

FORM ADV**Uniform Application for Investment Adviser Registration****Part II - Page 1**OMB APPROVAL
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response . . . 9.402

Name of Investment Adviser:

Cornerstone Investment Services, LLC

Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code	Telephone Number
245 Waterman Street, Suite 301	Providence	RI	02906	401	453 - 5550

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**Potential Persons who are not to respond to the collection of information contained in this form are not
required to respond unless the form displays a currently valid OMB control number.**

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Applicant:
Cornerstone Investment Services, LLC

SEC File Number:
801-66355

Date:
04/28/2009

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | |
|---|---------|
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services | 100 % |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services | 0 % |
| <input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above | _____ % |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription | _____ % |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above | _____ % |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which client may use to evaluate securities | _____ % |
| <input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities | _____ % |
| <input type="checkbox"/> (8) Provides a timing service | _____ % |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

Yes No

B. Does applicant call any of the services it checked above financial planning or some similar term?

☒ ☐

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|--|---|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input checked="" type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges | <input checked="" type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of Clients-- Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

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3. Types of Investments Applicant offers advice on the following: (check those that apply)

- A. Equity securities ☒ H. United States governmental securities
- ☒ (1) exchange-listed securities
- ☒ (2) securities traded over-the-counter
- ☒ (3) foreign issuers
- ☒ B. Warrants
- ☒ C. Corporate debt securities
(other than commercial paper)
- ☒ D. Commercial paper
- ☒ E. Certificates of deposit
- ☒ F. Municipal securities
- G. Investment company securities:
- ☒ (1) variable life insurance
- ☒ (2) variable annuities
- ☒ (3) mutual fund shares
- I. Options contracts on:
- ☒ (1) securities
- ☐ (2) commodities
- J. Futures contracts on:
- ☐ (1) tangibles
- ☐ (2) intangibles
- K. Interests in partnerships investing in:
- ☐ (1) real estate
- ☐ (2) oil and gas interests
- ☐ (3) other (explain on Schedule F)
- ☐ L. Other (explain on Schedule F)

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- (1) ☒ Charting
- (2) ☒ Fundamental
- (3) ☒ Technical
- (4) ☒ Cyclical
- (5) ☐ Other (explain on Schedule F)

B. The main sources of information applicant uses include: (check those that apply)

- (1) ☒ Financial newspapers and magazines
- (2) ☒ Inspections of corporate activities
- (3) ☒ Research materials prepared by others
- (4) ☒ Corporate rating services
- (5) ☐ Timing services
- (6) ☒ Annual reports, prospectuses, filings with the Securities and Exchange Commission
- (7) ☒ Company press releases
- (8) ☐ Other (explain on Schedule F)

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- (1) ☒ Long term purchases (securities held at least a year)
- (2) ☒ Short term purchases (securities sold within a year)
- (3) ☒ Trading (securities sold within 30 days)
- (4) ☐ Short sales
- (5) ☒ Margin transactions
- (6) ☒ Option writing, including covered options, uncovered options, or spreading strategies
- (7) ☐ Other (explain on Schedule F)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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5. Education and Business Standards.

Yes No

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....

☒ ☐

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

7. Other Business Activities.(check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☒ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations.(check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

Yes No

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?...

☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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9. Participation of Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☒ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? Yes No
- ☒ ☐

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. For reviews, include their frequency, different levels, and triggers factors. For reviewers, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Please refer to Schedule F, Item 11.A

- B. Describe below the nature and frequency of regular reports to clients on their accounts.
Please refer to Schedule F, Item 11.B

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12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | Yes | No |
|--|-------------------------------------|-------------------------------------|
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (4) commission rates paid? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

- | | Yes | No |
|---|--------------------------|-------------------------------------|
| B. Does applicant or a related person suggest brokers to clients? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

the products, research and services

whether clients may pay commission higher than those obtainable from other brokers in return for those products and services

whether research is used to service all of applicant's accounts or just those accounts paying for it; and

any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|-------------------------------------|-------------------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes | No |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or

- | | | |
|---|--------------------------|-------------------------------------|
| requires prepayment of more than \$500 in fees per client and 6 or more months in advance | Yes | No |
| Has applicant provided a Schedule G balance sheet? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant: Cornerstone Investment Services, LLC	SEC File Number: 801-66355	Date: 04/28/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Cornerstone Investment Services, LLC	IRS Empl. Ident. No.: 05 - 0504786
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Item of Form (identify)	Answer
1.D	<p>This brochure provides information about the qualifications and business practices of Cornerstone Investment Services, LLC (hereinafter "CIS") (Also DBA Cornerstone Money Management in Texas). Please contact, John Riley if you have any questions about the contents of this brochure. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any State securities authority.</p> <p>Additional information about CIS is available on the Internet at http://www.adviserinfo.sec.gov/IAPD/Content/IapdMain/iapd_SiteMap.aspx</p> <p>You can search this site by a unique identifying number, known as a CRD number. The CRD number for CIS is 129164.</p> <p>SERVICES Applicant, Cornerstone Investment Services, LLC (Herein after "CIS") provides the following advisory services to its clients:</p> <p>PORTFOLIO MANAGEMENT CIS manages investment advisory accounts involving Investment Supervisory Services. CIS provides this service to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations. CIS will manage advisory accounts on a discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income) within the context of the Cornerstone Model Portfolio. CIS actively manages portfolios consisting primarily (but not exclusively) of equity and fixed-income securities and mutual funds.</p> <p>Each portfolio is designed to meet a particular investment goal which CIS has determined is suitable to the client's circumstances, including the client's tax situation, income needs, and risk tolerance within the context of the Cornerstone Model Portfolio. Once the appropriate portfolio has been determined, the portfolio will be continuously managed based on the portfolio's goal and on each client's individual needs. Each client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.</p> <p>As part of the services, CIS may consult with the client on financial issues outside of the portfolio managed by CIS. For example, CIS may assist the client in addressing issues regarding retirement or estate planning. However, such services are only provided separately from CIS's portfolio management services.</p> <p>INVESTMENT STRATEGY Our investment strategy is based long term cycles, asset allocation and managing risk. We do not chase performance. Instead we first concentrate on managing risk. (We do not eliminate risk. All investments have some risk.) We believe that if you have the proper asset allocation based on long term economic and market cycles, and manage risk through inversely correlated assets and other methods, performance will naturally follow.</p> <p>Clients can also receive investment advice on a more specific basis based on a Personal Financial Plan. This would be specialized advice based on a client's specific needs and portfolios would be tailored accordingly. Clients are not required to hire CIS to manage their assets when hiring CIS to perform financial planning.</p>

**Schedule F of
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Continuation Sheet for Form ADV
Part II**

Applicant: Cornerstone Investment Services, LLC	SEC File Number: 801-66355	Date: 04/28/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Cornerstone Investment Services, LLC	IRS Empl. Ident. No.: 05 - 0504786
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Item of Form (identify)	Answer
1D. (Cont.)	<p>CONSULTING The various Financial Planning reports available to clients include:</p> <p>ASSET REVIEW A recap of existing client accounts without further explanation. A consolidation of assets into one report.</p> <p>ASSET ALLOCATION A view of assets without regard to account type. The focus is on type of investment. This report shows all assets by investment category, (stocks, bonds, cash) investment objective (growth, income) and specific investments (ABC Fund, XYZ stock or bond)</p> <p>ASSET RE-ALLOCATION A re-allocation of assets designed to meet the investors' stated objectives within the parameters of the then current market environment. This will include a variety of re-allocations at differing risk levels.</p> <p>FINANCIAL PLAN WITH FUTURE PROJECTIONS Financial Planning package including income projections, expense projections, charts and graphs. It also gives a recap of debt and insurance needs.</p> <p>RISK REVIEW This report compares the historic valuations of specific investments to current valuation. It gives a future valuation based on historical norms and lows. It estimates, in real dollar terms, how much risk is in a portfolio. While it is not a guarantee that a specific investment will fall to a given price, it is used as a guide for reducing risk within a portfolio.</p> <p>FUTURE RISK REVIEW This report lays out what consensus estimates are, the future expectations of the earnings of a stock and compares it with current valuation and historic valuation. This report focuses on the future earnings which may or may not be met. (Stock prices are not predicted, just a range of expected prices given earnings and p/e multiples.)</p> <p>RISK REDUCTION This report gives the client a variety of ways in which to reduce the risk of their portfolios. This report does not eliminate risk, only attempt to reduce and manage it.</p> <p>INCOME REVIEW Current income is the focus of this report. It organizes and consolidates the sources of income for investors.</p> <p>INCOME AND EXPENSE REVIEW A review of current and future expenses versus current and future income. To be used by investors needing to budget their income monthly or investors close to retirement or retired.</p> <p>INCOME RE-ALLOCATION A re-allocation of assets designed to meet the needs of clients on a fixed income.</p> <p>ESTATE REVIEW This report gives the client an overview of their current estate situation and recommendations on</p>

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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Cornerstone Investment Services, LLC	IRS Empl. Ident. No.: 05 - 0504786
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Item of Form (identify)	Answer																						
1.D (Cont.)	<p>how to improve their plan. While CIS does not give tax advice or legal advice we recommend clients see the proper professionals to implement an estate plan.</p> <p>INSURANCE REVIEW This report gives the client a clearer picture of their need for either more or less insurance based on their personal financial situation and needs they convey.</p> <p>FEE SCHEDULE</p> <p>PORTFOLIO MANAGEMENT</p> <table> <tr> <td>Assets under management</td><td>Annual Fee</td></tr> <tr> <td>\$100,000 - \$250,000</td><td>2.00%</td></tr> <tr> <td>\$250,001 - \$500,000</td><td>1.75%</td></tr> <tr> <td>\$500,001 - \$750,000</td><td>1.50%</td></tr> <tr> <td>\$750,001 - \$999,999</td><td>1.25%</td></tr> </table> <p>For Amounts \$1,000,000 and above:</p> <table> <tr> <td>First \$1 Million</td><td>1.10%</td></tr> <tr> <td>Second \$1 Million</td><td>1.00%</td></tr> <tr> <td>Third \$1 Million</td><td>0.80%</td></tr> <tr> <td>Next \$2 Million</td><td>0.60%</td></tr> <tr> <td>Next \$5 Million</td><td>0.50%</td></tr> <tr> <td>Over \$10 Million</td><td>0.40%</td></tr> </table> <p>Investors have a choice of 2 different contracts. The Conventional Contract is a customary fee-based money management agreement. The Hybrid Contract combines the Conventional Contract with commission-based investments to give the client potentially lower over-all fees. The details are as follows.</p> <p>Conventional Contract: Clients will be charged quarterly in arrears based on the month end values (market value or fair value in absence of market value, plus any credit balance or minus any debit balance), of the client's account during the previous quarter.</p> <p>All accounts are management fee plus expenses. Accounts will pay ticket charges in addition to the portfolio management fee. When placing security transactions through its broker/dealer, CIS is charged certain transaction and/or "ticket" charges.</p> <p>Therefore, the ticket charge on any transactions for investment advisory clients placed through our broker/dealer will only be as much as these charges, plus any SEC fees and any broker/dealer holdbacks.</p> <p>CIS will endeavor to negotiate favorable ticket charges for its clients with any other broker/dealer that transactions may be placed with.</p> <p>CIS will endeavor to obtain the best execution on transactions as far as it is possible through the broker/dealer used.</p> <p>All fees and charges may be negotiated.</p>	Assets under management	Annual Fee	\$100,000 - \$250,000	2.00%	\$250,001 - \$500,000	1.75%	\$500,001 - \$750,000	1.50%	\$750,001 - \$999,999	1.25%	First \$1 Million	1.10%	Second \$1 Million	1.00%	Third \$1 Million	0.80%	Next \$2 Million	0.60%	Next \$5 Million	0.50%	Over \$10 Million	0.40%
Assets under management	Annual Fee																						
\$100,000 - \$250,000	2.00%																						
\$250,001 - \$500,000	1.75%																						
\$500,001 - \$750,000	1.50%																						
\$750,001 - \$999,999	1.25%																						
First \$1 Million	1.10%																						
Second \$1 Million	1.00%																						
Third \$1 Million	0.80%																						
Next \$2 Million	0.60%																						
Next \$5 Million	0.50%																						
Over \$10 Million	0.40%																						

**Schedule F of
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Continuation Sheet for Form ADV
Part II**

Applicant: Cornerstone Investment Services, LLC	SEC File Number: 801-66355	Date: 04/28/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Cornerstone Investment Services, LLC	IRS Empl. Ident. No.: 05 - 0504786
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Item of Form (identify)	Answer
1.D(Cont.)	<p>Hybrid Contract: The Hybrid Contract potentially reduces the annual management fee charged by reducing the assets included when calculating the annual fee.</p> <p>Clients will be charged quarterly in arrears based on the month end values (market value or fair value in absence of market value, plus any credit balance or minus any debit balance), and according to the predetermined percentage (Modified Asset Base for fee calculation) agreed upon in the Investment Management Agreement. The percentage of the portfolio fee'd will vary slightly (a reasonable amount +/- 2%) from month to month due to market movements and performance.</p> <p>As the portfolio changes value, it may go above preset CIS money management fee levels (Excluding the reasonable amount mentioned above). When it does, CIS will charge the lower rate.</p> <p>When allocating assets for portfolios, CIS utilizes certain mutual funds among other investments. Mutual funds give additional diversification, an additional layer of professional management and access to certain markets and research not normally available through individual investments.</p> <p>When a fund company offers several share classes of the same fund, CIS is able to compare the internal fees of the various classes. If the difference between the internal fees of the Institutional* shares and the Retail shares is significantly less than the annual fee CIS would charge the client, then CIS will usually use the Retail shares. CIS will then exclude those shares from any annual fee CIS would charge the client.</p> <p>Retail shares normally have higher internal fees than Institutional shares, but since CIS doesn't charge it's annual fees on these assets, the overall cost, especially the client's out-of-pocket costs, are lower.</p> <p>All Fees and charges may be negotiated.</p> <p>Example of Hybrid: XYZ fund (a fictional mutual fund) offers A, B, C and I Shares. The client's portfolio is \$500,000. After allocating assets, CIS has determined that \$50,000 should go into XYZ fund.</p> <p>The annual fee on the portfolio is 1.75%. The internal fees on XYZ are as follows: (Example only) A: 1.25% / B: 1.95% / C: 1.99% / I: 1.25%</p> <p>The difference between the Institutional shares (A: load waived, I) and the Retail shares (B,C) is only 0.70% (1.95- 1.25 = 0.70) CIS's annual fee of 1.75% is well above the difference, so we would use for the Retail shares and not charge our management fee on those shares.</p> <p>If CIS used 50% Retail funds in a \$500,000 portfolio, the annual fee of 1.75% would be charged on just \$250,000. So instead of an annual fee of \$8,750, the annual fee charged by CIS would be reduced to \$4,375.</p> <p>All accounts are management fee plus expenses. Accounts will pay ticket charges in addition to the portfolio management fee. When placing security transactions through its broker/dealer, CIS is charged certain transaction and/or "ticket" charges.</p>

**Schedule F of
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Part II**

Applicant: Cornerstone Investment Services, LLC	SEC File Number: 801-66355	Date: 04/28/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Cornerstone Investment Services, LLC	IRS Empl. Ident. No.: 05 - 0504786
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Item of Form (identify)	Answer																								
1.D(Cont.)	<p>Therefore, the ticket charge on any transactions for investment advisory clients placed through our broker/dealer will only be as much as these charges, plus any SEC fees and any broker/dealer holdbacks.</p> <p>CIS will endeavor to negotiate favorable ticket charges for its clients with any other broker/dealer that transactions may be placed with.</p> <p>CIS will endeavor to obtain the best execution on transactions as far as it is possible through the broker/dealer used.</p> <p>All fees and charges may be negotiated.</p> <p>*(A shares are considered institutional shares for this example since many fund companies waive any front-end charge they may have when used in a managed account, thereby having them act like I shares.)</p> <p>Ticket Charges To avoid a conflict of interest that may arise, Cornerstone charges a ticket charge on all transactions. The charges are as follows:</p> <table> <tr> <td>Mutual Funds</td><td>\$15.00</td></tr> <tr> <td>Equities</td><td>\$30.00</td></tr> <tr> <td>Bonds</td><td>\$30.00</td></tr> <tr> <td>Options</td><td>\$30.00</td></tr> </table> <p>Cornerstone may lower the charge at its discretion.</p> <p>Discontinued Contracts Pre-existing clients may have a type of Hybrid contract that CIS no longer offers. It involved a different fee structure that may be higher or lower than the current fee schedule. They also are charged commissions against fees, not to exceed a pre-determined commission ceiling which is determined by what the fee would have been.</p> <p>CONSULTING Fees for specific consulting services will be billed at an hourly rate ranging from \$100.00 - \$250.00 per hour, upon mutual agreement with the client, and shall be due and payable as earned. The hourly rate will be determined by the nature and complexity of the issue to be addressed. An estimate of the total hours will be provided to the client prior to the start of any consulting service.</p> <p>An estimate on the range of fees per report is as follows:</p> <table> <tr> <td>ASSET REVIEW</td><td>\$50.00- \$200.00</td></tr> <tr> <td>ASSET ALLOCATION</td><td>\$50.00- \$250.00</td></tr> <tr> <td>ASSET RE-ALLOCATION</td><td>\$50.00- \$500.00</td></tr> <tr> <td>FINANCIAL PLAN WITH PROJECTIONS</td><td>\$100.00 - \$1,000.00</td></tr> <tr> <td>RISK REVIEW</td><td>\$50.00- \$500.00</td></tr> <tr> <td>FUTURE RISK REVIEW</td><td>\$100.00- \$1,000.00</td></tr> <tr> <td>RISK REDUCTION</td><td>\$50.00- \$500.00</td></tr> <tr> <td>INCOME REVIEW</td><td>\$50.00- \$250.00</td></tr> </table>	Mutual Funds	\$15.00	Equities	\$30.00	Bonds	\$30.00	Options	\$30.00	ASSET REVIEW	\$50.00- \$200.00	ASSET ALLOCATION	\$50.00- \$250.00	ASSET RE-ALLOCATION	\$50.00- \$500.00	FINANCIAL PLAN WITH PROJECTIONS	\$100.00 - \$1,000.00	RISK REVIEW	\$50.00- \$500.00	FUTURE RISK REVIEW	\$100.00- \$1,000.00	RISK REDUCTION	\$50.00- \$500.00	INCOME REVIEW	\$50.00- \$250.00
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**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant: Cornerstone Investment Services, LLC	SEC File Number: 801-66355	Date: 04/28/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Cornerstone Investment Services, LLC	IRS Empl. Ident. No.: 05 - 0504786
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Item of Form (identify)	Answer
1.D(Cont.)	<p>INCOME AND EXPENSE REVIEW \$50.00- \$500.00 INCOME RE-ALLOCATION \$50.00- \$500.00 ESTATE REVIEW \$150.00- \$1,000.00 INSURANCE REVIEW \$50.00- \$500.00</p> <p>GENERAL INFORMATION ON FEES In certain unusual circumstances, Portfolio Management fees may be negotiable. Typically, however, CIS will only negotiate fees for accounts it has pre-determined to be a low maintenance, low turn- over portfolio.</p> <p>Consulting Fees may also be negotiated and grouped together. Since many of the Consulting Reports depend on each other, the fee on 2 or more reports is discounted. A complete work-up, including all reports can not exceed \$2,500.00</p> <p>The fee charged is calculated as described previously and is not charged on the basis of a share of capital gains, or capital appreciation of the funds, or any portion of the funds of an advisory client (Rule 205(a)(1) of the Investment Advisers Act of 1940).</p> <p>A client agreement may be cancelled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any earned, unpaid fees will be due and payable.</p> <p>All fees paid to CIS for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of CIS. In that case, the client would not receive the services provided by CIS which are designated, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives.</p> <p>Accordingly, the client should review both the fees charged by the funds and the fees charged by CIS to fully understand the total amount of the fees to be paid by the client and to thereby evaluate the advisory services being provided.</p> <p>If CIS should recommend the purchase of a mutual fund that pays a sales commission to CIS, CIS will not include this fund in its management fee calculation. This does not include 12b-1 fees or "trails". CIS will endeavor to utilize the share class of a given mutual fund with the lowest internal fee when we do include them in the portion of the portfolio to be charged in our management fee calculation. Sometimes however, even these funds will pay a 12b-1 fee.</p> <p>Proxy Voting: Proxy Voting: As a matter of firm policy and practice, CIS does not accept the authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. CIS, however, may provide advice to clients regarding the clients' voting of proxies.</p>

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5	EDUCATION AND BUSINESS STANDARDS Advisory persons associated with CIS must possess, minimally, a college degree and/or appropriate business experience and all required licenses.
6	<p>EDUCATION AND BUSINESS BACKGROUND</p> <p>John J. Riley Principal officer and Chief Compliance Officer of CIS and member CIS Investment Policy Committee Born 3/25/1958 Ed: Providence College, BA 1980 Business Exp: Cornerstone Investment Services, LLC. 5/05/1999 to present Cantella & Co. Registered Representative, 05/05/1999 to present Paine Webber, Account VP, 05/92 to 05/1999 Dean Witter, Associate VP, 10/85 to 5/92 Licenses: Full Registration/General Securities Representative, Series 7 Uniform Securities Agent State Law Examination, Series 63 Uniform Investment Adviser Law Examination, Series 65 Full Registration / General Securities Principal, Series 24 Research Analyst, Fundamentals, Series 86 Research Analyst, Regulations, Series 87 Insurance License- Rhode Island</p> <p>Michael CM Curtis Vice president of Managed Accounts and memeber CIS Investment Policy Committee Born: Ed: University of Rhode Island, BA 1982 Business Exp: President of Autobahnd Int'l 1990 to 2009 Licenses: Full Registration/General Securities Representative, Series 7 Uniform Investment Advisor Law Examination, Series 66</p> <p>The principal executive officers and other employees of CIS, in their individual capacities, Registered Representative of Cantella & Co., a FINRA registered broker/dealer. As such, these individuals will be able to receive separate, yet customary commission compensation resulting from implementing securities transactions on behalf of advisory clients.</p> <p>While these individuals endeavor at all times to put the interest of the clients first as part of CIS' fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect their judgment when making recommendations.</p>

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7.c	<p>OUTSIDE BUSINESS ACTIVITIES</p> <p>Investment Advisor Reps with Cornerstone are also Registered Representatives of Cantella & Co. In thier capacity as a Registered Representatives, they will have some clients that that have a broker/dealer relationship with them, paying commissions. These clients do not receive investment advice nor does CIS act as their RIA.</p> <p>Investment Advisor Reps with Cornerstone are also licensed to sell insurance and from time to time may offer insurance products to investment advisory clients.</p>
9.b,d,e	<p>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</p> <p>CIS has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. CIS' Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth CIS' practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with CIS may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of CIS that no person employed by CIS shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.</p> <p>To supervise compliance with its Code of Ethics, CIS requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. CIS requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPOs or private placements (limited offerings).</p> <p>CIS requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. CIS' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.</p> <p>CIS will provide a complete copy of its Code of Ethics to any client (or prospective client) upon request to the Chief Compliance Officer at CIS' principal address.</p>
10	<p>CONDITIONS FOR MANAGING ACCOUNTS</p> <p>The minimum account size for investment management is \$250,000, though this minimum may be waived under certain circumstances.</p>
11.a	<p>REVIEWS AND REVIEWERS OF ACCOUNTS</p> <p>Portfolio Management - John Riley of CIS will perform quarterly reviews of client accounts internally. Annual reviews with clients and their CIS rep will also be offered. More frequent reviews may be requested by clients or triggered by changes in variables such as the stock market, political or economic circumstances, or changes in the client's individual circumstances.</p> <p>Financial Planning – If CIS is handling the client's portfolio on a brokerage basis or a Portfolio Management basis, John Riley of CIS will perform quarterly reviews of client accounts internally. Annual reviews with clients and their CIS rep will also be offered. More frequent reviews may be requested by clients or triggered by changes in variables such as the stock market, political or economic circumstances, or changes in the client's individual circumstances. If however, CIS does</p>

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11.b	<p>not handle the assets after a Financial Plan report has been delivered and paid for there is no review.</p> <p>Broker-Dealer – No formal reviews will be conducted for broker-dealer clients, unless they are also Portfolio Management clients, or Financial Planning clients.</p> <p>REGULAR REPORTS PROVIDED TO CLIENTS Portfolio Management - In addition to receiving transaction confirmations and monthly, (quarterly if no monthly activity), statements from the custodian broker-dealer, clients will receive quarterly reports which include portfolio valuation and performance.</p>
12.a	<p>Financial Planning - These client accounts will be reviewed as contracted for at the inception of the advisory relationship.</p> <p>INVESTMENT OR BROKERAGE DISCRETION For discretionary clients, CIS requests that it be provided with written authority to determine which securities and the amounts of securities that are bought and sold.</p> <p>Any limitation on this discretionary authority shall be included in this written authority statement.</p> <p>Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.</p>
12.b	<p>DIRECTED BROKERAGE CIS does not have the discretionary authority to determine the broker/dealer to be used or the commission rates to be paid. CIS requires all clients to utilize Cantella to execute transactions. In directing the use of this particular broker or dealer, it should be understood that CIS will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. A CIS associate, who is also a registered representative of Cantella, shall place these trades through Cantella. In directing the use of Cantella, it should be understood that CIS will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients. While CIS has a reasonable belief that Cantella is able to obtain best execution and competitive prices, CIS will not be independently seeking best execution price capability through other broker dealers.</p>
13	<p>ADDITIONAL COMPENSATION The principal executive officers and other employees of CIS may from time to time, receive 12b-1 distribution fees from investment companies in connection with the placement of client funds into investment companies. While these individuals endeavor at all times to put the interest of the clients first as part of CIS's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgement of these individuals when making recommendations.</p> <p>Cornerstone Reps may also be licensed to sell insurance products. They may from time to time offer these products to advisory clients. This will be done when and where appropriate to meet the client's needs. This additional income can cause a conflict of interest that the client should be aware of. CIS endeavors to minimize this by reviewing any and all insurance products sold to advisory clients to</p>

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	<p>determine their appropriateness.</p> <p>Additional Information Nadeau & Simmons, PC is a law firm that provided financial support to CIS. They do not have control, do not influence the advisory business and do not provide investment advice to clients of CIS.</p> <p>Where appropriate to the needs of the client, CIS may refer clients to this law firm, and vice versa.</p> <p>No fees are paid for such referrals. Any fees charged by the law firm are entirely separate and distinct from the advisory fee charged by CIS.</p> <p>Richard Nadeau, a minority owner of CIS is also a principal in the law firm of Nadeau & Simmons, PC. From time to time, clients may ask for a referral to an attorney and Richard Nadeau will be one of several attorneys recommended if appropriate. Conversely, Richard Nadeau may refer clients to CIS and thereby receive indirect economic benefits as an owner of CIS.</p> <p>James Simmons, a minority owner of CIS is also a principal in the law firm of Nadeau & Simmons, PC. From time to time, clients may ask for a referral to an attorney and James Simmons will be one of several attorneys recommended if appropriate. Conversely, James Simmons may refer clients to CIS and thereby receive indirect economic benefits as an owner of CIS.</p> <p>Block Trading Where appropriate, CIS utilizes the block trading desk at Cantella to execute buys and sells. The allocation of buys is predetermined before the trade is placed, normally as a percentage of the overall portfolio. Some clients may however receive a higher allocation and some may receive a lower allocation as a percentage of their overall portfolio. Some clients may not be included at all if their portfolio or investment risk tolerance or would the investment inappropriate.</p>	

