

Cornerstone Wealth Management Group Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Cornerstone Wealth Management Group. If you have any questions about the contents of this brochure, please contact us at (423) 588-7151 or by email at: info@cornerstonewealthtn.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 Management Group is also available on the SEC's website at www.adviserinfo.sec.gov. Cornerstone Wealth Management Group's CRD number is: 313269.

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Registration as an investment adviser does not imply a certain level of skill or training.

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Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Cornerstone Wealth Management Group on 02/14/2023 are described below. Material changes relate to Cornerstone Wealth Management Group's policies, practices, or conflicts of interests.

- Cornerstone Wealth Management Group has updated Items 4 and 5 to describe services and fees associated with educational seminars and workshop services.
- Cornerstone Wealth Management Group has also updated Items 4 and 5 to include a new third-party platform called Pontera Solutions Inc.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Cornerstone Wealth, LLC DBA Cornerstone Wealth Management Group (hereinafter “Cornerstone”) is a Limited Liability Company organized in the State of Tennessee. The firm was formed in November 2019, and the owners are Brian Jack Click, CFP® and George Robert Scott, CFP®.

B. Types of Advisory Services

Portfolio Management Services

Cornerstone offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Cornerstone creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- **Investment strategy**
- **Asset allocation**
- **Risk tolerance**
- **Personal investment policy**
- **Asset selection**
- **Regular portfolio monitoring**

Cornerstone evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Cornerstone will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Cornerstone seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of Cornerstone’s economic, investment or other financial interests. To meet its fiduciary obligations, Cornerstone attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Cornerstone’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Cornerstone’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings (“IPOs”) and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

“Held-Away” Assets

We use a third-party platform called Pontera Solutions Inc. to facilitate discretionary management of held away assets (e.g. 401(k) accounts, 403(b) accounts, HSA’s, and 529 plans). The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades.

We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an

account(s) to the platform. Once a Client account(s) is connected to the platform, your adviser will review the current account allocations. When deemed necessary, we will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. There is no additional fee for this service.

Financial Planning

Financial plans and financial planning may include but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

Educational Seminars/Workshops

Cornerstone provides periodic educational seminars and workshops to clients and the general public.

Cash Management Services

CORNERSTONE makes available to clients the FICA For Advisors cash management program ("FICA Program") offered by StoneCastle Network, LLC ("StoneCastle"), an affiliate of StoneCastle Cash Management, LLC. The FICA Program allows customers to deposit funds in accounts at banks, savings institutions and credit unions (collectively, "Insured Depositories") in a manner that maintains full insurance of the funds by the Federal Deposit Insurance Corporation ("FDIC") or National Credit Union Administration ("NCUA"), whichever is applicable. Funds will be deposited within StoneCastle's network of Insured Depositories ("Deposit Network"). CORNERSTONE will assist clients in signing up for this program and facilitating the transfer of funds between the client's like-titled brokerage accounts and the FICA account.

Written Acknowledgement of Fiduciary Status

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Services Limited to Specific Types of Investments

Cornerstone generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, non-U.S. securities and private placements. Cornerstone may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

Cornerstone offers the same suite of services to all its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Cornerstone from properly servicing the client account, or if the restrictions would require Cornerstone to deviate from its standard suite of services, Cornerstone reserves the right to end the relationship.

D. Wrap Fee Programs

Cornerstone acts as portfolio manager for and sponsor of a wrap fee program, which is an investment program where the client pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. However, this brochure describes Cornerstone's non-wrap fee advisory services; clients utilizing Cornerstone's wrap fee portfolio management should see Cornerstone's separate Wrap Fee Program Brochure. Cornerstone manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than it would manage non-wrap fee accounts. Cornerstone receives the advisory fee set forth in Item 5 below as a management fee under the wrap fee program. Please also see Item 5 and Item 12 of this brochure.

E. Assets Under Management

Cornerstone has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 172,896,169	\$ 17,675,738	December 2023

Item 5: Fees and Compensation

A. Fee Schedule

Portfolio Management Fees

Total Assets Under Management	Annual Fees
\$1 - \$249,999	1.25%
\$250,000 - \$499,999	1.15%
\$500,000 – 1,499,999	1.00%
\$1,500,000 - \$2,999,999	0.85%
\$3,000,000 - \$4,999,999	0.70%
\$5,000,000+	0.50%

Cornerstone uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based. Client accounts on the Pontera platform will be added to the Client's overall portfolio value for the purposes of calculating fees. Fees for qualified accounts at Pontera will not be deducted from the account, but from one of your other taxable custodian/broker-dealer accounts.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of Cornerstone's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 10 days' written notice.

Financial Planning Fees

- **Fixed Fees** - The negotiated fixed rate for financial planning services is between \$300 and \$2,500.
- **Subscription Fees** - The negotiated recurring subscription fee rate for financial planning services is between \$30 and \$1,000.
- **Hourly Fees** - The negotiated hourly fee for financial planning services is between \$150 and \$300 per hour.

Clients may terminate the agreement without penalty, for a full refund of Cornerstone's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon 10 days written notice.

Educational Seminar/Workshop fees

Cornerstone will charge no fee for our educational seminars and workshops.

Cash Management Fees

CORNERSTONE charges an annual fee of 0.20% of the value of the client's FICA account if a client participates in the FICA cash management program. This fee will be deducted quarterly in arrears from the client's account by the account custodian. This fee is separate and in addition to CORNERSTONE's portfolio management fee.

B. Payment of Fees

Payment of Portfolio Management Fees

Portfolio management fees will be debited from the account, on a quarterly basis. Fees are paid in arrears.

Payment of Financial Planning Fees

Financial planning fees are paid via check, debit from approved investment account, credit/debt card, or debit from a checking or savings account.

- Fixed financial planning fees are paid in arrears upon completion.
- Subscription financial planning fees are paid in arrears upon agreed billing cycle.
- Hourly financial planning fees are paid in arrears upon completion.

C. Client Responsibility For Third Party Fees

Clients are responsible for the payment of all third-party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Cornerstone. Please see Item 12 of this brochure regarding broker- dealer/custodian.

Schwab has eliminated commissions for online trades of equities, ETFs and options (subject to \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to Schwab. We encourage you to review Schwab's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what you would pay for transactions in a non-wrap account please refer to Schwab's most recent pricing schedules available at schwab.com/as pricing guide.

D. Prepayment of Fees

Cornerstone collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

Neither Cornerstone nor its supervised persons accept any 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 does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

Cornerstone generally provides advisory services to the following types of clients:

- ❖ Individuals and Families
- ❖ High-Net-Worth Individuals and Families

There is no account minimum for any of Cornerstone's services.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

Cornerstone's methods of analysis include Fundamental analysis, Modern portfolio theory and Quantitative analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Investment Strategies

Cornerstone uses long term trading.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Modern portfolio theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Quantitative analysis Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both

issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus.

ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF’s shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

Real estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of

present or future environmental legislation and compliance with environmental laws.

Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future.

Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

Structured products are designed to facilitate highly customized risk-return objectives. This is accomplished by taking a traditional security, such as a conventional investment grade bond, and replacing the usual payment features (e.g. periodic coupons and final principal) with non-traditional payoffs derived not from the issuer's own cash flow, but from the performance of one or more underlying assets. The payoffs from these performance outcomes are contingent in the sense that if the underlying assets return "x," then the structured product pays out "y." This means that structured products closely relate to traditional models of option pricing, though they may also contain other derivative types such as swaps, forwards, and futures, as well as embedded features such as leveraged upside participation or downside buffers. Structured products include all risks from options, plus additional risks including counterparty risk, liquidity risk, pricing risk, and credit risk of the issuer.

Private placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither Cornerstone nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Cornerstone nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

IAR's of Cornerstone are independent licensed insurance agents, AND Brian Jack Click is the owner of Cornerstone Risk Management Group, an affiliated insurance agency. From time to time they may offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Cornerstone always acts in the best interest of the client; including the sale of commissionable products to advisory clients.

Clients are in no way required to utilize the services of any representative of Cornerstone in connection with such individual's activities outside of Cornerstone.

Brian Jack Click invests in private securities transactions. At times, clients of Cornerstone Wealth may also participate in the same private securities transactions. Neither Brian Jack Click nor Cornerstone Wealth recommend clients invest in the same private securities transactions in which Brain Jack Click is also invested. These transactions may involve a conflict of interest; however, Cornerstone Wealth always acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest or remain invested in these entities if they do not wish to do so.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

Cornerstone does not utilize nor select third-party investment advisers.

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

A. Fiduciary Duty and Code of Ethics

According to SEC law, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each of its clients. Cornerstone Wealth and its representatives have a fiduciary duty to all clients.

Cornerstone has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Cornerstone's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

Cornerstone does not recommend that clients buy or sell any security in which a related person to Cornerstone or Cornerstone has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of Cornerstone may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Cornerstone to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Cornerstone will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

Adviser collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve potential conflicts of interest.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of Cornerstone may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Cornerstone to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Cornerstone will never engage in trading that operates to the client's disadvantage if representatives of Cornerstone buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on Cornerstone's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and Cornerstone may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in Cornerstone's research efforts. Cornerstone will never charge a premium or commission on transactions beyond the actual cost imposed by the broker-dealer/custodian.

Cornerstone will require clients to use Schwab Institutional, a division of Charles Schwab & Co., Inc.

1. Research and Other Soft-Dollar Benefits

While Cornerstone has no formal soft dollars program in which soft dollars are used to pay for third party services, Cornerstone may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). Cornerstone may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and Cornerstone does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Cornerstone benefits by not having to produce or pay for the research, products or services, and Cornerstone will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that Cornerstone's acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. Brokerage for Client Referrals

Cornerstone receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

Cornerstone will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

B. Aggregating (Block) Trading for Multiple Client Accounts

If Cornerstone buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, Cornerstone would place an aggregate order with the

broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Cornerstone would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client accounts for Cornerstone's advisory services provided on an ongoing basis are reviewed at least annually by Brian J Click, CCO, with regard to clients' respective investment policies and risk tolerance levels. All accounts at Cornerstone are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Brian J Click, CCO. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports.

Clients may request additional plans or reports for a fee.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, Cornerstone's services will generally conclude upon delivery of the financial plan.

C. Content and Frequency of Regular Reports Provided to Clients

Each client of Cornerstone's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Each financial planning client will receive the financial plan upon completion.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

Cornerstone does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Cornerstone's clients.

With respect to Schwab, Cornerstone receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are

available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For Cornerstone client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab also makes available to Cornerstone other products and services that benefit Cornerstone but may not benefit its clients' accounts. These benefits may include national, regional or Cornerstone specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Cornerstone by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Cornerstone in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of Cornerstone's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of Cornerstone's accounts. Schwab Advisor Services also makes available to Cornerstone other services intended to help Cornerstone manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to Cornerstone by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Cornerstone. Cornerstone is independently owned and operated and not affiliated with Schwab.

B. Compensation to Non – Advisory Personnel for Client Referrals

Cornerstone may also receive client referrals from entities such as lead generator firms. In order to receive a referral fee from us, such solicitors must comply with the requirements of the jurisdictions in which they operate. The entity that referred you to us will receive compensation for matched leads on a per lead basis. Clients will not be charged any additional fees or expenses resulting from a referral.

Item 15: Custody

Cornerstone does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the client's custodian. While Cornerstone does not have physical custody of client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds client funds pursuant to the client's account application.

Clients will receive account statements from the custodian and should carefully review those statements for

accuracy. Clients should contact Cornerstone directly if they believe that there may be an error in their statement.

Item 16: Investment Discretion

Cornerstone provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Cornerstone generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

Other than agreed upon management fees due to Cornerstone, this discretionary authority does not grant the Firm the authority to have custody of any assets in the client's account or to direct the delivery of any securities or the payment of any funds held in the account to Cornerstone. The discretionary authority granted by the client to the Firm does not allow Cornerstone to direct the disposition of such securities or funds to anyone except the account holder.

Item 17: Voting Client Securities (Proxy Voting)

Cornerstone acknowledges its fiduciary obligation to vote proxies on behalf of those clients that have delegated to it, or for which it is deemed to have proxy voting authority. Cornerstone will vote proxies on behalf of a client solely in the best interest of the relevant client. Cornerstone has established general guidelines for voting proxies. Cornerstone may also abstain from voting if, based on factors such as expense or difficulty of exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals and individual company facts and circumstances may vary, Cornerstone may vote in a manner that is contrary to the general guidelines if it believes that it would be in a client's best interest to do so. If a proxy proposal presents a conflict of interest between Cornerstone and a client, then Cornerstone will disclose the conflict of interest to the client prior to the proxy vote and, if participating in the vote, will vote in accordance with the client's wishes. Clients may obtain a complete copy of the proxy voting policies and procedures by contacting Cornerstone in writing and requesting such information. Each client may also request, by contacting Cornerstone in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period. Clients can send written requests to the Chief Compliance Officer at brian.click@cornerstonewealthtn.com.

Item 18: Financial Information

A. Balance Sheet

Cornerstone neither requires nor solicits prepayment of more than \$1200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Cornerstone nor its management has any financial condition that is likely to reasonably impair Cornerstone's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

Cornerstone has not been the subject of a bankruptcy petition in the last ten years.