



# Wrap Fee Program Brochure

*This wrap fee program brochure provides information about the qualifications and business practices of Cornerstone Wealth, LLC DBA 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](mailto: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, LLC is also available on the SEC's website at <https://adviserinfo.sec.gov>. Cornerstone Wealth, LLC'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, LLC on 03/13/2024 are described below. Material changes relate to Cornerstone Wealth, LLC's policies, practices, or conflicts of interests.

- Cornerstone Wealth, LLC has updated Items 4 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 (hereinafter “Cornerstone Wealth”) provides portfolio management to clients under this wrap fee program as sponsor and portfolio manager.

#### 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%

Portfolio management fees are withdrawn directly from the client’s accounts with client’s written authorization.

Fees are paid in arrears. Cornerstone Wealth 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. 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 full refund of Cornerstone Wealth’s fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

#### “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. 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.

## **B. Contribution Cost Factors**

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client's account, the adviser's ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

## **C. Additional Fees**

Cornerstone Wealth will wrap third party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) for wrap fee portfolio management accounts. Cornerstone Wealth will charge clients one fee and pay all transaction fees using the fee collected from the client. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that Cornerstone Wealth has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs.

Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, fees associated with "step out" transactions if the account uses different custodians or broker-dealers, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

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](http://schwab.com/as) pricing guide.

## **D. Compensation of Client Participation**

Neither Cornerstone Wealth, nor any representatives of Cornerstone Wealth receive any additional compensation beyond advisory fees for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, Cornerstone Wealth may have a financial incentive to recommend the wrap fee program to clients.

## **Item 5: Types of Clients**

Cornerstone Wealth generally offers advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

There is no account minimum.

## **Item 6: Portfolio Manager Selection and Evaluation**

### **A. Selecting/Reviewing Portfolio Managers**

Cornerstone Wealth will not select outside portfolio managers for management of this wrap fee program. Cornerstone Wealth will be the sole portfolio manager and sponsor for this wrap fee program.

Cornerstone Wealth will use industry standards to calculate portfolio manager performance.

Cornerstone Wealth reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is delivered to clients quarterly and is reviewed by Cornerstone Wealth at least annually.

### **B. Related Persons**

Cornerstone Wealth and its personnel serve as the portfolio managers for all wrap fee program accounts. This is a conflict of interest in that no outside adviser assesses Cornerstone Wealth's management of the wrap fee program. However, Cornerstone Wealth addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program.

### **C. Advisory Business**

Cornerstone Wealth offers ongoing wrap fee portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Cornerstone Wealth 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:

- Determine investment strategy
- Asset allocation
- Assessment of risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Cornerstone Wealth evaluates the current investments of each client with respect to their risk tolerance levels and time horizon.

Cornerstone Wealth 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.

Portfolio management accounts participating in the wrap fee program will not have to pay for transaction or trading fees. Cornerstone Wealth will charge clients one fee and pay transaction fees using the advisory fee collected from the client. Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that Cornerstone Wealth has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs. To address this conflict, Cornerstone Wealth will always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser.

### ***Services Limited to Specific Types of Investments***

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

### ***Client Tailored Services and Client Imposed Restrictions***

Cornerstone Wealth offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client's current situation (income, tax levels, and risk tolerance levels). Clients are not permitted to impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

## ***Wrap Fee Programs***

As discussed herein, Cornerstone Wealth sponsors and acts as portfolio manager for this wrap fee program. Cornerstone Wealth 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. The fees paid to the wrap account program will be given to Cornerstone Wealth as a management fee.

## ***Amounts Under Management***

Cornerstone Wealth has the following assets under management:

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

## ***Performance-Based Fees and Side-By-Side Management***

Cornerstone Wealth 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.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

## ***Methods of Analysis and Investment Strategies***

### **Methods of Analysis**

Cornerstone Wealth's methods of analysis include fundamental analysis, quantitative analysis, and modern portfolio theory.

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

**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.

**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 assets.

### **Investment Strategies**

Cornerstone Wealth uses/recommends long term investing.

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

## ***Material Risks Involved***

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### **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.

**Quantitative Model Risk:** 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.

**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.

### **Investment Strategies**

**Long term investing** 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.*

## ***Risks of Specific Securities Utilized***

**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. Because ETFs use "authorized participants" (APs) as agents to facilitate creations or redemptions (primary market), there is a risk that an AP decides to no longer participate for a particular ETF; however, that risk is mitigated by the fact that other APs can step in to fill the vacancy of the withdrawing AP [an ETF typically has multiple APs] and ETF transactions predominantly take place in the secondary market without need for an AP. Like other liquid securities, ETF pricing changes throughout the trading day and there can be no guarantee that an ETF is purchased at the optimal time in terms of market movements. Moreover, due to market fluctuations, ETF brokerage costs, differing demand and characteristics of underlying securities, and other factors, the price of an ETF can be lower than the aggregate market price of its cash and component individual securities (net asset value – NAV). An ETF is subject to the same market risks as those of its underlying individual securities, and also has internal expenses that can lower investment returns.

**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.

**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.

**Real Estate** exposure (including REITs) entails several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Specifically, 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 retirement products for those who may have the ability to pay a premium now and want to guarantee they receive certain payments or a return on investment 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 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.*

### ***Voting Client Securities (Proxy Voting)***

Cornerstone Wealth 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 Wealth will vote proxies on behalf of a client solely in the best interest of the relevant client and has established general guidelines for voting proxies. Cornerstone Wealth 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 Wealth may vote in a manner that is contrary to the general guidelines if it believes that it doing so would be in a client's best interest. If a proxy proposal presents a conflict of interest between Cornerstone Wealth and a client, then Cornerstone Wealth 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 Wealth in writing and requesting such information. Each client may also request, by contacting Cornerstone Wealth 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.

## **Item 7: Client Information Provided to Portfolio Managers**

All client information material to managing the portfolio (including basic information, risk tolerance, sophistication level, and income level) is provided to the portfolio manager. The portfolio manager will also have access to that information as it changes and is updated.

## **Item 8: Client Contact with Portfolio Managers**

Cornerstone Wealth does not restrict clients from contacting portfolio managers. Cornerstone Wealth's representatives can be contacted during regular business hours using the information on the Form ADV Part 2B cover page.

## **Item 9: Additional Information**

### **A. Disciplinary Action and Other Financial Industry Activities**

#### ***Criminal or Civil Actions***

There are no criminal or civil actions to report.

#### ***Administrative Proceedings***

There are no administrative proceedings to report.

#### ***Self-Regulatory Organization (SRO) Proceedings***

There are no self-regulatory organization proceedings to report.

#### ***Registration as a Broker/Dealer or Broker/Dealer Representative***

Neither Cornerstone Wealth nor its representatives are registered as, or have pending

applications to become, a broker/dealer or a representative of a broker/dealer.

### ***Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor***

Neither Cornerstone Wealth 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.

### ***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 transaction. 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 Brian 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.

### ***Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections***

Cornerstone Wealth does not select third-party investment advisers.

## **B. Code of Ethics, Client Referrals, and Financial Information**

### ***Code of Ethics***

Cornerstone Wealth 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 Wealth's Code of Ethics is available free upon request to any client or prospective client.

### ***Recommendations Involving Material Financial Interests***

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

### ***Investing Personal Money in the Same Securities as Clients***

From time to time, representatives of Cornerstone Wealth may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Cornerstone Wealth 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 Wealth 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.

### ***Trading Securities At/Around the Same Time as Clients' Securities***

From time to time, representatives of Cornerstone Wealth may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Cornerstone Wealth 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 Wealth will never engage in trading that operates to the client's disadvantage if representatives of Cornerstone Wealth buy or sell securities at or around the same time as clients.

The CCO of Cornerstone will monitor Access Persons transactions by collecting quarterly transaction reports and annual holding reports.

### ***Frequency and Nature of Periodic Reviews***

Accounts are reviewed at least annually by Brian J Click, CCO, with regard to clients' respective investment policies and risk tolerance levels.

### ***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).

### ***Content and Frequency of Regular Reports Provided to Clients***

Each client will receive a quarterly account statement from the custodian.

## *Economic Benefits Provided by Third Parties for Advice Rendered to Clients*

Cornerstone Wealth receives access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services 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 Charles Schwab & Co., Inc. Advisor Services. Services provided by Charles Schwab & Co., Inc. Advisor 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 Wealth client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services 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 Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to Cornerstone Wealth other products and services that benefit Cornerstone Wealth but may not benefit its clients' accounts. These benefits may include national, regional or Cornerstone Wealth specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Cornerstone Wealth by Charles Schwab & Co., Inc. 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 Wealth 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 Wealth'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 Wealth's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to Cornerstone Wealth other services intended to help Cornerstone Wealth 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, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to Cornerstone Wealth by independent third parties. Charles Schwab & Co., Inc. 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 Wealth. Cornerstone Wealth is independently owned and operated and not affiliated with Charles Schwab & Co., Inc.

Advisor Services.

### ***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.

### ***Balance Sheet***

Cornerstone Wealth neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### ***Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients***

Cornerstone Wealth does not have any financial condition that would impair its ability to meet contractual commitments to clients.

### ***Bankruptcy Petitions in Previous Ten Years***

Cornerstone Wealth has not been the subject of a bankruptcy petition.

## **Item 10: Requirements For State Registered Advisers**

Please see the “*Recommendations Involving Material Financial Interests*” and “*Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests*” sections above.