

## Item 1 Cover Page

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**This brochure provides information about the qualifications and business practices of Cornerstone Alternatives (CRD #330043). If you have any questions about the contents of this brochure, please contact us at (315) 416-3384. 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. Registration as a registered investment advisor does not imply a certain level of skill or training.**

**Additional information about Cornerstone Alternatives also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Material Changes**

This is a new brochure and there has not been a previous annual update. Therefore, there are no changes to report.

### Item 3 Table of Contents

#### Brochure

Item 1 Cover Page.....	1
Item 2 Material Changes.....	1
Item 3 Table of Contents.....	2
Item 4 Advisory Business.....	3
Item 5 Fees and Compensation.....	5
Item 6 Performance-Based Fees and Side-by-Side Management.....	5
Item 7 Types of Clients.....	6
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Item 9 Disciplinary Information.....	9
Item 10 Other Financial Industry Activities and Affiliations.....	9
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	9
Item 12 Brokerage Practices.....	10
Item 13 Review of Accounts.....	14
Item 14 Client Referrals and Other Compensation.....	14
Item 15 Custody.....	14
Item 16 Investment Discretion.....	15
Item 17 Voting Client Securities.....	15
Item 18 Financial Information.....	15

## **Item 4 Advisory Business**

Cornerstone Alternatives is an investment advisor firm registered with the U.S. Securities and Exchange Commission, since March 2024.

The principal owner of Cornerstone Alternatives is CrowdDD LLC, which is controlled by Mark Robertson, Owner.

### Advisory Services

Cornerstone Alternatives' (or "Advisor") principal service is providing fee-based investment advisory services. The Advisor primarily advises investment group members, who at a minimum self-certify as "accredited investors," and who elect to participate in private placement offerings recommended to them by Cornerstone Alternatives (see Item 7 Types of Clients for additional information on the minimum requirements to be an accredited investor). The Advisor practices custom management of portfolios, on a non-discretionary basis, according to the client's objectives. The Advisor's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. Cornerstone Alternatives will primarily recommend investments in private placements to accomplish this objective, but after reviewing the client's total portfolio of investments the Advisor may also identify investments in any of the following that could be suitable and complementary to the client's complete investment profile: exchange listed securities, corporate debt securities, CDs, municipal securities, mutual funds, United States government securities, and interests in partnerships investing in real estate. The Advisor will measure and select mutual funds by using various criteria, such as the fund manager's tenure, and/or overall career performance. The Advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The Advisor may recommend specific stocks to increase sector weighting and/or dividend potential. The Advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client's risk tolerance.

The Advisor will only charge an advisory fee on that portion of client assets invested in private placement securities in the client's account. Thus, a review of the client's total portfolio of investments and recommendation to invest in other types of securities will not be subject to any additional investment advisory fees charged by the Advisor (see Item 5 Fees and Compensation for a discussion of Cornerstone Alternatives' advisory fees).

Cornerstone Alternatives will tailor its advisory services to its client's individual needs based on meetings and conversations with the client. If clients wish to impose restrictions on investing in certain securities or types of securities, the Advisor will address those restrictions with the client to have a clear understanding of the client's requirements.

Cornerstone Alternatives does not provide portfolio management services to wrap fee programs.

As of the approval date of the firm, Cornerstone Alternatives had no clients and therefore no client assets under management.

## **Item 5 Fees and Compensation**

### Investment Advisory Fees

Pursuant to an investment advisory contract signed by the client, the client will pay Cornerstone Alternatives up to a 1.0% annual management fee, payable quarterly in arrears, based on the value of securities in the client's account on the last business day of the quarter. Although the client may have other investable assets in the account, including cash or other securities, Cornerstone Alternatives only charges an advisory fee on that portion of the account that is invested in securities that require a RIA to invest (including private placement securities recommended by Cornerstone Alternatives, existing private placement securities investments already held by the client, and investments in private placement securities requested on an unsolicited basis by the client). New account fees will be prorated from the inception of the account to the end of the first quarter. Cornerstone Alternatives will charge a clerical fee of up to \$250 per instance to assist the client in any account opening paperwork or other paperwork related to an application for inclusion in a private placement offering. The Advisor will also charge a clerical fee of up to \$100 per instance to assist the client in obtaining an accreditation certificate.

Cornerstone Alternatives' fees may be negotiated at the sole discretion of the Advisor. Investment advisory fees will be directly deducted from the client account on a quarterly basis by the qualified custodian. The client will give written authorization permitting the Advisor to be paid directly from their account held by the custodian. The custodian will send a statement at least quarterly to the client.

Cornerstone Alternatives' fees for investment advisory services are separate and distinct from custodial and execution fees charged by broker-dealers, and the expenses charged by mutual funds, exchange traded funds, limited partnerships, and other securities issuers to their investors and shareholders. These fees will generally include a management fee and other fund or product expenses and are described in each fund's or product's prospectus or offering memorandum.

At no time will Cornerstone Alternatives accept or maintain custody of a client's funds or securities except for authorized fee deduction.

Neither Cornerstone Alternatives nor its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

## **Item 6 Performance-Based Fees and Side-by-Side Management**

Cornerstone Alternatives does not charge performance-based fees.

## **Item 7 Types of Clients**

Cornerstone Alternatives will offer its services to individuals, trusts, estates, or charitable organizations, and corporations or other business entities.

The Advisor will primarily recommend investments in private placement offerings. Generally, investors in private placements must be “accredited investors.” While the U.S. Securities and Exchange Commission has defined multiple types of institutions as accredited investors (for example, certain employee benefit plans and tax exempt charitable organizations with assets in excess of \$5 million), Cornerstone Alternatives primarily advises individuals and high-net worth individuals. Individuals are accredited investors if they have a net worth, or joint net worth with a spouse or spousal equivalent, of at least \$1 million excluding the value of their primary residence; or have an income exceeding \$200,000 (or joint income with a spouse or spousal equivalent exceeding \$300,000) in each of the two most recent calendar years and a reasonable expectation of the same income level in the current year.

Cornerstone Alternatives requires that its clients be accredited investors to invest in most private placements, but may at times accept non-accredited investors where permitted by Rule 506.

## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

Cornerstone Alternatives may utilize fundamental, technical or cyclical analysis techniques in formulating investment advice or managing assets for clients.

Fundamental analysis of a business involves analyzing its financial statements and health, its management and competitive advantages, and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions; and to calculate its credit risk.

Technical analysis is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall.

Cyclical analysis of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. Between the peak and trough of a business or other economic cycle, investments may fall in value to reflect the uncertainty surrounding future returns as compared with the recent past.

The investment strategies the Advisor will implement may include long term purchases of securities held at least for one year and short term purchases for securities sold within a year.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

Investing includes the risk that the value of an investment can be negatively affected by factors specifically related to the investment (e.g., capability of management, competition, new inventions by other companies, lawsuits against the company, labor issues, patent expiration, etc.), or to factors related to investing and the markets in general (e.g., the economy, wars, civil unrest or terrorism around the world, concern about oil prices or unemployment, etc.).

Risks of fundamental analysis may include risks that market actions, natural disasters, government actions, world political events or other events not directly related to the price or valuation of a specific company's fundamental analysis can adversely impact the stock price of a company causing a portfolio containing that security to lose value. Risks may also include that the historical data and projections on which the fundamental analysis is performed may not continue to be relevant to the operations of a company going forward, or that management changes or the business direction of management of the company may not permit the company to continue to produce metrics that are consistent with the prior company data utilized in the fundamental analysis, which may negatively affect the Advisor's estimate of the valuation of the company.

The primary risks in technical analysis are that the factors used to analyze the price, trends and volatility of a security may not be replicated, or the outcomes of such analysis will not be the same as in past periods where similar combinations existed. Because of the reliance on trends, technical analysis can signal buying at market peaks and selling at market troughs.

In cyclical analysis, economic or business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. Also, the lengths of the economic cycles may be difficult to predict with accuracy. Therefore, the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks. *Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.*

Every saving and investment product has different risks and returns. Differences include how readily investors can get their money when they need it, how fast their money will grow, and how safe their money will be. The primary risks faced by investors include:

#### Business Risk

With a stock, you are purchasing a piece of ownership in a company. With a bond, you are loaning money to a company. Returns from both of these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the

last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.

#### Volatility Risk

Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

#### Inflation Risk

Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.

#### Interest Rate Risk

Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.

#### Liquidity Risk

This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products. It may also be the case with products that charge a penalty for early withdrawal or liquidation such as a certificate of deposit (CD).

The Advisor does primarily recommend that clients invest in private placement offerings, but may review the rest of the client's investment portfolio and advise on other investment options or strategies. Clients are advised that many unexpected broad environmental factors can negatively impact the value of portfolio securities causing the loss of some or all of the investment, including changes in interest rates, political events, natural disasters, and acts of war or terrorism. Further, factors relevant to specific securities may have negative effects on their value, such as competition or government regulation. Also, the factors for which the company was selected for inclusion in a client portfolio may change, for example, due to changes in management, new product introductions, or lawsuits.

#### **Risks of Investing in Private Placements:**

A private placement is a sale of stock or bonds to accredited investors rather than through the open market. There are few regulatory requirements to registering a private placement, and the issuer is not required to provide investors with a prospectus or detailed financial information. Issuers instead provide potential investors with a private placement memorandum or private offering memorandum. Although private placements may provide advantageous returns on investment, they are often issued by new companies that may not grow as expected or obtain the financial footing needed to provide investors with expected returns.



## **Item 9 Disciplinary Information**

Neither Cornerstone Alternatives nor its management persons have had any legal or disciplinary events, currently or in the past.

## **Item 10 Other Financial Industry Activities and Affiliations**

Neither Cornerstone Alternatives nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Cornerstone Alternatives nor any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Cornerstone Alternatives does not currently have any relationships or arrangements that are material to its advisory business or clients with either a broker-dealer, municipal securities dealer, or government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund” and offshore fund), other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer or sponsor of syndicator of limited partnerships.

Cornerstone Alternatives does not recommend or select other investment advisors for clients.

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

Cornerstone Alternatives is registered with the U.S. Securities and Exchange Commission and maintains a Code of Ethics pursuant to SEC rule 204A-1. Cornerstone Alternatives has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the Advisor. In addition, the Code of Ethics governs personal trading by each employee of Cornerstone Alternatives deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Cornerstone Alternatives are conducted in a manner that avoids any conflict of interest between such persons and clients of the Advisor or its affiliates. Cornerstone Alternatives collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. Cornerstone Alternatives will provide a copy of the Code of Ethics to any client or prospective client upon request.

Cornerstone Alternatives may, on occasion, recommend that advisory clients buy or sell securities or investment products in which it or a related person has some financial interest. Management of Cornerstone Alternatives will at times offer or sell interests in special purpose vehicles (SPVs). As a result of this arrangement, management of Cornerstone Alternatives may receive additional compensation or other financial benefit based upon their ownership or financial interest in the

security or investment product. This creates a conflict of interest. A conflict of interest exists because of the receipt of additional compensation or other financial benefit. If a client purchases these securities or investment products, Cornerstone Alternatives will disclose all fees and costs the client will pay and the relationships between Cornerstone, firm management, and the security or investment product, in advance.

Cornerstone Alternatives and/or its investment advisor representatives may from time to time purchase or sell products that they may recommend to clients. This practice creates conflicts of interest in that personnel of Cornerstone Alternatives can take advantage of the advance knowledge of firm securities trading and trade their personal accounts ahead of the client trades or recommend trades in client accounts that may affect the price of the securities owned by the investment advisor representatives. To mitigate these conflicts, Cornerstone Alternatives has adopted a Code of Ethics as noted above. Cornerstone Alternatives' Code of Ethics is available upon request. Finally, supervised persons of registered investment advisors are fiduciaries by law and are required to put the client's interest before those of the firm and themselves.

Cornerstone Alternatives requires that its investment advisor representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

Investment advisor representatives of Cornerstone Alternatives may trade for their own accounts securities that are being traded for client accounts at or about the same time. To mitigate the conflict of interest in such circumstances, Cornerstone Alternatives' policy is to require the trading of all relevant client accounts prior to the trading of their own accounts. The Chief Compliance Officer examines personal trading activities of Cornerstone Alternatives' personnel to verify compliance with this policy.

## **Item 12 Brokerage Practices**

If requested by the client, Cornerstone Alternatives may suggest brokers or dealers to be used based on execution and custodial services offered, cost, quality of service and industry reputation. Cornerstone Alternatives will consider factors such as commission price, speed and quality of execution, client management tools, and convenience of access for both the Advisor and client in making its suggestion. Cornerstone Alternatives intends to recommend that our clients use Fidelity Brokerage Services LLC or, primarily, Charles Schwab & Co., Inc., both registered broker-dealers, members SIPC, as the qualified custodian for advisory accounts.

### **The custodian and brokers we use**

Cornerstone Alternatives does not maintain custody of your assets, although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do

not open the account for you, although we may assist you in doing so. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

### **How we select brokers/custodians**

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

### **Your brokerage and custody costs**

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds, ETFs, and online stock and options trades) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program. For some accounts, Schwab may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. In addition to commissions and asset-based fees, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker/dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”).

**Products and services available to us from Schwab**

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we do not have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

**Services that benefit you**

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services that may not directly benefit you**

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide pricing and other market data
- facilitate payment of our fees from our clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

**Services that generally benefit only us**

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these

services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

### **Our interest in Schwab's services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. This creates an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business and Schwab's payment for services for which we would otherwise have to pay rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

For any such products and services Cornerstone Alternatives receives from Schwab or other custodians, it will follow procedures which ensure compliance with Section 28(e) of the Securities Exchange Act of 1934 or applicable state securities rules.

Cornerstone Alternatives does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

As an investment advisory firm, Cornerstone Alternatives has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. Cornerstone Alternatives' primary objectives when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Cornerstone Alternatives may not necessarily pay the lowest commission or commission equivalent as specific transactions may involve specialized services on the part of the broker.

Cornerstone Alternatives does not permit clients to direct brokerage.

Since Cornerstone Alternatives does not have discretionary authority over client accounts for trading, it is impractical to aggregate trades across the accounts. Furthermore, Cornerstone Alternatives' practice is to analyze client accounts individually, therefore there is no opportunity to initiate trades for multiple accounts at the same time. The practice of aggregation is not applicable.

### **Item 13 Review of Accounts**

The firm reviews client accounts on a continuous and ongoing basis, but no less frequently than annually or when conditions would warrant a review based on market conditions or changes in client circumstances. Triggering factors may include Cornerstone Alternatives becoming aware of a change in client's investment objective, a change in market conditions, change of employment, or a change in recommended asset allocation weightings in the account that exceed a predefined guideline. The nature of the review is to determine if the client account is still in line with the client's stated objectives. Client accounts are reviewed by Martin Bublitz, Investment Advisor Representative.

The client is encouraged to notify the Advisor and investment advisor representative if changes occur in his/her personal financial situation that might materially affect his/her investment plan.

The client will receive written statements no less than quarterly from the custodian. In addition, the client will receive other supporting reports from mutual funds, asset managers, trust companies or other custodians, broker-dealers, and others who are involved with client accounts. Cornerstone Alternatives may prepare and deliver separate reports to clients. Clients are urged to compare the account statements they receive from the qualified custodian with the reports they receive from Cornerstone Alternatives. Any discrepancies should be immediately brought to the firm's attention.

### **Item 14 Client Referrals and Other Compensation**

Cornerstone Alternatives is not compensated by anyone for providing investment advice or other advisory services except as previously disclosed in this Brochure.

Cornerstone Alternatives does not directly or indirectly compensate any person who is not a supervised person for client referrals.

### **Item 15 Custody**

Cornerstone Alternatives does not have custody of client funds or securities, except for the withdrawal of advisory fees directly from client accounts (please see Item 5 which describes the safeguards around direct fee deduction). However, as noted in Item 13 above, clients will receive statements not less than quarterly from the qualified custodian, and we encourage you to review those statements carefully. Any discrepancies should be immediately brought to the firm's attention.

Cornerstone Alternatives may also provide account statements or performance reports to clients. Clients are urged to compare the account statement they receive from the qualified custodian with those they receive from Cornerstone Alternatives. Any discrepancies should be immediately brought to the firm's attention.

**Item 16 Investment Discretion**

Cornerstone Alternatives does not have trading discretion over client accounts, and clients will approve all transactions in their accounts prior to an order being entered.

**Item 17 Voting Client Securities**

Cornerstone Alternatives will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Cornerstone Alternatives cannot give any advice or take any action with respect to the voting of these proxies. The client and Cornerstone Alternatives agree to this by contract. Clients will receive proxy solicitations from their custodian and/or transfer agent.

**Item 18 Financial Information**

Cornerstone Alternatives does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and is not required to file a balance sheet.

Cornerstone Alternatives does not have discretionary authority over client accounts. Management is not aware of any financial condition that will likely impair the firm's ability to meet contractual commitments to clients. If Cornerstone Alternatives does become aware of any such financial condition, this Brochure will be updated and clients will be notified.

Cornerstone Alternatives has never been subject to a bankruptcy petition.