

Item 1 – Cover Page

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This brochure provides information about the qualifications and business practices of CFG. If you have any questions about the contents of this brochure, please contact Dale Engskov at 402-758-0700. 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 CFG is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for CFG. You may search for information by using the firm's CRD number. The CRD number for CFG is **CRD# 129246**.

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

Item 2 – Material Changes

There have been no material changes to this disclosure brochure since filing our last annual update in March 2011. We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

Material changes reflected in this document:

As required by the Dodd–Frank Wall Street Reform and Consumer Protection Act midsize investment advisory firms (firms with Assets Under Management between \$25 Million and \$99 Million) must change their primary regulatory authority from the United States Securities and Exchange Commission to the individual States. Due to this regulatory change Premier Investment Advisory Services is now filing for registration with the State of Nebraska.

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Item 4 – Advisory Business

Cornerstone Financial Group (CFG) is an investment advisor formerly registered with the United States Securities and Exchange Commission (“SEC”) and is currently applying for registration with the State of Nebraska and is a Limited Liability Company (“LLC”) formed under the laws of the State of Nebraska.

CFG was initially registered with the SEC on 06/08/2005.

The firm is primarily owned by Dale Engskov and David Hoppen as the only two members of a limited liability company established in Nebraska. Essentially this makes it a 50% / 50% partnership.

General Description of Primary Advisory Services

The following are brief descriptions of CFG’s primary services. A detailed description of CFG’s services is provided in *Item 5 – Fees and Compensation* so that clients and prospective clients can review the services and description of fees in a side-by-side manner.

Financial Planning Services - CFG provides advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focuses on a client’s overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of a financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

Asset Management Services - CFG provides advisory services in the form of Asset Management Services. Asset Management Services involve providing clients with continuous and on-going supervision over client accounts. This means that CFG will continuously monitor a client’s account and make trades in client accounts when necessary.

Outside Money Managers - CFG provides advisory services by referring clients to outside, or unaffiliated, money managers that are registered or exempt from registration as investment advisors. Third-party money managers are responsible for continuously monitoring client accounts and making trades client accounts when necessary.

Specialization.

The firm specializes in providing individualized investment advice through its asset management services.

Limits Advice to Certain Types of Investments.

CFG provides investment advice on the following types of investments.

- No-Load (i.e. no trading fee) and Load-Waived (i.e. trading fee waived) Mutual Fund Shares
- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Fixed income securities (i.e. bonds)
- Closed-End Funds and Exchange Traded Funds (ETFs)
- Foreign Issues
- Warrants

- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- United States government securities
- Options contracts on securities and commodities
- Futures contracts on tangibles and intangibles
- Interests in partnerships investing in real estate, oil and gas interests

CFG does not provide advice on hedge funds and other types of private (i.e. non-registered) securities.

When providing Asset Management Services, the firm will typically construct each client's account holdings using mutual funds and equities to build diversified portfolios. It is not Cornerstone Financial Group's typical investment strategy to attempt to time the market but we may increase cash holdings modestly as deemed appropriate, based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations like: low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)

Tailor Advisory Services to Individual Needs of Clients

Cornerstone Financial Group's services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each client on a one-on-one basis through interviews and questionnaires to determine the client's investment objectives and suitability information.

Client Assets Managed by Cornerstone Financial Group

The amount of clients assets managed by CFG totaled \$ \$ 55,879,658.00 as of December 31, 2011. \$55,879,658.00 are managed on a discretionary basis and \$0 are managed on a non-discretionary basis.

Item 5 – Fees and Compensation

In addition to the information provide in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements.

Financial Planning Services:

Cornerstone Financial group, LLC (CFG) is a fee-only financial planning and investment advisory firm. The hourly fee charged can be up to \$500 and is paid after the consultations. Fixed fees refer to written financial plans, which range from \$500 to \$9,000, depending on the complexity of a client's financial

situation. Advice is given on financial concerns, including, but not limited to: investments, budgeting and bill paying, retirement planning, inheritances, and college funding. One half of the fee is due up front, and the balance is due after plan delivery.

Financial planning services terminate upon presentation of the written plan. However, either party may terminate the agreement sooner by providing written notice to the other party. Termination will be effective upon receipt of notification. If services are terminated within five (5) business days of executing the agreement, services will be terminated without penalty and no fees due. If services are terminated after the initial five day period, pre-paid fees will be pro-rated and any unearned refunded to the client.

Asset Management Services:

As an investment advisor, Cornerstone Financial Group will provide each client with an initial asset allocation recommendation. Clients are free to use any broker dealer or custodian they choose however if a client wants us to recommend a broker; they will get a recommendation based on the broker's costs, skills, reputation, dependability and compatibility with the client, and not upon a financial arrangement between us and the account custodian. Cornerstone Financial Group primarily uses TD Ameritrade and Fidelity Investments as the broker dealer and/or custodian for client accounts.

Our Asset Management Services may include, but not necessarily, continuous and regular monitoring and reallocation. CFG provides advice only on an intermittent or periodic basis, upon request of the client, or in response to some market event, such as an account that is reviewed and adjusted on a quarterly basis.

Annual investment management fees typically range from 0.50% to 1%, depending on the size and complexity of the account. The fee is paid either quarterly or monthly, as mutually agreed upon between the client and CFG and can be in arrears or advance, but, in the case of advanced fee collections, not to exceed one quarter in advance. All fees arrangements will be explained in detail in the Asset Management Agreement executed by each client prior to the initiation of management services. If a client cancels investment management services either in writing or verbally, any fees collected in advance but not earned will be refunded on a pro-rata basis.

Fees are billed either quarterly or monthly as a percentage of all assets managed by CFG and agreed upon with the client. CFG shall not be compensated on the basis of a share of capital gains or capital appreciation of the funds.

ANNUAL MANAGEMENT FEE SCHEDULE

Amount Managed	%Fee
\$0 - \$ 1,000,000	1.00%
\$1,000,001 - \$ 5,000,000	0.80%
\$5,000,001 - \$10,000,000	0.65%
above - \$10,000,000	0.50%

Fees on managed accounts will be billed directly to the account. Methods of billing and alternative fee schedules are subject to mutual agreement between CFG and the client and disclosed in the Investment Management Services Agreement.

All fees are negotiable based on the individual needs of the client, the amount of assets under management and the complexity of the client's situation. .

Fees can be billed directly from the clients account or paid directly from client to us. When fees are deducted from the account, you must provide the custodian with written authorization to have fees deducted and paid to us. Upon our discretion, you may be billed and pay fees directly to us. For clients that pay directly, we shall deliver an invoice to the client by the fifth business day of the month subsequent to the most recently ended calendar quarter. Payments shall be due upon your receipt of the invoice. The custodian will send you statements, at least quarterly, showing all disbursements for the account including the amount of the advisory fee, if deducted directly from the account.

Brokerage fees/commissions and/or transaction ticket fees charged by the custodian will be billed directly to you. We will not receive any portion of such commissions or fees from the custodian or client. In addition, you may incur certain charges imposed by third parties other than us in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, and IRA and qualified retirement plan fees. Management fees charged by us are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

Either party may terminate the Asset Management Agreement for services at any time. If services are terminated within five (5) business days of executing the agreement, services will be terminated without penalty and a full refund of all fees due shall be provided. If services are terminated after the initial five day period, we shall provide a pro-rated refund to you based on the number of days service was provided during the final quarter. In the event a client terminates services, termination shall be effective from the time Cornerstone receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of any unearned advisory fees. There will be no penalty charge upon termination. In the event we terminate the relationship, the agreement will be terminated on the seventh (7) day after written notification is delivered to you or such time as may be mutually agreed upon, also subject to the settlement of transactions in progress and the final refund of advisory fees.

Third Party Managed Accounts:

While the use of other investment advisory firms to management client assets is currently not a large part of our practice we have the ability to establish agreements directly with third-party money managers offering a wide range of advisory services, including asset allocation, market timing and portfolio management. We can then refer you to a third-party money manager and the third-party money manager provides asset management and investment advisory services directly to you. This means the third-party money manager is responsible for continuously monitoring your accounts and making trades in your accounts when necessary.

When you agree to engage a third-party investment advisor that we recommend, we are considered a solicitor to the third-party investment advisor. As a result, we are paid a portion of the fee charged and collected by the third-party investment advisor in the form of solicitor fees or consulting fees. Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with SEC Rule 206(4)-3 and applicable state securities rules and regulations.

We are always responsible for assisting you with identifying your risk tolerance and investment objectives. We recommend third-party investment advisors and help determine appropriate investment strategies in relation to your stated investment objectives and risk tolerance. You must enter into an agreement directly with the unaffiliated third-party investment advisor.

Although the third-party investment advisors are responsible for making all investment decisions, we are available to answer questions you may have regarding your account and act as the communication conduit between you and the third-party investment advisors. The third-party investment advisors we recommend generally require discretionary authority to determine the securities to be purchased and sold in your accounts. Neither we nor our representatives have any trading authority with respect to your managed account(s) with the third-party investment advisor(s).

Although we review the performance of numerous third-party investment advisor firms, we enter into only a select number of relationships with third-party investment advisor firms that have agreed to pay us a portion of the overall fee charged to our clients. Therefore, we have a conflict of interest because we only recommend third-party investment advisors that agree to compensate us for referring our clients.

You are advised that there may be other third-party managed programs, not recommended by us, that are suitable for you and that may be more or less costly than arrangements recommended by us. No guarantees can be made that your financial goals or objectives will be achieved by a third-party investment advisor recommended by us. Further, no guarantees of performance can ever be offered by us. See **Item 8, Methods of Analysis, Investment Strategies and Risk of Loss**, for more details.

Trading by outside money managers may trigger wash sale rule implications. You are encouraged to consult with a tax advisor to discuss any tax implications involving your portfolios in this program.

If we recommend a third-party investment advisor to you, a complete description of that advisor's services, fee schedules and account minimums is provided in the advisor's Form ADV Disclosure Brochure. These brochures are provided to you when we initially recommend the third-party investment advisor.

While the actual fee charged to you varies depending on the third-party investment advisor utilized, a portion of the fees charged will be retained by us in the form of solicitor fees or consulting fees. All fees are calculated and collected by the selected third-party investment advisor firm who is responsible for delivering our portion of fee to us.

You may incur additional charges including, but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges and IRA and qualified retirement plan fees. We will never receive any portion of such commissions or fees. We are only compensated by the consulting fee described above. We receive no other compensation in connection with your account managed by a third-party investment advisor. When we negotiate lower fees and expenses charged by third parties, all negotiated improvements are for your benefit.

Additionally, we may select and monitor other money managers for our clients. When we do so, the other money managers pay CFG directly, a portion of the fees generated by referred clients. Clients are free to select any broker or insurance company they wish to purchase securities or insurance products. Clients do not pay directly for this service.

Item 6 – Performance-Based Fees and Side-By-Side Management

Item 6 of the Form ADV Part 2 instructions is not applicable to this Disclosure Brochure because CFG **does not charge or accept performance-based fees** which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

Item 7 – Types of Clients

We generally provides investment advice to the following types of clients:

- Individuals
- High-Net Worth Individuals
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

All clients are required to execute an agreement for services in order to establish a client arrangement with our firm and/or the sponsor of third-party money manager platforms.

Minimum Investment Amounts Required

There are no minimum investment amounts or conditions required for establishing an account managed by CFG. However, all clients are required to execute an agreement for services prior to commencing any work.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Cornerstone Financial Group uses the following methods of analysis in formulating investment advice.

Fundamental - A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

Cornerstone Financial Group uses the following investment strategies when managing client assets and/or providing investment advice.

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Use of Primary Method of Analysis or Strategy

Cornerstone Financial Group's primary method of analysis or strategy is Fundamental Analysis. Some of the risks involved with using this method include below..

The firm's primary strategy involves frequent trading of securities. The frequent trading of securities may have a positive or negative impact on investment performance. Performance from active trading can be lowered due to an increase in brokerage and other transaction costs.

Primarily Recommend One Type of Security

Cornerstone Financial Group primarily recommends only one type of security, Mutual Funds (No Load of Exchange Traded Funds). Some of the risks involved with only recommending Mutual Funds include:

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- **Market Risk** – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systematic risk.
- **Equity (stock) market risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Company Risk**. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Fixed Income Risk. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When our firm invests in a an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Item 9 – Disciplinary Information

This item is not applicable to our brochure because there are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2 instructions that are material to a client's or prospective client's evaluation of our business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

Cornerstone Financial Group is **not** and does **not** have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading advisor, (5) banking or thrift institution, (6) accountant or accounting firm, (7) lawyer or law firm, (8) insurance company or agency, (9) pension consultant, (10) real estate broker or dealer, or (11) sponsor or syndicator of limited partnerships.

Third-Party Money Managers

As described in *Item 4 – Advisory Business* and *Item 5 – Fees and Compensation*, CFG has formed relationships with independent, third-party money managers.

While currently not significant or material portion of our business Cornerstone Financial Group may recommend clients work directly with third-party money managers. When we refer clients to a third party money manager, you need to know that the firm will receive a portion of the fee charged by the third party money manager. Therefore, the firm has a conflict of interest in that it will only recommend third party money managers that will agree to compensate the firm by paying us a portion of the fees billed to your account managed by the third party money manager.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

We have established a Code of Ethics that will apply to all Cornerstone Financial associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for our Code of Ethics which also covers its Insider Trading and Personal Securities Transactions Policies and Procedures. We are required to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. In the future should Financial Planning Strategies add additional supervised persons upon employment or affiliation, when changes occur and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with the firm's Code of Ethics. We have the responsibility to make sure that the interests of all clients are placed ahead of mine or any potential supervised person's own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. We must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of the firm's Code of Ethics. However, if a client or a potential client wishes to review the firm's Code of Ethics in its entirety, a copy will be provided promptly upon request.

Affiliate and Employee Personal Securities Transactions Disclosure

Cornerstone Financial Group or its associated persons may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of our firm that all persons associated in any manner with the firm must place the interests of our clients ahead of their own when implementing personal investments. Cornerstone Financial Group and its associated persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of their employment unless the information is also available to the investing public upon reasonable inquiry. In order to minimize this conflict of interest, securities recommended by our firm are widely held and publicly traded.

Item 12 – Brokerage Practices

Clients are under no obligation to act on the financial planning recommendations of CFG. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible.

Clients wishing to implement the applicant's advice are free to select any broker they wish and are so informed. Those wishing for the applicant to recommend a broker will get a recommendation based on the broker's costs, skills, reputation, dependability and compatibility with the client, and not upon a financial arrangement between the applicant and the recommended broker.

For accounts managed Cornerstone Financial, we require that all client accounts to be held by an unaffiliated qualified custodian. Typically accounts are held at TD Ameritrade (a broker/dealer Member FINRA and SIPC), Fidelity Investments Ameritrade (a broker/dealer Member FINRA and SIPC) or directly with the Mutual Fund Family. The recommendation of a particular qualified custodian to hold the account is based on past experiences, minimizing commissions and other costs as well as offerings or services the broker/dealer provides that we or the client may require or find valuable such as online access. Clients may pay commissions higher than those obtainable from other broker/dealers in return for those products and services. Commission and fee structures of various broker/dealers are periodically reviewed to ensure clients are receiving best execution. Accordingly, while we will consider competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Therefore, the overall services provided by the broker/dealer are evaluated to determine best execution.

While there will not be a direct linkage between the investment advice provided by Cornerstone Financial and TD Ameritrade or Fidelity, economic benefits may be received that would not be received if we did not use these services to implement the investment advice provided. These benefits may include, but not necessarily be limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; receipt of compliance publications; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors.

Clients should consider that in light of Cornerstone Financial's limited approved trading platforms for advisory accounts we may be limited in our ability to obtain the best execution price and lowest execution costs for each transaction or the product with the lowest internal expenses. Therefore, clients may pay higher commissions or trade execution charges through the trading platforms approved by us than through platforms that have not been approved as trading platforms for our client's investment advisory accounts.

Not all investment advisers restrict or limit the broker/dealers their clients can use. Some investment advisers permit their clients to select any broker/dealer of the client's own choosing.

Handling of Trade Errors.

CFG has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of CFG to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by CFG if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the

gains and it is not permissible for all clients to retain the gain. CFG may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons).

Cornerstone Financial Group will never benefit or profit from trade errors.

Block Trading Policy

Transactions implemented by CFG for client accounts are generally effected independently, unless the firm decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by the firm when CFG believes such action may prove advantageous to clients. When CFG aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among the firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. When CFG determines to aggregate client orders for the purchase or sale of securities, including securities in which CFG may invest, the firm will do so in accordance with the parameters set forth in the SEC No-Action Letter, SMC Capital, Inc. It should be noted, CFG does not receive any additional compensation or remuneration as a result of aggregation.

Item 13 – Review of Accounts

Account Reviews and Reviewers

Dale R. Engskov, Chief Compliance Officer and LLC Member and/or Davie D. Hoppen, LLC Member, review all client accounts. Accounts are reviewed on a portfolio analysis basis.

Account reviews are provided in connection with Asset Management Services. We will contact you at least annually for the purpose of reviewing your account/plan and to determine if there have been changes in financial situations or investment objectives. The calendar is the main triggering factor, although more frequent reviews may also be triggered by changes in your circumstances, your request, or changes within the market. The underlying portfolios used to manage your accounts and holdings within those portfolios are reviewed on a more frequent basis. Portfolios are usually reviewed as frequently as monthly, though no less than quarterly.

Accounts managed by Third Party Advisors are reviewed when Cornerstone Advisory Group receives copies of their account statements, usually quarterly.

Statements and Reports

Clients will receive statements, at least quarterly, from the qualified custodian (e.g. broker/dealers, mutual funds or money manager) at which their accounts are maintained.

Cornerstone Financial Group does not typically prepare regular client reports. **However clients are strongly urged to compare all information received from Cornerstone Financial Group against the account statements received from the client's broker/dealer or qualified custodian.**

Item 14 – Client Referrals and Other Compensation

Cornerstone Financial Group does not directly or indirectly compensate anybody for client referrals.

Cornerstone Financial Group and its associated persons may receive commissions and other incentive awards for the recommendation/sale of annuities and other insurance products. The receipt of this compensation may have an impact on our advice when recommending insurance products to clients. While we endeavor at all times to put the interest of the clients first as a part of our fiduciary duty, you should be aware that the receipt of commission and additional compensation itself creates a conflict of interest.

The only form of other compensation received from advisory services is the fees charged for providing investment advisory services as described in Item 5 of this brochure. CFG receives no other forms of compensation in connection with providing investment advice.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Cornerstone Financial Group is deemed to have custody of client funds and securities whenever Cornerstone Financial Group is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Cornerstone Financial Group will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Cornerstone Financial Group is deemed to have custody, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Cornerstone Financial Group. When clients have questions about their account statements, they should contact Cornerstone Financial Group or the qualified custodian preparing the statement.

When fees are deducted from an account, Cornerstone Financial Group is responsible for calculating the fee and delivering instructions to the custodian. At the same time Cornerstone Financial Group instructs the custodian to deduct fees from the client's account; Cornerstone Financial Group will send the client an invoice itemizing the fee. Itemization shall include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

Item 16 – Investment Discretion

Through its asset management services and upon receiving written authorization from a client, Cornerstone Financial Group will maintain limited trading authorization over client accounts. Upon

receiving written authorization from the client, the firm may implement trades on a **non-discretionary** basis. This means we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to our firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Item 17 – Voting Client Securities

Cornerstone Financial Group will not vote proxies on behalf of your account. While there are some investment advisors that will vote proxies and other corporate decisions on behalf of their clients, we have determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by our firm.

Clients will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by our firm. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us.

Item 18 – Financial Information

This item is not applicable to this brochure. Cornerstone Financial Group does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, CFG has not been the subject of a bankruptcy petition at any time.

Item 19 Requirements for State-Registered Advisers

Executive Officers and Management Personnel

Dale R. Engskov, Chief Compliance Officer and LLC Member, Born 1958

Educational Background:

Midland College, Bachelor's Degree in Business Administration, 1981

The American College - Chartered Financial Consultant*(ChFC) designation obtain in 1995.

** The Chartered Financial Consultant (ChFC) designation is issued by The American College. A candidate for designation must have 3 years of full-time business experience within the 5 years before the designation is awarded. Candidates must complete 6 core and 2 elective courses and pass a proctored final exam for each course. Designates must complete 30 hours of continuing education every 2 years.*

Business Experience:

Cornerstone Financial Group, Member and Chief Compliance Officer 1996 to present

David D. Hoppen, LLC Member, Born 1964

Educational Background:

University of Nebraska; studied Business Management from 1983-1986

Business Experience:

Cornerstone Financial Group, Member 1996 to Present

Other Business Activities

Cornerstone Financial Group is **not** and does **not** have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading advisor, (5) banking or thrift institution, (6) accountant or accounting firm, (7) lawyer or law firm, (8) insurance company or agency, (9) pension consultant, (10) real estate broker or dealer, or (11) sponsor or syndicator of limited partnerships.

Third-Party Money Managers

As described in *Item 4 – Advisory Business* and *Item 5 – Fees and Compensation*, CFG has formed relationships with independent, third-party money managers.

While currently not significant or material portion of our business Cornerstone Financial Group may recommend clients work directly with third-party money managers. When we refer clients to a third party money manager, you need to know that the firm will receive a portion of the fee charged by the third party money manager. Therefore, the firm has a conflict of interest in that it will only recommend third party money managers that will agree to compensate the firm by paying us a portion of the fees billed to your account managed by the third party money manager.

No Performance Based Fees

As previously disclosed in Item 6, *(Firm Name)* does not charge performance based fees.

No Arbitrations

Premier Investment Advisors or any of its associated persons have not been the subject of any client arbitrations or similar legal disputes.

Material Relationship Maintained by this Advisory Business or Management persons with Issuers of Securities

None to report

CUSTOMER PRIVACY POLICY NOTICE

In November of 1999, Congress enacted the Gramm-Leach-Bliley Act (GLBA). The GLBA requires certain financial institutions, such as investment advisor firms, to protect the privacy of customer information. In situations where a financial institution does disclose customer information to nonaffiliated third parties, other than permitted or required by law, customers must be given the opportunity to opt out or prevent such disclosure. Cornerstone Financial does not share or disclose customer information to nonaffiliated third parties except as permitted or required by law.

Cornerstone Financial is committed to safeguarding the confidential information of our clients. We hold all personal information provided by clients in the strictest confidence and it is our objective to protect the privacy of all clients. Except as permitted or required by law, we do not share confidential information about clients with nonaffiliated parties. In the event that there were to be a change in this policy, we will provide clients with written notice and clients will be provided an opportunity to direct the advisor as to whether such disclosure is permissible.

To conduct regular business, Cornerstone Financial may collect personal information from sources such as:

- Information reported by the client on applications or other forms the client provides to me
- Information about the client's transactions implemented by me or others
- Information developed as part of financial plans, analyses or investment advisory services

To administer, manage, service, and provide related services for client accounts, it is necessary for us to provide access to customer information within the firm and to nonaffiliated companies with whom we have entered into agreements with. To provide the utmost service, we may disclose the information below regarding customers and former customers, as necessary, to companies to perform certain services on our behalf.

- Information we receive from the client on applications (name, social security number, address, assets, etc.)
- Information about the client's transactions with us or others (account information, payment history, parties to transactions, etc.)
- Information concerning investment advisory account transactions
- Information about a client's financial products and services transaction with us

Since we share nonpublic information solely to service client accounts, we do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. However, we may also provide customer information outside of the firm as required by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas.

Information Required by Part 2B of Form ADV: *Brochure Supplement - Dale R. Engskov*

The following are responses to each item found in the Form ADV Part 2B instructions.

Item 1 – Cover Page

Dale R. Engskov
Cornerstone Financial Group, LLC
11225 Davenport Street, Suite 102
Omaha, NE 68154
402-758-0700
Date of Brochure: February 17, 2012

Item 2 – Educational Background and Business Experience

Dale R. Engskov, Chief Compliance Officer and LLC Member, Born 1958

Educational Background:

Midland College, Bachelor's Degree in Business Administration, 1981

The American College - Chartered Financial Consultant*(ChFC) designation obtain in 1995.

Business Background:

Cornerstone Financial Group, Member and Chief Compliance Officer 1996 to present

** The Chartered Financial Consultant (ChFC) designation is issued by The American College. A candidate for designation must have 3 years of full-time business experience within the 5 years before the designation is awarded. Candidates must complete 6 core and 2 elective courses and pass a proctored final exam for each course. Designates must complete 30 hours of continuing education every 2 years.*

Item 3 – Disciplinary Information

As previously stated in Item 9 of this Disclosure Brochure, I have never been subject to a legal or disciplinary event.

Item 4 – Other Business Activities

Please see Item 10 of this Disclosure Brochure for details regarding my other business activities.

Item 5 – Additional Compensation

Other than the fees detailed in Item 5 and Item 14 of this Disclosure Brochure, I receive no other compensation related to advisory services provided to clients.

Item 6 – Supervision

Dale R. Engskov is the Chief Compliance Officer of Cornerstone Financial Group and ultimately responsible for the firm's compliance program including establishing procedures designed to monitor and supervise the activities and services provided by the firm and its supervised persons. Mr. Engskov's phone number is 402-758-0700.

Item 7 –Legal and Financial Disclosure

I have not been the subject of any client arbitrations, similar legal disputes or have been the subject of any bankruptcy petitions.

Information Required by Part 2B of Form ADV: *Brochure Supplement* – David D. Hoppen

The following are responses to each item found in the Form ADV Part 2B instructions.

Item 1 – Cover Page

David D. Hoppen
Cornerstone Financial Group, LLC
11225 Davenport Street, Suite 102
Omaha, NE 68154
402-758-0700
Date of Brochure: February 17, 2012

Item 2 – Educational Background and Business Experience

David D. Hoppen, LLC Member, Born 1964

Educational Background:

University of Nebraska; studied Business Management from 1983-1986

Business Background:

Cornerstone Financial Group, Member 1996 to Present

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As previously stated in Item 9 of this Disclosure Brochure, I have never been subject to a legal or disciplinary event.

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