execution responsibility is fulfilled if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Cornerstone Wealth may receive from Fidelity and/or Schwab (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Cornerstone Wealth to

better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Firm may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Cornerstone Wealth in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist the Firm in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Firm to manage and further develop its business enterprise and offset costs that Cornerstone Wealth would otherwise be required to bear. In addition, the support services and/or products provided by a broker-dealer/custodian may be used to service all or a substantial number of the Firm's client accounts, including accounts not maintained at the broker-dealer/custodian providing the services and/or products.

Cornerstone Wealth receives the following benefits from Fidelity:

- A credit in the amount of \$525,000 to be used toward qualifying start-up and transition costs, including legal fees, marketing materials, technology costs, printing and stationery expenses incurred during the first two years following Cornerstone Wealth's launch, in addition to other credits for reimbursement of ACAT, transaction and asset-based fees for a limited period of time;
- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

Cornerstone Wealth receives the following benefits from Schwab:

- A credit in the amount of \$16,100 to be used toward the reimbursement of Transfer of Account Exit Fees; and
- Assistance in the amount of \$5,000 to use towards technology and marketing related expenses.

Cornerstone Wealth does not consider whether it will receive client referrals in connection with selecting or recommending broker-dealers.

Cornerstone Wealth's clients do not pay more for investment transactions effected and/or assets maintained at Fidelity and/or Schwab as a result of this arrangement. There is no corresponding commitment made by Cornerstone Wealth to Fidelity and/or Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement. Also, any benefits received by Cornerstone Wealth from Fidelity and/or Schwab do not depend on the amount of brokerage transactions directed to Fidelity and/or Schwab. As part of its fiduciary duty to clients, Cornerstone Wealth endeavors at all times to put the interests of clients first. Clients and future clients should be aware, however, that the receipt of economic benefits by Cornerstone Wealth in and of itself creates a potential conflict of interest and may indirectly

influence the Firm's recommendation to clients to utilize Fidelity and/or Schwab for custody and brokerage services.

Brokerage for Client Referrals

The Firm does not direct brokerage for client referrals.

Directed Brokerage

Neither we nor any of our supervised persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. We routinely recommend that a client directs us to execute through a specified broker-dealer. The Firm recommends the use of Fidelity and/or Schwab. Each client will be required to establish their account(s) with their selected custodian, if not already done. Please note that not all advisers have this procedure.

Permissibility of Client-Directed Brokerage

We do not allow client-directed brokerage outside our custodial recommendations.

Special Considerations for ERISA Clients

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

Trade Aggregation and Allocation

To the extent that Cornerstone Wealth provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. Cornerstone Wealth may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Cornerstone Wealth does not receive any additional compensation or remuneration as a result of such aggregation.

Item 13: Review of Accounts

We review accounts on at least a quarterly basis for our clients for whom we manage assets. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Financial Planning clients who receive ongoing planning services will receive annual reviews. Only our Financial Advisors or Portfolio Managers will conduct reviews. We do not provide written reports to clients, unless asked to do so. Oral reports to clients take place on at least an annual basis when we contact our clients for whom we manage assets.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events or requests by the client. Clients are encouraged to notify the Firm of any changes to his/her personal financial situation that might affect his/her investment needs, objectives or time horizon.

Item 14: Client Referrals & Other Compensation

Economic Benefits Received

As noted above in Item 12, Cornerstone Wealth receives certain support services and/or products from Fidelity and/or Schwab. See Item 12 above for information regarding these support services and/or products.

Referral Fees

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

Other Compensation

Cornerstone Wealth's parent company Focus, from time to time, holds partnership meetings and other industry and best-practices conferences, which typically include Cornerstone Wealth, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including Cornerstone Wealth. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Cornerstone Wealth. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause Cornerstone Wealth to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including Cornerstone

Wealth. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities have provided conference sponsorship to Focus in the last year:

Fidelity Brokerage Services
J.P. Morgan Asset Management
Charles G. Schwab & Co.

Certain Cornerstone Wealth supervised persons have outside business activities that provide additional compensation. Please refer to Item 10 above for detailed information regarding the business activities, the compensation received, the related conflicts and how Cornerstone Wealth mitigates such conflicts.

Item 15: Custody

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information.

Additional Information Regarding Custody:

Fidelity and Schwab are qualified custodians and maintain custody of client funds and securities in a separate account for each client under the client's name. On at least a quarterly basis, your qualified custodian sends account statements showing all transactions, positions, and all deposits and withdrawals of principal and income. Clients should carefully review those statements promptly when they receive them.

Although most securities available in program accounts are held at Fidelity and/or Schwab, there are certain securities managed as part of the account that are held at third parties. For example, variable annuities, hedge funds and managed futures are often held directly with the investment sponsor. For those outside positions, client will receive confirmations and statements directly from the investment sponsor.

Additional Information for clients ("Client") regarding custody for accounts utilizing our Sub-Adviser of Variable Annuities ("VA Option"):

Variable annuity subaccount assets are maintained by the insurance company issuing the variable annuity. Therefore, the insurance company selects the custodian(s) for subaccounts assets, which are generally mutual fund companies. Client understands that the Firm and its supervised persons will not have or take custody of the subaccount assets at any time. Also, client will receive confirmations and account statements relating to the variable annuity directly from the variable annuity insurance company. Client is encouraged to review the confirmations and statements received from the insurance company and compare the account information (e.g., market value, transactions, and other inflows and outflows) with the information, including the statements, received from the firm and advise us immediately of any discrepancies. Client should also advise the insurance company or the Firm immediately if statements are not being received from the insurance company.

Client will not receive separate performance reports in connection with the investment advisory services provided by the Firm. Therefore, the client should review the account statements provided

by the insurance company to determine the performance of the subaccount assets from one period to another, and over time.

Item 16: Investment Discretion

We accept discretionary authority to manage securities accounts on behalf of clients. Our clients need to sign a discretionary investment advisory agreement with the Firm for the management of such accounts. This type of agreement only applies to asset management clients. We do not take or exercise discretion with respect to our other clients.

Item 17: Voting Client Securities

We do not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to the Firm, we will forward them on to the client. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations. In addition, clients maintain exclusive responsibility for all legal proceedings or other type events pertaining to their account assets, including, but not limited to, class action lawsuits.

Item 18: Financial Information

We do not require, nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we have not included a balance sheet for our most recent fiscal year. Cornerstone Wealth has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

Cover Page for Part 2B of Form ADV: Brochure
Supplement – Chief Investment Officer
March 19, 2018



CORNERSTONE
W E A L T H

Brian Todd Needleman

16810 Kenton Drive, Suite 200
Huntersville, NC 28078
704-987-3410
www.cwgadvisors.com

This brochure supplement provides information about Mr. Needleman that supplements our brochure. You should have received a copy of that brochure. Please contact Rachel Posner, Chief Compliance Officer, if you did not receive our firm's brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Needleman is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Educational Background & Business Experience

Brian Todd Needleman

Born 1960

Educational Background:

- SUNY Oswego; 1982

Business Background:

- 01/2018 – Present; Cornerstone Wealth Group, LLC, Managing Partner
- 11/2017 – Present; Mutual Securities, Inc., Registered Representative
- 07/2011 – 12/2017; Cornerstone Wealth; Managing Partner
- 07/2011 – 10/2017; LPL Financial; Registered Representative
- 03/2011 – 07/2011; Securities America; Registered Representative and Investment Adviser Representative
- 01/1999 – 11/2003; Raymond James; Registered Representative

Examinations and Designations:

- Series 7, 63, 65

Item 3: Disciplinary Information

There are no legal or disciplinary events material to your evaluation of Mr. Needleman.

Item 4: Other Business Activities

Mr. Needleman is a registered representative of Mutual Securities, Inc., member FINRA/SIPC as well as licensed to sell insurance products. He may offer securities and other products and receive normal and customary commissions. This presents a conflict of interest to the extent that he recommends that a client invest in a security which results in a commission being paid to him. To mitigate the potential risk Mr. Needleman, as a fiduciary, acts in the best interests of his clients.

Mr. Needleman has 25% ownership interest in Cornerstone Financial Realty - SC as well as Cornerstone Risk Management which he is a 22.5% owner. These activities take less than 5% of his time during trading hours.

Mr. Needleman is also a licensed insurance agent that from time to time directs fixed insurance business through Cornerstone Risk Management Advisors.

Item 5: Additional Compensation

Mr. Needleman does not receive any other economic benefit for providing advisory services in addition to advisory fees.

Item 6: Supervision

Craig Rubrecht is the Chief Executive Officer and President of Cornerstone Wealth and has oversight over the Firm's business practices and investment decisions made by Mr. Needleman. Rachel Posner is the Chief Compliance Officer of Cornerstone Wealth and monitors Mr. Needleman's activities on a regular basis to ensure compliance with our firm's Code of Ethics. Please contact Mr. Rubrecht or Ms. Posner if you have any questions about Mr. Needleman's brochure supplement at 704-987-3410.



CORNERSTONE

WEALTH

PRIVACY NOTICE REGARDING CLIENT PRIVACY AS REQUIRED BY REGULATION S-P & REGULATION S-AM

FACT

WHAT DOES CORNERSTONE FINANCIAL PARTNERS, LLC ("CORNERSTONE") DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depends on the product or service you have with us. This information can include:

- Social Security number, name, address and income
- Assets, account balances and account transactions
- Investment experience and risk tolerance

When you are no longer a customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Cornerstone chooses to share; and whether you can limit this sharing.

Questions?

Call (704) 987-3410

Reasons we can share your personal	Does Cornerstone	Can you limit this
For our everyday business purposes such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

What we do

How does Cornerstone protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Cornerstone collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> ■ open an account or enter into an investment advisory contract ■ give us your income information or provide employment information ■ tell us about your investment or retirement portfolio or give us your contact information We also collect your personal information from other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for non-affiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

What happens when I limit sharing for an account I hold jointly with someone else?

Your choices will apply to everyone on your account—unless you tell us otherwise.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Cornerstone shares nonpublic personal information with its parent company Focus Financial Partners, LLC for its internal and external auditing purposes.*

Non-affiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

Joint marketing

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *Cornerstone doesn't jointly market.*